

Annual Report 2019



CORPORATE INFORMATION

as at June 30, 2019

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrugh Zaeem
Director

Naz Khan
Director

Tauqeer Mazhar
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee

Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar
Member

Risk and Compliance Committee

Imran Sarwar
Chairman

Syed Furrugh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrugh Zaeem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Aly Osman

Registered Office

4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi, Pakistan.

Head Office

4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi, Pakistan.
UAN: (92-21) 111-825-262
Fax: (92-21) 32214930

Date of incorporation of the Management Company/ Pension Fund Manager

Incorporated in Pakistan on
3 April 2001 as a Public Limited
Company under the Companies
Ordinance, 1984

Management Quality Rating

AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

Al-Ameen Islamic Sovereign Fund
Launch Date: 07 November 2010

Al-Ameen Islamic Aggressive Income Fund
Launch Date: 20 October 2007

Al-Ameen Islamic Cash Fund
Launch Date: 17 September 2012

Al-Ameen Shariah Stock Fund
Launch Date: 24 December 2006

Al-Ameen Islamic Asset Allocation Fund
Launch Date: 10 December 2013

Al-Ameen Islamic Financial Planning Fund
Launch Date: 23 June 2015

UBL Retirement Savings Fund
Launch Date: 10 May 2010

Al-Ameen Islamic Retirement Savings Fund
Launch Date: 10 May 2010

Al-Ameen Islamic Dedicated Equity Fund
Launch Date: 05 Jan 2016

Al-Ameen Islamic Financial Planning Fund - II
Launch Date: 21 February 2017

UBL Capital Protected Fund - III
Launch Date: 26 January 2017

UBL Financial Planning Fund
Launch Date: 28 September 2017

Al-Ameen Islamic Financial Planning Fund - III
Launch Date: 28 May 2018

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

UBL Special Saving Fund
Launch Date: 09 November 2018

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan

DIRECTORS 'REPORT

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its Al-Ameen series represented by Al-Ameen Islamic Cash Fund (AICF), Al-Ameen Islamic Sovereign Fund (AISF), Al-Ameen Islamic Aggressive Income Fund (AIAIF), Al-Ameen Islamic Asset Allocation Fund (AIAAF), Al-Ameen Shariah Stock Fund (ASSF), Al-Ameen Islamic Dedicated Equity Fund (AIDEF), Al-Ameen Islamic Active Allocation Plan – VI (AIActAP-VI), Al-Ameen Islamic Active Allocation Plan – VII (AIActAP-VII), Al-Ameen Islamic Active Allocation Plan – VIII (AIActAP-VIII), Al-Ameen Islamic Active Allocation Plan – IX (AIActAP-IX), Al-Ameen Islamic Active Allocation Plan – X (AIActAP-X), Al-Ameen Islamic Active Allocation Plan – XI (AIActAP-XI), Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I), Al-Ameen Islamic Active Principal Preservation Plan-II (AIAPPP-II), Al-Ameen Islamic Active Principal Preservation Plan-III (AIAPPP-III), and Al-Ameen Islamic Active Principal Preservation Plan-IV (AIAPPP-IV) for the period ended June 30, 2019.

ECONOMY REVIEW – FY19

The fiscal year 2019 remained for Pakistan's economy with real GDP growth slumping to 3.2% as compared to 5.5% in last year. The prime reason for the sluggish GDP growth were macroeconomic stabilization measures taken by the authorities, specifically; monetary policy tightening, large exchange rate adjustments, curtailment in PSDP spending and other regulatory actions wedged domestic economic activity. These policy measures along with weak performance of agriculture dampened the real GDP growth.

Average headline inflation for FY19 rose to 7.3%, significantly higher than average headline inflation of 3.9% in FY18. Cost push elements were mostly responsible, for instance (i) upward adjustment in electricity and gas prices, which not only directly escalated the CPI's energy component but also augmented the manufacturing costs, (ii) impact of PKR currency depreciation against USD and (iii) rise in food prices jacked up by rise in transportation costs. In addition to this, sharp augmentation in house rents also exaggerated the impact on CPI. Inevitably, to curb the inflationary pressures Monetary Policy Committee decided to increase the interest rates cumulatively by 575 basis points during fiscal year.

On external front, rising current account deficit remained one of the major stumbling blocks for the country during the start of fiscal year; however the stringent measures taken by the authorities yielded some fruits, as the import of goods and services started declining, as the year went on, merchandise imports declined due to reduction in demand for imported power generation and electrical machineries and the conclusion of early harvest projects of CPEC. In addition to this, with the slowdown in economic activity, import of petroleum products and raw material also waned. As a result, import bill declined by 7.2% to USD 52.4bn during FY19 as compared to USD 56.4bn in FY18. Consequently, decline in imports along with decent growth in worker remittance contracted the FY19 CAD by 32% to USD 13.6bn as against the 19.9bn over the same period last year.

On the fiscal side, overall fiscal deficit reached at 5% of GDP during 9MFY19 as against 4.3% of GDP in the same period last year. Deteriorating fiscal conditions were mainly due flattish tax revenue relative to the preceding year. Taxes collected by FBR during the 9MFY19 grew by merely 2.8% as against a hefty growth of 16.2% in the same

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period last year. Moreover, non-tax revenue collection also shriveled mainly due to drop in SBP profits. On the other hand, on the expenditure side, cumulative government spending during 9MFY19 grew by 8% as compared to a growth of 16% last year. Overall expenditure rose despite 41% reduction in PSDP with current expenditure increasing by 17.7% mainly fueled by higher interest payments and defense related expenditure. Resultantly, to finance the gap, government raised borrowings from SBP, non-bank and external sources.

During June'19 two major developments occurred. First, PTI government announced its first budget for FY20, where in the PTI government primarily aims to address the structural issues of very low and lopsided tax collection through removal of tax anomalies/exemptions and documentation of economy, especially the giant services sector which makes up over 60% of the economy and contributes very little to government funds. As revealed in the budget documents, the government aims to increase FBR tax revenues from 10.8% of GDP in FY19 to 12.6% in FY20 and then 15.1% in the next two years. Second, Pakistan also signed a staff-level agreement with IMF for a 3-year Extended Fund Facility (EFF) which has enabled Pakistan to receive USD 6bn over a period of 39 months. The program aims to support Pakistan to reduce domestic as well as external imbalances, increase transparency, improve business environment and remove impediments to the growth of the economy. Structural reforms will also be introduced to supplement economic policies and to put the country on the trajectory of long-term sustainable economic growth.

DEBT MARKET REVIEW

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

STOCK MARKET REVIEW FOR FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing



uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

ISLAMIC FINANCE REVIEW – FY19

The FY19 was a profitable year for the Islamic banking industry, due to a sharp rise in interest rates followed by increasing inflation. As the economy continued to suffer issues of excessive demand and fiscal leakages SBP embarked on a pre-emptive monetary-tightening approach bringing policy rate to 12.25%, registering an increase of 5.75% over the year FY19. Further increase in discount-rates will remain positive for Islamic banks and financial institutions.

Despite high competition from conventional banking systems, Islamic banking industry grew at a good pace in FY19. The asset base of the Islamic Banking Industry grew to PKR 2,790bn (19.5%YoY Mar'19). Deposits of Islamic Banking Industry stood at PKR 2,199bn till March,2019. In terms of market share, Islamic banking industry constituted 15 percent share in assets and 15.6 percent share in deposits of overall banking industry by end March, 2019.

With growing number of Islamic banking branch network and conventional banks setting up Islamic banking windows to attract growing customers a substantial growth in Islamic banking can be anticipated in the following year. Along with this, concerted efforts towards increasing exports, SBP introduced Financing Facility (LTFF) on the basis of Mudarabah which is a Shariah compliant alternative to conventional Long Term Financing Facility (LTFF). This with other Islamic banking institutions providing enhanced Islamic products will aid in meeting growing demand of customers seeking Shariah compliant services.

COMMODITY MARKET REVIEW

At the start of Fiscal year 2019 gold prices remained volatile and declined by 4% in the 1QFY19 mainly due to strong global equity markets and positive expectations of global growth. However, as the year passed on and volatility returned to stock markets along with expectations of global slowdown owing to rising concern between USA-China trade conflicts, gold prices started increasing. By the end of June 2019 gold prices stood at around USD 1,409/oz witnessing a gain of ~13% YoY.



FUTURE OUTLOOK

Given the stabilization measures in place and economy moving along the reform plans we expect macroeconomic indicators to slowly revert back to a stable path. However, for year FY20 we expect overall economic growth to further dampen and improve thereafter. With the re-entry into an IMF program, we expect twin deficits to alleviate and expect a positive improvement in macroeconomic indicators.

On the fiscal side major improvement are yet to be seen, with the government target to keep the primary deficit at ~-0.6% is likely to be funded by reduction in PSDP expenditures. On External front, we expect current account deficit to reach at ~USD 8-9bn in FY20, decline in CAD will be mainly due to shrinkage in imports, lower oil prices, expected growth in worker remittance and exports.

Inflation for FY20 to remain at higher elevated between ~11-12%, higher inflation would be attributed to cost push factors like upward adjustment in electricity and gas prices, expected PKR currency devaluation and its second round impact. Conversely, going forward we expect inflation to taper down.

From the equities perspective earnings growth will remain healthy during FY20 on account of improvement in earnings of dollar hedged energy sector and financials which shall be beneficiaries of rising rates. Despite the increase in fixed income yield, we find tremendous value in the stock market on the back of attractive earning yields and double-digit growth in blue-chip stocks.

We expect KSE-100 index to post healthy returns, as the index is currently trading at forward P/E of 6.3x at a steep discount from its peak of 12.0x in May 2017. Additionally, Pakistan is the cheapest market in comparison to its peers. The market is offering an attractive dividend and earning yields of and ~7.5%/15.0% respectively.

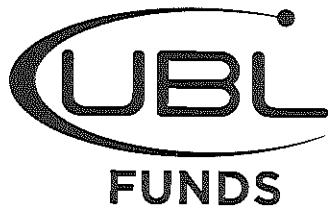
Fund Performance and Announcements

AL-AMEEN ISLAMIC SOVEREIGN FUND (AISF):

The Fund earned total income of PKR 585.656 million for the year ended June 30, 2019 which mainly includes profit income on bank balances, placements and shariah compliant government securities. After accounting for the expenses of PKR 113.231 million, the Fund managed to earn a net income of PKR 472.425 million. The net assets of the Fund were PKR 5,138.21 million as at June 30, 2019 representing the net asset value of PKR 101.0468 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 6.6827 per unit to the unit holders during the period ended June 23, 2019 i.e. (6.68%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the AA- (f) rating for the Fund during the year.



AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND (AIAIF):

The Fund earned total income of PKR 46.20 million for the year ended June 30, 2019 which mainly includes profit income on bank balances, term deposit musharika, shariah compliant government securities and private sector sukuks. After accounting for the expenses of PKR 13.81 million, the Fund managed to earn a net income of PKR 32.388 million. The net assets of the Fund were PKR 456.15 million as at June 30, 2019 representing the net asset value of PKR 100.1259 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 6.3166 per unit to the unit holders during the period ended June 23, 2019 i.e. (6.32%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has maintained the fund stability rating of the fund at BBB+ (f) during the year.

AL-AMEEN ISLAMIC CASH FUND (AICF):

The Fund earned total income of PKR 362.269 million for the year ended June 30, 2019 which mainly includes profit income on bank balances, term deposit musharika and shariah compliant government securities. After accounting for the expenses of PKR 39.385 million, the Fund managed to earn a net income of PKR 322.885 million. The net assets of the Fund were PKR 4,165.97 million as at June 30, 2019 representing the net asset value of PKR 100.3293 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 296.69 million to the unit holders.

JCR-VIS has maintained the fund stability rating of AA (f) during the year.

AL-AMEEN SHARIAH STOCK FUND (ASSF):

The Fund incurred a total loss of PKR 1,066.483 million for the year ended 30 June 2019 (including an unrealized loss of PKR 1,215.781 million on revaluation of investments) as compared to total loss of PKR 906.347 million (including an unrealized loss of PKR 746.627 million on revaluation of investments) during the last year ended June 30, 2018. The earnings of the fund mainly include dividend income amounting to PKR 306.362 million (2018: PKR 330.749 million). After accounting for expenses of PKR 223.916 million, the Fund incur a net loss of PKR 1,290.399 million. The net assets of the Fund were PKR 5,376.71 million as at June 30, 2019 representing the net asset value of PKR 109.5100 per unit.

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (AIAAF):

The Fund incurred a total loss of PKR 17.478 million for the year ended 30 June 2019 (including an unrealized loss of PKR 355.071 million on revaluation of investments) as compared to total income of PKR 62.528 million (including an unrealized loss of PKR 173.532 million on revaluation of investments) during the last year ended



June 30, 2018. The earnings of the fund mainly include income from Shariah compliant placements / government securities and dividend income amounting to PKR 397.115 million. After accounting for expenses of PKR 152.951 million, the Fund incur a net loss of PKR 170.429 million. The net assets of the Fund were PKR 3,599.14 million as at June 30, 2019 representing the net asset value of PKR 112.3411 per unit.

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND (AIDEF):

The Fund incurred a total loss of PKR 931.755 million for the year ended 30 June 2019 (including an unrealized loss of PKR 1,076.130 million on revaluation of investments). The earnings of the fund mainly include income from shariah compliant banks and dividend income amounting to PKR 438.724 million. After accounting for expenses of PKR 266.756 million, the Fund incur a net loss of PKR 1,198.511 million. The net assets of the Fund were PKR 4,657.059 million as at June 30, 2019 representing the net asset value of PKR 96.0227 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-V):

The Plan is matured on August 14, 2018. The net assets of the Plan were PKR 1,743.35 million as at August 14, 2018 representing the net asset value of PKR 103.59 per unit. The Plan incurred total loss of PKR 4.830 million for the period ended on August 14, 2018.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VI):

The Plan incurred total loss of PKR 17.464 million for the year ended June 30, 2019. After accounting for the expenses of PKR 4.026 million, the Plan incur a net loss of PKR 21.490 million. The net assets of the Plan were PKR 379.065 million as at June 30, 2019 representing the net asset value of PKR 87.3138 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VII):

The Plan incurred total loss of PKR 26.509 million for the year ended June 30, 2019. After accounting for the expenses of PKR 4.947 million, the Plan incurred net loss of PKR 31.456 million. The net assets of the Plan were PKR 418.741 million as at June 30, 2019 representing the net asset value of PKR 83.2710 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VIII):

The Plan incurred total loss of PKR 310.974 million for the year ended June 30, 2019. After accounting for the expenses of PKR 10.184 million, the Plan incurred net loss of PKR 321.158 million. The net assets of the Plan were PKR 540.002 million as at June 30, 2019 representing the net asset value of PKR 80.9322 per unit.



AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-IX):

The Plan incurred total loss of PKR 328.221 million for the period ended June 30, 2019. After accounting for the expenses of PKR 8.974 million, the Plan incurred net loss of PKR 337.195 million. The net assets of the Plan were PKR 2,807.982 million as at June 30, 2019 representing the net asset value of PKR 89.0261 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-X):

The Plan incurred total loss of PKR 142.692 million for the period ended June 30, 2019. After accounting for the expenses of PKR 4.377 million, the Plan incurred net loss of PKR 147.069 million. The net assets of the Plan were PKR 1,250.940 million as at June 30, 2019 representing the net asset value of PKR 91.9370 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-I):

The Plan earned total income of PKR 78.783 million for the period ended June 30, 2019. After accounting for the expenses of PKR 5.517 million, the Plan managed to earned net income of PKR 73.266 million. The net assets of the Plan were PKR 1,812.804 million as at June 30, 2019 representing the net asset value of PKR 104.0633 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-III (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-II):

The Plan earned total income of PKR 28.359 million for the period ended June 30, 2019. After accounting for the expenses of PKR 3.607 million, the Plan managed to earned net income of PKR 24.752 million. The net assets of the Plan were PKR 682.637 million as at June 30, 2019 representing the net asset value of PKR 104.0124 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-III (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-III):

The Plan earned total income of PKR 17.372 million for the period from September 25, 2018 to June 30, 2019. After accounting for the expenses of PKR 2.038 million, the Plan managed to earned net income of PKR 15.334 million. The net assets of the Plan were PKR 672.097 million as at June 30, 2019 representing the net asset value of PKR 102.2033 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-III (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-IV):

The Plan earned total income of PKR 5.795 million for the period from December 18, 2018 to June 30, 2019. After accounting for the expenses of PKR 0.667 million, the Plan managed to earned net income of PKR 5.128 million. The net assets of the Plan were PKR 280.426 million as at June 30, 2019 representing the net asset value of PKR 101.5360 per unit.



The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 0.2677 per unit to the unit holders during the period ended June 27, 2019 i.e. (0.26%).

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-III (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-XI):

The Plan incurred total loss of PKR 3.972 million for the period from April 05, 2019 to June 30, 2019. After accounting for the expenses of PKR 0.109 million, the Plan incurred net loss of PKR 4.081 million. The net assets of the Plan were PKR 61.357 million as at June 30, 2019 representing the net asset value of PKR 94.0590 per unit.

STRATEGY, REVIEW AND OUTLOOK OF FUNDS

For Strategy, Review and Outlook of funds, kindly review the respective section of the Fund Manager's report on Annual Report.

CODE OF CORPORATE GOVERNANCE

The Management Company is committed to high standards of corporate governance and the Board of Directors of the Management Company is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Funds remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange.

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- Financial Statements present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holder's fund;
- Proper books of accounts have been maintained by the Funds;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
- Relevant International Financial Reporting Standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Funds' ability to continue as going concern, except for AIACTAP – V and AIACTAP – VI since these have been prepared on a basis other than going concern as these funds will be matured on August 14, 2018 and November 20, 2018.



- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- Performance table of Funds is given in the Annual report;
- The statement as to the value of investments of provident fund is not applicable on the Funds but applies to the Management Company; hence no disclosure is made in the Directors' Report of the Funds;
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements;

Risk framework and Internal Control System:

UBL Fund Managers Limited has in place an approved Risk Management Policy that provides the framework to manage risks associated with its activities. It is designed to identify, assess, monitor and manage risk emanating from across the entity.

UBL Fund Managers Limited follows Enterprise Risk Management (ERM) which is a process, ongoing and flowing through an entity effected by people at every level of an organization applied in strategy setting applied across the enterprise, at every level and unit, and includes taking an entity-level portfolio view of risk designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite.

UBL Fund Managers Limited has total seven directors:

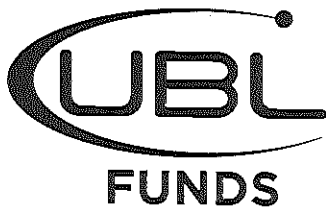
- a) Male: Five Directors;
- b) Female: Two Directors

The composition of board is as follows:

- a) Independent Directors: Two Directors
- b) Executive Directors: One Director
- c) Non-Executive Directors: Four Directors

The UBL Fund Managers Board's primary responsibility is to supervise affairs of the Company and provide direction to its management. The management is responsible to keep the Board informed regarding Company affairs and effectively implement directions and guidelines given by the BOD.

The Board, in exercise of effective governance and internal control system, strives to balance the spectrum of stakeholders of the Company, including its shareholders, unit holders, customers, employees, regulator and the communities in which it operates. In all actions taken by the Board, the Directors exercise independent business judgment in what they reasonably believe to be in the best interests of the Company.



According to best corporate governance practices, the Board of directors of UBL Fund Managers Limited has established several Board Committees to augment Risk Management , Internal Control system and good corporate governance throughout the entity. These Board Committees facilitate the Board and the Management on issues related to their particular area of competence.

The Board has the following committees:

a. Audit Committee

- i. Ms. Naz Khan (Chair-Independent);
- ii. Mr. Imran Sarwar;
- iii. Ms. Sadia Saeed;
- iv. Mr. Tauqeer Mazhar.

b. HR and Remuneration Committee

- i. Mr. Azhar Hameed (Chairman-Independent);
- ii. Ms. Naz Khan;
- iii. Syed Furrukh Zaeem;
- iv. Ms. Sadia Saeed;
- v. Mr. Yasir Qadri

c. Risk Management Committee

- i. Mr. Imran Sarwar (Chairman);
- ii. Mr. Yasir Qadri;
- iii. Mr. Azhar Hameed;
- iv. Syed Furrukh Zaeem;
- v. Mr. Tauqeer Mazhar.

The details as required by the Code of Corporate Governance regarding the pattern of holding are given in their respective financial statements. The name wise detail of associated companies, undertakings and related parties are hereunder:

AL-AMEEN ISLAMIC SOVEREIGN FUND

Name	Closing Units
Shahid Gul Motiwala	41,855
Al-Ameen Islamic Active Principal Preservation Plan - IV	1,975,852
Al-Ameen Islamic Active Principal Preservation Plan - III	4,805,001
Al-Ameen Islamic Active Principal Preservation Plan - II	5,176,274
Al-Ameen Islamic Active Principal Preservation Plan - I	13,749,058



Al-Ameen Islamic Active Allocation Plan-X	3,684,241
Al-Ameen Islamic Active Allocation Plan-VII	1,605,810
Al-Ameen Islamic Active Allocation Plan-VI	1,167,486
Al-Ameen Islamic Active Allocation Plan-9	7,488,011
Al-Ameen Islamic Active Allocation Plan-8	1,882,100
Al-Ameen Islamic Active Allocation Plan - XI	188,643

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

Name	Closing Units
Shahid Gul Motiwala	89,065

AL-AMEEN ISLAMIC CASH FUND

Name	Closing Units
SM Aly Osman	19,671
Shahid Gul Motiwala	21,709
Hadi Hassan Mukhi	7,582
Ashar Siddiqui	15,649
Shafi Gluco-Chem (Pvt) Ltd	4,272,121
Haleema Dayala	4,231,847

AL-AMEEN SHARIAH STOCK FUND

Name	Closing Units
Yasir Qadri	146
Shahid Gul Motiwala	119,055
Hadi Hassan Mukhi	5,944
Ashar Siddiqui	4,340
Ammar Valika	17,427
Amin Gulamani	3,447
CDC Trustee-Punjab Pension Fund Trust	5,431,409
Sindh General Provident Investment Fund	9,229,383



AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

Name	Closing Units
Muhammad Aariz Ahmed	901

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND

Name	Closing Units
Al-Ameen Islamic Active Principal Preservation Plan - IV	770,997
Al-Ameen Islamic Active Principal Preservation Plan - III	1,887,384
Al-Ameen Islamic Active Principal Preservation Plan - II	1,662,605
Al-Ameen Islamic Active Principal Preservation Plan - I	4,415,549
Al-Ameen Islamic Active Allocation Plan-X	9,051,024
Al-Ameen Islamic Active Allocation Plan-VII	2,584,192
Al-Ameen Islamic Active Allocation Plan-VI	2,622,865
Al-Ameen Islamic Active Allocation Plan-9	21,393,663
Al-Ameen Islamic Active Allocation Plan-8	3,637,845
Al-Ameen Islamic Active Allocation Plan - XI	455,614

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- II)

Al-Ameen Islamic Active Allocation Plan - IX (AIACTAP-IX)

Name	Closing Units
Zaheer Ahmad Khan	12,049

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- II)

Al-Ameen Islamic Principal Preservation Plan-I (AIAPPP - I)

Name	Closing Units
Ibrar Hussain Bukhari	2,974,805



AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)
Al-Ameen Islamic Principal Preservation Plan-III (AIAPPP - III)

Name	Closing Units
Multiline Enterprises	968,123

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)
Al-Ameen Islamic Principal Preservation Plan-IV (AIAPPP - IV)

Name	Closing Units
Zaheer Ahmad Khan	8,021
Azra Tajammal Hussain	290,901
Fateh Khan Akhtar	466,172
Export Processing Zones Authority (EPZA)	416,300

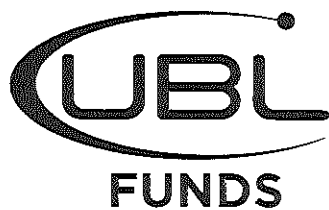
AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)
Al-Ameen Islamic Active Allocation Plan - XI (AIACTAP-XI)

Name	Closing Units
Sakhawat Ali Jaffery Qureshi	145,370
Sulaimaniyah Trust	128,479

- There have been no trades in the units of the Funds' carried out by the Directors, CEO, CFO / COO and Company Secretary and their spouses except as disclosed below and in the notes to the accounts;

AL-AMEEN ISLAMIC SOVEREIGN FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Shahid Gul Motiwala	Chief Business Development Officer	28,270	13,585	-	41,855



AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

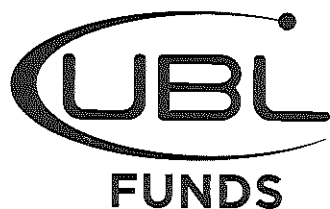
Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Shahid Gul Motiwala	Chief Business Development Officer	120,780	28,321	60,036	89,065

AL-AMEEN ISLAMIC CASH FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Muhammad Aly Osman	Head of Internal Audit & Company Secretary	47,932	49,002	77,263	19,671
Hadi Hassan Mukhi	Head of Compliance	-	23,385	15,803	7,582
Shahid Gul Motiwala	Chief Business Development Officer	1,875	19,834	-	21,709
Ashar Siddiqui	Head of IT	-	25,507	9,858	15,649

AL-AMEEN SHARIAH STOCK FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Hadi Hassan Mukhi	Head of Compliance	5,126	16,322	15,504	5,944
Syed Furrukh Zaeem	Director	47,208	-	47,208	-
Ammar Valika	Head of Sales Strategy & Channel Development	19,815	8,832	11,220	17,427
Amin Gulamani	Head of HR	1,163	2,284	-	3,447
Mohammad Aly Osman	Head of Internal Audit & Company Secretary	-	35,656	35,656	-



Yasir Qadri	CEO	146	14	14	146
Zeeshan Quddus	Chief Business Development Officer	10,052	-	10,052	-
Shahid Gul Motiwala	Chief Business Development Officer	93,544	25,511	-	119,055
Umair Ahmed	CFO & COO	-	2,370	2,370	-
Ashar Siddiqui	Head of IT	-	5,244	904	4,340

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Hadi Hassan Mukhi	Head of Compliance	-	6,620	6,620	-

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III) Al-Ameen Islamic Principal Preservation Plan-IV (AIAPPP – IV)

Name	Designation	Beginning Units	Units issued	Units redeemed	Closing Units
Zaheer Ahmad Khan	Spouse Director	-	8,021	-	8,021

BOARD OF DIRECTORS (BOD)

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

Name of Director	Meetings Attended	28-Aug-18	26-Oct-18	8-Nov-18	11-Dec-18	27-Feb-19	29-Apr-19	6-May-19
Mr. Azhar Hamid	7	✓	✓	✓	✓	✓	✓	✓
Mirza Muhammad Sadeed Hassan Barlas*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	✓	✓	x	✓	✓
Mr. Tauqeer Mazhar**	3	N/A	N/A	✓	✓	x	x	✓
Mr. Yasir Qadri	7	✓	✓	✓	✓	✓	✓	✓
Mr. Zia Ijaz*	0	x	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed**	5	N/A	N/A	✓	✓	✓	✓	✓
Syed Furrukh Zaem	6	✓	✓	✓	x	✓	✓	✓

Name of Key Executives								
S.M. Aly Osman	7	✓	✓	✓	✓	✓	✓	✓
Umair Ahmed	7	✓	✓	✓	✓	✓	✓	✓

* Mr. Zia Ijaz, Mirza M. Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018

** Mr. Tauqeer Mazhar, Ms. Sadia Saeed & Mr. Imran Sarwar appointed as of November 2, 2018

BOARD AUDIT COMMITTEE (BAC)

During the year ended June 30, 2019 six (6) BAC meetings held. The details of attendance are as under:

Members	27-Aug-18	3-Sep-18	25-Oct-18	26-Feb-19	19-Mar-19	29-Apr-19
Mr. Azhar Hamid**	N/A	N/A	✓	N/A	N/A	N/A
Mirza Muhammad Sadeed Hassan Barlas*	✓	✓	N/A	N/A	N/A	N/A
Mr. Imran Sarwar***	N/A	N/A	N/A	×	✓	✓
Mr. Tauqeer Mazhar***	N/A	N/A	N/A	×	✓	✓
Mr. Zia Ijaz*	×	×	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	✓	✓	N/A	N/A	N/A	N/A
Ms. Naz Khan	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	N/A	N/A	N/A	✓	×	✓
Syed Furrukh Zaeem**	N/A	N/A	×	N/A	N/A	N/A
S.M. Aly Osman	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓
Mr. Yasir Qadri ****	-	-	✓	-	✓	-

* Mr. Zia Ijaz, Mirza M. Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018

** Board has reconstituted the committee effective from October 10, 2018

*** Board has reconstituted the committee effective from October 26, 2018

**** on Special Invitation

HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC)

During the year ended June 30, 2019 four (4) HRCC meetings held. The details of attendance are as under:

Attendees	37th BHRCC Meeting Held at 09-11-2018	38th BHRCC Meeting Held at 10-12-2018	39th BHRCC Meeting Held at 08-02-2019	40th BHRCC Meeting Held at 18-04-2019
Mr. Azhar Hamid	✓	✓	✓	✓
Ms. Naz Khan	✓	✓	✓	✓
Ms. Sadia Saeed	✓	✓	✓	✓
Syed Furrukh Zaeem	✓	×	✓	✓
Mr. Imran Sarwar *	✓	-	-	-
Mr. Tauqeer Mazhar *	✓	N/A	N/A	N/A
Mr. Yasir Qadri	✓	✓	✓	✓
Mr. Amin Gulamani	✓	✓	✓	✓

× Absent

N/A Not Applicable

* On Special Invitation



RISK MANAGEMENT COMMITTEE

During the year ended June 30, 2019 four (4) BRCC meetings held. Below is the attendance of Board of Directors:

Attendees	28-Aug-18	25-Oct-18	26-Feb-19	6-May-19
MR. IMRAN SARWAR *	-	-	X	✓
MR..TAUQEER MAZHAR *	-	-	X	✓
MR. SADEED BARLAS **	✓	-	-	-
MR. SYED FURRUKH ZAEEM	✓	✓	✓	✓
MR. YASIR QADRI	✓	✓	✓	✓
MR. AZHAR HAMID	✓	✓	✓	✓
MR. SHAJEEL SHAHID ***	✓	-	-	-
MR. HADI HASSAN MUKHI	✓	✓	-	✓

✓ - ATTENDED MEETING

X - DID NOT ATTEND

* MR. IMRAN SARWAR AND MR. TAUQEER MAZHAR JOINED THE BRCC AS CHAIRMAN AND MEMBER RESPECTIVELY.

** MR. SADEED BARLAS RESIGNED FROM THE BOARD.

*** MR SHAJEEL SHAHID RESIGNED FROM THE BOARD.

As required by the Code, five directors on the Board have completed the Director Training Program (DTP).

All the directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

As required by the Code, five directors on the Board have completed the Director Training Program (DTP).

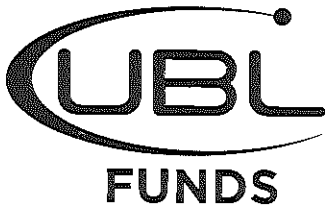
All the directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

AUDITORS

The present auditors as per table below retire on conclusion of the audit for the year ended June 30, 2019:

S.R. No	Name of Fund	Name of auditors as of June 30, 2019	Status of appointment for the year ending June 30, 2020
1	Al Ameen Islamic Cash Fund	M/s BDO Ebrahim & Co., Chartered Accountants	Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years
2	Al Ameen Islamic Financial Planning Fund - II	M/s BDO Ebrahim & Co., Chartered Accountants	Eligible for re-appointment
3	Al Ameen Islamic Dedicated Equity Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	Eligible for re-appointment
4	Al Ameen Islamic Financial Planning Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years
5	Al Ameen Shariah Stock Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years
6	Al Ameen Islamic Asset Allocation Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	Eligible for re-appointment
7	Al Ameen Islamic Aggressive Income Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	Eligible for re-appointment
8	Al Ameen Islamic Financial Planning Fund - III	M/s KPMG Taseer Hadi & Co., Chartered Accountants	Eligible for re-appointment

The auditors, where being eligible, offered themselves for reappointment and where the change in the external auditors is required because of the completion of the maximum time allowed under the NBFC Regulations, the new auditors have consented to be appointed as the external auditors of the firm. The Audit Committee of the Board has recommended their appointment as external auditors for the year ending June 30, 2020.



Acknowledgements

We would like to thank our valued unit holders for their confidence and trust in UBL Fund Managers Limited. In addition, we would like to acknowledge the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee) and Shariah Advisory Board for their continued support, guidance and cooperation. The Board would also like to take this opportunity to express its appreciation to the employees for their dedication, commitment, enthusiasm and hard work.

FOR & ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'Y. Qadri'.

YASIR QADRI
Chief Executive Officer

Karachi Dated: August 30, 2019

UBL Fund Managers Ltd. کے ڈائریکٹر بورڈ مالی سال 2019 کے اختتام پر الامین فنڈز (Al-Ameen Funds) کی سالانہ رپورٹ برائے مالی سال 2019 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

الامین فنڈز کے سلسلے مندرجہ ذیل فنڈز اور پلانز ہیں۔

- الامین اسلامک کیش فنڈ (اے آئی سی ایف)
- الامین اسلامک سوورین فنڈ (اے آئی ایس ایف)
- الامین اسلامک ایگریسیو اکم فنڈ (اے آئی اے آئی ایف)
- الامین اسلامک ایسیٹ ایلو کیشن فنڈ (اے آئی اے اے ایف)
- الامین اسلامک شریعہ اسٹاک فنڈ: (اے آئی ایس ایس ایف)
- الامین اسلامک ڈیڈ ویلکیٹیڈ ایکویٹی فنڈ: (اے آئی ڈی ای فنڈ)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-V (اے آئی اے سی ٹی اے پی-V)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-VI (اے آئی اے سی ٹی اے پی-VI)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-VII (اے آئی اے سی ٹی اے پی-VII)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-VIII (اے آئی اے سی ٹی اے پی-VIII)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-IX (اے آئی اے سی ٹی اے پی-IX)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-X (اے آئی اے سی ٹی اے پی-X)
- الامین اسلامک ایکٹیو ایلو کیشن پلان-XI (اے آئی اے سی ٹی اے پی-XI)
- الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-I (اے آئی اے پی پی پی-I)
- الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-II (اے آئی اے پی پی پی-II)
- الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-III (اے آئی اے پی پی پی-III)
- اور
- الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-IV (اے آئی اے پی پی پی-IV)

معاشی جائزہ برائے مالی سال 2019

مالی سال 2019 میں پاکستان کی مجموعی داخلی پیداوار میں خاطر خواہ کمی واقع ہوئی۔ مالی سال 2018 میں یہ 5.5% تھی جو کہ مالی سال 2019ء میں کم ہو کر 3.2% فیصد رہ گئی۔

اس کی بنیادی وجہ وہ حکومتی اقدامات تھے جو کہ معاشیات کبریٰ کو مستحکم کرنے لئے اٹھائے گئے۔ ان قابل ذکر اقدامات میں نظام زر کو کفایت شعاری کی جانب لے جانا۔ پاکستانی روپے کی قدر میں غیر معمولی کمی کرنا۔ عوامی بہبود کے ترقیاتی منصوبوں کو ایک باقاعدہ نظام کے تحت لانا شامل ہیں۔ علاوہ ازیں زرعی پیداوار کی مایوس کن کارکردگی نے بھی مجموعی داخلی پیداوار پر منفی اثرات مرتب کئے۔

مالی سال 2019 میں افراط زر کی شرح میں اوسطاً 7.3% اضافہ ہوا جو کہ گزشتہ مالی سال 2018ء میں 3.9% تھی۔

پیداواری لاگت میں اضافہ مندرجہ ذیل عناصر کی وجہ سے ہوا۔

1۔ بجلی اور گیس کی قیمتوں میں اضافہ

2۔ پاکستانی روپے کی قدر میں کمی

3۔ مواصلاتی اخراجات میں اضافہ سے روزمرہ اشیاء اور اشیاء خورد و نوش پر بالواسطہ منفی اثرات مرتب ہوئے۔

اس کے ساتھ ساتھ رہائشی کرایوں میں اضافہ نے بھی صارفین کو متاثر کیا۔ لہذا افراط زر کے دباؤ پر قابو پانے کی خاطر مالیاتی ادارے نے شرح سود میں 575 پوائنٹ کا اضافہ کیا۔

بیرونی محاذ پر مالی سال 2019ء کی ابتداء میں مالی خسارہ معاشی ترقی میں رکاوٹ رہا۔ حکومت کی طرف سے لئے گئے سخت اقدامات کے باعث درآمدات میں واضح کمی ہوتی دکھائی دی اور طلب میں کمی کے باعث بجلی پیدا کرنے والے آلات اور مشینری کی درآمدات بھی متاثر ہوئی۔ CPEC کے تحت قبل از وقت تکمیل پانے والے منصوبے بھی اسی میں شامل ہیں۔

معاشی سرگرمیوں میں سست روی کی وجہ سے پیٹرول اور خام مال کی درآمدات میں بھی کمی واقع ہوئی۔ نتیجہً درآمدی اخراجات میں 7.3% کمی واقع ہونے سے یہ اخراجات 52.4 ارب امریکی ڈالر رہ گئے جو کہ مالی سال 2018ء میں 56.4 ارب امریکی ڈالر تھے۔

درآمدات میں کمی اور بیرون ملک پاکستانیوں کے ترسیلات زر سے مالی سال 2019ء کے مالی خسارے میں 32% کمی واقع ہوئی۔ مالی سال 2018 میں یہ خسارہ 19.9 ارب امریکی ڈالر تھا۔ جو کہ مالی سال 2019ء میں کم ہو کر 13.6 ارب امریکی ڈالر رہ گیا۔

مالیاتی رخ پر مالی سال 2019 میں مجموعی مالی خسارہ مجموعی داخلی پیداوار کا 5% ہو گیا جو کہ مالی سال 2018 میں 4.3% تھا اس کی بڑی وجہ محصولات میں کمی تھی۔ مالی سال 2018 کے مقابلے میں FBR محصولات کی مد میں صرف 2.8% کا اضافہ کر سکا۔ گزشتہ مالی سال میں یہ 16.2% تھے اسٹیٹ بینک پاکستان کے منافع میں کمی کے باعث بلا ٹیکس آمدنی بھی کم ہو گئی۔

دوسری جانب سرکاری اخراجات میں اضافہ مالی سال 2019 میں 8% رہا جو کہ گزشتہ سال 2018 میں 16% تھا۔ عوامی بہبود کے ترقیاتی منصوبوں میں 41% کمی کے باوجود موجودہ حکومتی اخراجات میں 17.7 فیصد کا اضافہ ہوا۔ اس میں بڑا حصہ سود کی ادائیگی اور دفاعی اخراجات پر اٹھنے والی رقم شامل ہے۔ آمدنی اور اخراجات کے اس فرق کو کم کرنے کیلئے حکومت نے بینک دولت پاکستان بیرونی اور دیگر ذرائع سے قرض حاصل کئے۔

جون 2019 میں دواہم واقعات رونما ہوئے۔

(i) پاکستان تحریک انصاف کی حکومت سے مالی سال 2020 کا بجٹ پیش کیا۔ ٹیکس کے نظام میں بہتری اسکا بنیادی ہدف تھا۔ قابل ذکر اصلاحات میں محصولات میں کمی نظام میں بے قاعدگی اور استثنائی کو ختم کرنا۔ خاص طور پر بڑی خدمات عامہ کے اداروں کو فائدہ مند بنانا اس میں شامل ہے۔ یہ ادارے معیشت کا 60% حصہ ہیں مگر حکومت کو ادائیگی نہ کر ہونے کے برابر ہیں۔

بجٹ دستاویز کے مطابق حکومت کا ہدف FBR ٹیکس آمدنی کو مالی سال 2019 میں مجموعی داخلی پیداوار کا 10.8% کرنا چاہتی ہے جو کہ 2020ء میں 16.6% اور آئندہ دو برسوں میں 15.1% فیصد متوقع ہے۔

(ii) حکومت پاکستان نے بین الاقوامی مالیاتی فنڈ سے توسیعی مالی وسائل کی سہولت کے معاہدے پر دستخط کئے۔ اس کے مطابق یہ ادارہ پاکستان کو 39 ماہ کی مدت میں 6 ارب امریکی ڈالر فراہم کرے گا۔ اسکا مقصد پاکستان کے داخلی اور خارجی مالی امور کو متوازن کرنا شفافیت کو یقینی بنانا، کاروبار کے لئے سازگار ماحول کا مہیا کرنا اور معیشت کی نشوونما کی راہ میں حائل رکاوٹوں کو دور کرنا ہے۔ ایسی معاشی اصلاحات کی جائیں گی کہ جن پر عمل پیرا ہو کر پاکستان کی معیشت ایک دیرپا استحکام کی راہ پر گامزن ہو جائے گی۔

بازار قرض کا جائزہ

حکومت پاکستان نے مالیاتی سال 2019 میں پاکستان سرمایہ کاری بانڈز کی 12 نیلامیاں کیں۔ 800 ارب روپے کے ہدف کے مقابلے میں 871 ارب روپے حاصل کئے گئے۔ جو کہ مالیاتی سال 2018 میں 1.2 ارب روپے تھے۔ اس کے نتیجے میں پاکستان میں واجب الادا رقم PIB مارکیٹ میں بڑھ کر 769 ارب روپے تک جان پہنچی۔

ان نیلامیوں میں خریداروں کا جھکاؤ 3 سالہ اور 5 سالہ مدت کے بانڈز پر تھا۔ جون 2019 کی نیلامی میں شرح سود مندرجہ ذیل رہی۔
3 سالہ مدت پر 13.69% پانچ سالہ مدت پر 13.8% اور دس سالہ مدت پر 13.5% مقرر کی گئی۔

شرح سود میں اضافہ کے ساتھ ساتھ حکومتی T Bills کی شرح منافع میں بھی اضافہ ہوا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T Bills کی شرح منافع میں بالترتیب 5.97%، 5.95% اور 5.94% رہا۔ بقیہ 3، 5، اور 10 سالہ بانڈز پر منافع میں اضافہ بالترتیب 5.56%، 5.10% اور 4.69% رہا۔ سپاٹ منافع کے Curve کے مطابق ایک سالہ T Bills 13.12% اور 10 سالہ PIB 13.72% کے سالانہ منافع کا پھیلاؤ 30 جون 2019ء کو کم ہو کر 0.59 فیصد ہو گیا۔

شیر (حصص) مارکیٹ کا جائزہ برائے مالیاتی سال 2019

ایک طویل مدت تک کساد بازاری کا شکار پاکستان شیر مارکیٹ کیلئے ایک اور مایوس کن سال رہا۔ مالی سال 2019 میں حصص اشارے نے مسلسل دوسرے سال بھی 19% خسارہ دکھایا۔ اس کی وجوہات مندرجہ ذیل ہیں۔

- 1۔ شرح سود میں متوقع اضافہ 2۔ سست معاشی رفتار 3۔ معاشیات کمزوری کی ابتری 4۔ تیزی سے بڑھنے والے مالی اور تجارتی خسارے اور
- 5۔ پاکستانی روپے کی قدر میں بے انتہائی کمی۔

بڑھتی ہوئی بے یقینی نے مارکیٹ کے کھلاڑیوں کو حد درجہ محتاط کر دیا جس کی وجہ سے اوسط حصص کا حجم 96.3% ملین پر ہی ٹھم گیا۔ خارجی شراکت دار فقط حصص فروخت کرتے رہے جس کی مالیت تقریباً 356 ملین امریکی ڈالر رہی۔

منصفانہ حصص مارکیٹ نے مالی سال کی ابتداء مثبت انداز سے کی جبکہ معیاری اشارے نے جنوری 2019 میں 2 فیصد اضافہ ریکارڈ کیا۔ تاہم بین الاقوامی مالیاتی ادارے سے معاہدے میں تاخیر نے حصص مارکیٹ میں مندی کا رجحان برقرار رکھا اور مارکیٹ کا معیاری انداز 5 ماہ تک تنزلی کا شکار رہا۔ اس کمی میں جن حصص (شیرز) نے منفی کردار ادا کیا ان میں سینٹ، تیل اور گیس مارکیٹنگ، ریفا سزری، آٹوموبائل اور انشورنس شامل ہیں۔

اسلامک مالیاتی جائزہ برائے مالی سال 2019

مالی سال 2019 اسلامک بینکنگ صنعت کے لئے بے حد منافع بخش رہا۔ شرح سود میں ٹیکہ اپن اور اسکے نتیجے میں بڑھتی ہوئی افراط زر اسی کی وجوہات ہیں۔ حد سے بڑھتی ہوئی طلب اور مالیاتی نقصانات کے پیش نظر SBP نے شرح سود میں 5.75% کا اضافہ کر کے سے 12.25% پر پہنچا دیا۔ شرح سود میں مزید اضافہ اسلامک بینک اور اسلامی مالیاتی اداروں کے لئے حد درجہ مثبت اثرات مرتب کرے گا۔

روایتی بینکنگ نظام سے سخت مقابلہ کے باوجود اسلامی بینکنگ صنعت نے مالیاتی سال 2019 میں عمدہ ترقی کی۔ اسلامی بینکنگ صنعت کا بنیادی اثاثہ بڑھ کر 2790 ارب روپے (19.5%) تک پہنچ گیا۔ مارچ 2019 کے اختتام تک بینکاری نظام میں اسلامی بینکنگ کا حصہ مندرجہ ذیل رہا۔

۱۔ اثاثوں کی مد میں 15% اور ۲۔ بچت کھاتوں کی مد میں 15.6%۔

اسلامک بینکنگ کی شاخوں کے پھیلاؤ اور روایتی بینکنگ کا اسلامی کھڑکی کا کھولنا اس امر کی طرف اشارہ کرتا ہے کہ آنے والے برسوں میں اسلامی بینکنگ بہت ترقی پائے گی۔

برآمدات میں اضافہ کی کوششوں میں تیزی لانے کیلئے بینک دولت پاکستان نے اسلامی طویل المدتی قرضہ کی سہولت (ILTFF) کا اجراء کیا۔ جو کہ شریعت کے طالع مضاربہ ہے۔ یہ روایتی بینکنگ نظام کی طویل المدت قرضہ سہولت (LTFF) کا متبادل ہے۔ یہ سہولت ان گاہکوں کی مالیاتی ضروریات کو پورا کرے گا جو کہ شرعی مالیاتی خدمات کو ترجیح دیتے ہیں۔

جنس مارکیٹ کا جائزہ: Commodity Market Review

مالی سال 2019 کے اوائل میں سونے کی قیمتیں ردوبدل کا شکار رہیں۔ اور عالمی شیئر (حصص) مارکیٹ میں استحکام اور مثبت رجحانات کے باعث اسی مالی سال کی پہلی سہ ماہی میں یہ قیمتیں 4% تک کم ہو گئیں۔

اسی سال کے دوران شیئر مارکیٹ میں اتار چڑھاؤ آنا شروع ہوا اور امریکہ، چین تجارتی تنازعہ کے تناظر میں سونے کی قیمت میں اضافہ دیکھنے میں آیا۔ مالی سال 2019ء کے اختتام یعنی جون 2019ء تک سونے کا بھاؤ 14.9 امریکی ڈالر فی آؤنس رہا جو کہ تقریباً 13% منافع کے برابر ہے

مستقبل کا زاویہ نگاہ

حکومت کا معیشت کو سنبھال دینے کے اقدامات اور معیشت کا اصلاحاتی منصوبوں کے مطابق حرکت کو دیکھتے ہوئے ہم یہ توقع کر سکتے ہیں کہ معیشت کبڑی آہستہ آہستہ ایک مستحکم سمت میں گامزن ہو جائے گی۔ تاہم مالی سال 2020ء میں مجموعی معیشت کی شرح نمو میں مزید کمی ہوگی جو کہ بعد میں بہتر ہونا شروع ہو جائے گی۔ بین الاقوامی مالیاتی پروگرام میں دوبارہ داخلہ سے اس بات کا قوی امکان ہے جو وائ خسارے کم ہوں گے اور معیشت کبڑی کی علامات میں مثبت تبدیلی ہوگی۔

مالی رخ پر ابھی کوئی بڑی بہتری نظر نہیں آرہی۔ حکومت نے بنیادی خسارے کا ہدف 0.6% مقرر کیا ہے۔ جو کہ عوامی سود کے منصوبوں کے اخراجات میں کٹوتی سے حاصل ہوگا۔

خارجی رخ پر توقع یہ کی جارہی ہے کہ حالیہ مالی خسارہ مالی سال 2020 میں 8.9 ارب امریکی ڈالر تک جا پہنچے گا۔

مالی خسارے میں کمی کی وجوہات یہ ہیں۔

1. درآمدات میں کمی

2. تیل کی مصنوعات کی قیمتوں میں کمی

3۔ سمندر پار پاکستانیوں کی ترسیل زر میں اضافہ اور

4۔ برآمدات میں اضافہ

افراط زر کی شرح مالی سال 2020 میں 11.12% کی بلند سطح پر قائم رہے گی۔ جس کی وجہ بجلی اور گیس کے نرخوں میں اضافہ اور روپیہ کی شرح تبادلہ میں ردوبدل ہے۔ مگر وقت گزرنے کے ساتھ افراط زر میں بتدریج کمی واقع ہوگی۔

منصفانہ حصص کے تناظر میں دیکھا جائے تو وہ حصص جو کہ امریکی ڈالر سے محدود توانائی کے شعبے سے متعلق بھی بہت حد تک منافع بخش ہوں گے۔ ڈالر کی قیمت میں اضافہ کا براہ راست اثر آمدنی پر مرتب ہوگا۔

باوجود اس کے کہ منجمد آمدنی کے منافع میں اضافہ ہوا، ہم یہ امید رکھتے ہیں کہ پرکشش حصص کے منافع حصص مارکیٹ کے کاروبار میں مثبت تبدیلی لائیں گے۔

ہمیں امید ہے کہ KSE-100 انڈیکس صحت مند منافع لائے گا۔ فی الوقت یہ اشارہ 6.3 پر بک رہا ہے جو کہ مالی 2017 میں 12.0 تھا۔ یہ بات قابل ذکر ہے کہ پاکستان دیگر بڑی حصص مارکیٹ کے مقابلے میں ارزاں ترین ہے۔ پاکستان حصص مارکیٹ 7.5% منافع

اور 15% آمدنی / کمائی پیش کرتا ہے۔

فنڈ کی کارکردگی اور اعلانات

الامین اسلامک کیش فنڈ (اے آئی سی ایف)

مالی سال 30 جون 2019ء میں فنڈ کی کل آمدنی 362.269 ملین روپے رہی۔ آمدنی کا بڑا حصہ بینکوں اور حکومتی سرمایہ کاری اسکیموں کے اضافے پر مبنی ہے۔ فنڈ کے 39.385 ملین روپے کے اخراجات منہا کر کے خالص آمدنی 322.885 ملین روپے رہی۔ فنڈ کا خالص اثاثہ 4165.97 ملین روپے اور فی یونٹ کی قدر 100.3293 روپے رہی۔
بورڈ آف ڈائریکٹرز کی منظوری سے چیف ایگزیکٹو نے 296.69 ملین روپے عارضی منافع حق داروں میں تقسیم کیا۔
JCR-VIS نے فنڈ کو AA(f) کا درجہ دیا۔

الامین اسلامک سوورین فنڈ (اے آئی ایس ایف)

فنڈ کی کل آمدنی بشمول منافع 585.656 ملین روپے
فنڈ کو چلانے کے اخراجات 113.231 ملین روپے
فنڈ کی خالص آمدنی 472.425 ملین روپے
فی یونٹ کی قدر 101.0468 روپے
فنڈ کے کل اثاثے 5138.21 ملین روپے
چیف ایگزیکٹو نے بورڈ کی منظوری سے حصہ داروں میں فی یونٹ 6.6827 روپے منافع کا اعلان کیا (6.68%)

الامین اسلامک ایگریسیو انکم فنڈ (اے آئی اے آئی ایف)

فنڈ کی مجموعی آمدنی برائے 2019ء 46.20 ملین روپے
فنڈ کو چلانے کے اخراجات 13.81 ملین روپے
فنڈ کی خالص آمدنی 32.388 ملین روپے

فنڈ کے خالص اثاثے-----456.15 ملین روپے

فی یونٹ قدر 100.1259 روپے

حصہ داروں میں 6.32% کے حساب سے فی یونٹ 6.3166 روپے عارضی منافع دیا گیا۔

JCR-VIS نے فنڈ کو BBB+(f) کا درجہ دیا۔

الامین اسلامک ایسیٹ ایلوکیشن فنڈ (اے آئی اے اے ایف)

مالی سال 2019 میں فنڈ کو مجموعی طور پر 17.478 ملین روپے خسارہ ہوا۔ اس میں قدر زر میں اضافہ کی وجہ سے 355.071 ملین روپے کا خسارہ شامل ہے۔ جبکہ مالی سال 2018 میں فنڈ کی مجموعی آمدنی 62.528 ملین روپے تھی (قدر زر میں اضافہ کی وجہ سے خسارہ 173.532 ملین روپے)

فنڈ کی آمدنی کے بڑے ذرائع میں شریعہ اور حکومتی سرمایہ کاری اسکیموں میں حاصل کردہ منافع جو کہ 397.115 ملین روپے رہا۔ فنڈ کے اخراجات 152.951 ملین روپے کو کم کر کے بعد فنڈ کو 170.429 ملین روپے خالص خسارہ ہوا۔ فنڈ کے خالص اثاثے مالی سال 2019 کے اختتام پر 3599.14 ملین روپے رہے۔ اس طرح فی یونٹ کی قدر 112.3411 روپے رہی۔

الامین اسلامک شریعہ اسٹاک فنڈ: (اے آئی ایس ایس ایف)

مالی سال 2019 میں فنڈ کو 1066.483 ملین روپے کا خسارہ ہوا۔ (قدر زر میں اضافہ کی وجہ سے خسارہ 1215.781 ملین روپے) جبکہ مالی سال 2018 کا خسارہ 906.347 ملین روپے (قدر زر میں اضافہ کا خسارہ 746.627 ملین روپے) رہا۔ مالی سال 2018 میں فنڈ کو 306.362 ملین روپے منقسم آمدنی کی مد میں ہوئے (2018 میں یہ آمدنی 330.749 ملین روپے تھی)۔ فنڈ کے انتظامی اخراجات 223.916 ملین روپے منہا کرنے سے فنڈ کو 1290.399 ملین روپے خالص خسارہ ہوا۔ فنڈ کے خالص اثاثے برائے مالی سال 2019 میں 5376.71 ملین روپے تھے۔ فی یونٹ کی قدر 109.5100 روپے

الامین اسلامک ڈیڈ ویلٹیٹیوٹ ایکویٹی فنڈ: (اے آئی ڈی ای فنڈ)

مالی سال 2019 فنڈ کو 931.755 ملین روپے کا خسارہ ہوا۔ جس میں قدر زر میں اضافہ کی وجہ سے ہونے والا خسارہ 1076.130 ملین روپے رہا۔ فنڈ کی آمدنی کے ذرائع میں جب شریعہ سرمایہ کاری منقسم منافع شامل ہیں اسکا حجم 438.724 ملین روپے رہا۔ فنڈ کے 266.756 ملین روپے کے اخراجات کو منہا کر کے خالص خسارہ 1198.511 ملین روپے رہا۔ فنڈ کے خالص اثاثے 4657.059 ملین روپے اور فی یونٹ قدر 96.0227 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ

الامین اسلامک ایکٹیوایلوکیشن پلان-V (اے آئی اے اے پی-V)

اس منصوبہ سازی پچت کی مدت 14 اگست 2018 کو پوری ہوئی۔ اس موقع پر اسی منصوبہ کے خالص اثاثے 1743.35 ملین روپے تھے۔ اس طرح فی یونٹ کی قدر 103.59 روپے رہی۔ اسی مدت کے دوران منصوبہ کو 4.830 ملین روپے خالص خسارہ ہوا۔

الامین اسلامک فائینینشل پلاننگ فنڈ

الامین اسلامک ایکٹیوایلوکیشن پلان-VI (اے آئی اے اے پی-VI)

مالی سال 2019 کے اختتام پر اس منصوبہ کو مجموعی طور پر 17.464 ملین روپے کا خسارہ ہوا۔ 4.026 ملین روپے کے اخراجات نکال کر خالص خسارہ 21.490 ملین روپے رہا۔ منصوبہ خالص اثاثے 379.065 ملین روپے اور فی یونٹ کی قدر 87.3138 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیوایلوکیشن پلان-VII (اے آئی اے اے پی-VII)

مالی سال 2019 میں منصوبہ کو 26.509 ملین روپے کا خسارہ ہوا۔ انتظامی اخراجات 4.947 ملین روپے منہا کر کے خالص خسارہ 31.456 ملین روپے رہا۔ منصوبہ کے خالص اثاثے 418.741 ملین روپے اور فی یونٹ کی قدر 83.2710 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیوایلوکیشن پلان-VIII (اے آئی اے اے پی-VIII)

مالی سال 2019 میں منصوبہ کو مجموعی طور پر 310.974 ملین روپے کا خسارہ رہا۔ 10.184 ملین روپے انتظامی اخراجات کو منہا کر کے خالص

خسارہ 321.158 ملین روپے رہا۔ منصوبہ کے خالص اثاثے 540.002 ملین روپے اور فی یونٹ کی قدر 80.9322 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیوایلوکیشن پلان IX (اے آئی اے اے پی IX)

مالی سال 2019 میں منصوبہ کو مجموعی طور پر 328.221 ملین روپے کا خسارہ ہوا۔ 8.974 ملین روپے کے انتظامی اخراجات کو نکال کر خالص خسارہ 337.195 ملین روپے رہا۔ منصوبہ کے خالص اثاثے 2807.982 ملین روپے اور فی یونٹ کی قدر 89.0261 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیوایلوکیشن پلان X (اے آئی اے اے پی X)

مالی سال 2019 کے اختتام پر منصوبہ کو 142.692 ملین روپے کا مجموعی خسارہ ہوا۔ انتظامی اخراجات کو منہا کرنے کے بعد خالص اثاثے 1250.940 ملین روپے رہے اور فی یونٹ کی قدر 91.9370 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیو پرنسپل پر ریزرویشن پلان I (اے آئی اے پی پی پی I)

مالی سال 2019 کے اختتام پر اس منصوبہ کو مجموعی طور پر 78.783 ملین روپے کی آمدنی ہوئی۔ انتظامی اخراجات کو منہا کر کے (جو کہ 5.517 ملین روپے تھے) خالص آمدنی 73.266 ملین روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ II

الامین اسلامک ایکٹیو پرنسپل پر ریزرویشن پلان II (اے آئی اے پی پی پی II)

مالی سال 2019 کے اختتام پر منصوبہ کو مجموعی طور پر 28.359 ملین روپے رہی۔ 3.607 ملین روپے کے انتظامی اخراجات کو نکال کر

خالص آمدنی 24.752 ملین روپے رہی۔ منصوبہ کے خالص اثاثے 682.637 ملین روپے اور فی یونٹ کا خالص قدر 104.0124 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ III

الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-III (اے آئی اے پی پی پی-III)

25 ستمبر 2018 سے 30 جون 2019 کے عرصہ میں منصوبہ کو 17.372 ملین روپے کی کل آمدنی ہوئی۔ 2.038 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد منصوبہ کے خالص اثاثے 672.097 ملین روپے اور فی یونٹ کی خالص قدر 102.2033 روپے رہی۔

الامین اسلامک فائینینشل پلاننگ فنڈ III

الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-IV (اے آئی اے پی پی پی-IV)

18 دسمبر 2018 تا 30 جون 2019 کے عرصہ میں منصوبہ کو مجموعی طور پر 5.775 ملین روپے کی آمدنی ہوئی۔ 0.667 ملین روپے کے انتظامی اخراجات کو منہا کر کے منصوبہ کو 5.128 ملین روپے کی خالص آمدنی ہوئی۔ منصوبہ کے خالص اثاثے 280.426 ملین روپے اور فی یونٹ کی خالص قدر 101.5360 روپے رہی۔

چیف ایگزیکٹو نے بورڈ کی منظوری سے 27 جون 2019 کو 0.26% کے حساب سے 0.2677 روپے فی یونٹ منافع کا اعلان کیا۔

الامین اسلامک فائینینشل پلاننگ فنڈ III

الامین اسلامک ایکٹیو ایلوکیشن پلان-XI (اے آئی اے پی پی-XI)

5 اپریل 2019 تا 30 جون 2019 کے عرصہ میں منصوبہ 3.972 ملین روپے کی خسارہ ہوا۔ 5.109 ملین روپے کے انتظامی اخراجات منہا کرنے کے بعد خالص خسارہ 4.081 ملین روپے رہا۔ منصوبہ کے خالص اثاثے 30 جون 2019 کو 61.357 ملین روپے تھے اور فی یونٹ قدر 94.0590 روپے تھی۔

فنڈ کا نظریہ، حکمت عملی اور جائزہ

اس کے لئے فنڈ مینجرز کی سالانہ رپورٹ کے متعلقہ قطعہ سے استفادہ فرمائیں۔

ضابطہ عمل برائے کمپنی:

یہ کمپنی ضابطہ عمل کے اعلیٰ معیار کو برقرار رکھنے کی پابند ہے اور بورڈ کے ڈائریکٹر حصہ داروں کو اعلیٰ ضابطہ عمل کے لئے جوابدہ ہیں۔ انتظامیہ ہمہ وقت ضابطہ عمل کے اعلیٰ قواعد کے تابع ہے خاص طور پر غیر افسران اعلیٰ کی آزادی سے متعلق فنڈز پاکستان حصص مارکیٹ کے قواعد و ضوابط کے مطابق کاروبار کرتے رہنے کی پابند ہے۔

ضابطہ عمل کی ضروریات کو پورا کرنے کے لئے واضح ہدایات موجد ہیں جو کہ مندرجہ ذیل ہیں۔

- مالیاتی دستاویز فنڈ کے معاملات، حکمت عملی کے نتائج زرنقد کی حرکت اور حصہ دار کے کھاتے میں رد و بدل کی منظر ہوگی۔

- فنڈ زبہی کھاتے درست حالت میں رکھیں گے۔

- مالیاتی دستاویزات کی تیاری میں موزوں حساب کتاب کے ضابطوں سے استفادہ کیا جائے گا۔ اور حسابات کے تخمینے کی بنیاد پر منحصر ہوگی۔

- مالیاتی دستاویزات کی تیاری میں مندرجہ ذیل پاکستانی اور بین الاقوامی مالی قواعد و ضوابط، ضروریات اور ہدایات جاری کرنے والے اداروں سے مدد لی جائے گی۔

International Financial Reporting Standards, Non Banking Finance
Companies (Establishment & Regulation) Rules 2003. Non Banking Finance
Companies and Entities Regulation 2008, Trust Deed of SECP.

- فنڈ کا اندرونی کنٹرول موثر ہوگا اور ہمہ وقت نگرانی میں رہے گا۔

- فنڈز کے متحرک رہنے کی اہلیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں ماسوائے AIACTAP-V اور AIACTAP-VI جو کہ ان سطور پر نہیں تیار کئے گئے ہیں۔ اور وہ اس لئے کہ ان کی مدت تکمیل 14 اگست 2018 اور 20 نومبر 2018 کو ہو گئی ہے۔ حصص مارکیٹ کے قواعد و ضوابط سے ضابطہ ہیئت حاکمہ قطعاً انحراف نہیں کرے گی۔
- فنڈز کی کارکردگی کے جدول سالانہ رپورٹ میں موجود ہیں۔

- پراویڈنٹ فنڈ کی سرمایہ کاری سے متعلق دستاویز کا اطلاق فنڈز پر نہیں ہوگا۔ اس کا اطلاق انتظامی کمپنی پر ہوگا لہذا اس کے بارے میں ڈائریکٹرز رپورٹ خاموش ہوگی۔

- قانونی طور پر نافذ ٹیکس اور محصولات کی ادائیگی کی مالیت مالیاتی دستاویز کا حصہ ہوگی۔

اہتمال ذیباں اور اس کا سدباب

فنڈ کی گرمیوں سے متعلق کسی قسم کے نقصان کے سدباب کے لئے ایک قابل بھروسہ نظام موجود ہے یہ نظام کسی متوقع نقصان کی شناخت، تشخیص اور اس کی روک تھام کے لئے بنایا گیا ہے۔

یو بی ایل فنڈ مینیجر لمیٹڈ کے 7 ڈائریکٹرز ہیں۔

1- مرد ----- 5

2- خواتین ----- 2

بورڈ مندرجہ ذیل اسامیوں پر مشتمل ہے۔

1- آزاد ڈائریکٹر ----- 2

2- ایگزیکٹو ڈائریکٹر ----- 1

3- غیر ایگزیکٹو ڈائریکٹر ----- 4

بورڈ کی اولین ذمہ داری یہ ہے۔ کہ وہ کمپنی کے معاملات کی نگرانی کرے اور ان سے متعلق انتظامیہ کو ہدایات جاری کرے۔ انتظامیہ اس امر کی ذمہ دار ہے کہ وہ بورڈ کو کمپنی کے معاملات سے باخبر رکھے اور موثر طور پر ان ہدایات کا نفاذ کرے جو بورڈ کی جانب سے وقتاً فوقتاً جاری کی جائیں۔

بورڈ موثر کمپنی انتظام اور مضبوط داخلی کنٹرول کو استعمال کرتے ہوئے ہر اس طبقہ میں توازن رکھتا ہے جس کا مفاد اس فنڈ سے وابستہ ہے اس میں حصہ داران، کھاتے دار، گاہک، ملازمین اور وہ سماج جہاں تک اس کی دسترس ہے شامل ہیں۔ بورڈ جو بھی اقدامات کرتا ہے۔ اس میں

ڈائریکٹر صاحبان کی آزادانہ رائے اور ہوش مندی شامل ہے۔ وہ ایسے فیصلے کرنے کے پابند ہوں گے کہ جو کمپنی کے مفادات کو اولین رکھے۔

اعلیٰ کمپنی انتظام کو ملحوظ خاطر رکھتے ہوئے بورڈ نے ادارے کے اندر بورڈ کمیٹیاں تشکیل دی ہیں جو کہ متوقع نقصان کی روک تھام، داخلی کنٹرول کا نظام کو بہتری کی طرف لے جانے کی کوشش کرتی ہیں۔ یہ کمیٹیاں بورڈ اور انتظامیہ کو ان کے دائرہ اختیار میں پیش آنے والے معاملات میں سہولت فراہم کرتی ہیں۔

بورڈ کی مندرجہ ذیل کمیٹیاں ہیں۔

a محاسب کمیٹی	
(Chair-Independent) Ms. Naz Khan	i.
Mr. Imran Sarwar	ii.
Ms. Sadia Saeed	iii.
Mr. Tauqeer Mazhar	iv.

b. افرادی وسائل (HR) اور معاوضہ کمیٹی	
(Chairman-Independent) Mr. Azhar Hameed	i.
Ms. Naz Khan	ii.
Syed Furrukh Zaeem	iii.
Ms. Sadia Saeed	iv.
Mr. Yasir Qadri	v.

c. خطرات انتظامی کمیٹی	
(Chairman) Mr. Imran Sarwar	i.
Mr. Yasir Qadri	ii.
Mr. Azhar Hameed	iii.

ضابطہ کمپنی انتظام کی ضرورت کے پیش نظر فنڈ کے شراکت دار، ذمہ دار، اور متعلقہ پارٹیوں کی تفصیل ناموں کی ترتیب کے ساتھ مندرجہ ذیل جدول میں دی گئی ہے۔

AL-AMEEN ISLAMIC SOVEREIGN FUND

الامین اسلامک سوورین فنڈ (اے آئی ایس ایف)

NAME	CLOSING UNITS
Shahid Gul Motiwala	41,855
Al-Ameen Islamic Active Principal Preservation Plan - IV	1,975,852
Al-Ameen Islamic Active Principal Preservation Plan - III	4,805,001
Al-Ameen Islamic Active Principal Preservation Plan - II	5,176,274
Al-Ameen Islamic Active Principal Preservation Plan - I	13,749,058
Al-Ameen Islamic Active Allocation Plan-X	3,684,241
Al-Ameen Islamic Active Allocation Plan-VII	1,605,810
Al-Ameen Islamic Active Allocation Plan-VI	1,167,486
Al-Ameen Islamic Active Allocation Plan-IX	7,488,011
Al-Ameen Islamic Active Allocation Plan-VIII	1,882,100
Al-Ameen Islamic Active Allocation Plan - XI	188,643

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

الامین اسلامک ایگریسیو انکم فنڈ (اے آئی اے آئی ایف)

NAME	CLOSING UNITS
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Shahid Gul Motiwala	89,065
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AL-AMEEN ISLAMIC CASH FUND

الامین اسلامک کیش فنڈ (اے آئی سی ایف)

NAME	CLOSING UNITS
SM Aly Osman	19,671
Shahid Gul Motiwala	21,709
Hadi Hassan Mukhi	7,582
Ashar Siddiqui	15,649
Shafi Gluco-Chem (Pvt) Ltd	4,272,121
Haleema Dayala	4,231,847

AL-AMEEN SHARIAH STOCK FUND

الامین اسلامک شریعہ اسٹاک فنڈ: (اے آئی ایس ایس ایف)

NAME	CLOSING UNITS
Yasir Qadri	146
Shahid Gul Motiwala	119,055
Hadi Hassan Mukhi	5,944
Ashar Siddiqui	4,340
Ammar Valika	17,427
Amin Gulamani	3,447
CDC Trustee-Punjab Pension Fund Trust	5,431,409
Sindh General Provident Investment Fund	9,229,383

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

الامین اسلامک ایسیٹ ایلوکیشن فنڈ (اے آئی اے اے ایف)

NAME	CLOSING UNITS
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AL-AMEEN ISLAMIC DEDICATED EQUITY FUND

الامین اسلامک ڈیڈیکٹڈ ایکویٹی فنڈ: (اے آئی ڈی ای فنڈ)

NAME	CLOSING UNITS
Al-Ameen Islamic Active Principal Preservation Plan - IV	770,997
Al-Ameen Islamic Active Principal Preservation Plan - III	1,887,384
Al-Ameen Islamic Active Principal Preservation Plan - II	1,662,605
Al-Ameen Islamic Active Principal Preservation Plan - I	4,415,549
Al-Ameen Islamic Active Allocation Plan-X	9,051,024
Al-Ameen Islamic Active Allocation Plan-VII	2,584,192
Al-Ameen Islamic Active Allocation Plan-VI	2,622,865
Al-Ameen Islamic Active Allocation Plan-IX	21,393,663
Al-Ameen Islamic Active Allocation Plan-VIII	3,637,845
Al-Ameen Islamic Active Allocation Plan - XI	455,614

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- II)**Al-Ameen Islamic Active Allocation Plan - IX (AIACAP-IX)**

الامین اسلامک ایکٹیو ایکسچینج پلان-IX (اے آئی اے سی ٹی اے پی-IX)

NAME	CLOSING UNITS
Zaheer Ahmad Khan	12,049

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- II)**Al-Ameen Islamic Principal Preservation Plan-I (AIAPPP - I)**

الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-I (اے آئی اے پی پی- I)

NAME	CLOSING UNITS
Ibrar Hussain Bukhari	2,974,805

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)

Al-Ameen Islamic Principal Preservation Plan-III (AIAPPP - III)

الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-III (اے آئی اے پی پی-III)

NAME	CLOSING UNITS
Ibrar Hussain BukhariMultiline Enterprises	968,123

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)

Al-Ameen Islamic Principal Preservation Plan-IV (AIAPPP - IV)

الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-IV (اے آئی اے پی پی-IV)

NAME	CLOSING UNITS
Zaheer Ahmad Khan	8,021
Azra Tajammal Hussain	290,901
Fateh Khan Akhtar	466,172
Export Processing Zones Authority (EPZA)	416,300

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - (AIFPF- III)

Al-Ameen Islamic Active Allocation Plan - XI (AIACTAP-XI)

الامین اسلامک ایکٹیو ایلوکیشن پلان-XI (اے آئی اے سی ٹی اے پی-XI)

NAME	CLOSING UNITS
Sakhawat Ali Jaffery Qureshi	145,370
Sulaimaniyah Trust	128,479

فنڈز کے ڈائریکٹر، چیف ایگزیکٹو چیف فنانس آفیسر اور کمپنی سیکریٹری اور ان کے شرکاء زندگی کے نام رکھے ہوئے حصص میں کوئی تجارت نہیں ہوئی ماسوائے ان افراد کے جن کے نام مندرجہ ذیل جدول میں دیئے گئے ہیں۔

AL-AMEEN ISLAMIC SOVEREIGN FUND

الامین اسلامک سوورین فنڈ (اے آئی ایس ایف)

Name	Designating	Beginning Units	Units issued	Units issued	Closing Units
Shahid Gul Motiwala	Chief Business Development Officer	28,270	13,585	-	41,855

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

الامین اسلامک ایگریسیو انکم فنڈ (اے آئی اے آئی ایف)

Name	Designating	Beginning Units	Units issued	Units issued	Closing Units
Shahid Gul Motiwala	Chief Business Development Officer	120,780	28,321	60,036	89,065

AL-AMEEN ISLAMIC CASH FUND

الامین اسلامک کیش فنڈ (اے آئی سی ایف)

Name	Designating	Beginning Units	Units issued	Units issued	Closing Units
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Muhammad Aly Osman	Head of Internal Audit & Company Secretary	47,932	49,002	77,263	19,671
Hadi Hassan Mukhi	Head of Compliance	-	23,385	15,803	7,582
Shahid Gul Motiwala	Chief Business Development Officer	1,875	19,834	-	21,709
Ashar Siddiqui	Head of IT	-	25,507	9,858	15,649

AL-AMEEN SHARIAH STOCK FUND

الامین اسلامک شریعہ اسٹاک فنڈ: (اے آئی ایس ایس ایف)

Name	Designating	Beginning Units	Units issued	Units issued	Closing Units
Hadi Hassan Mukhi	Head of Compliance	5,126	16,322	15,504	5,944
Syed Furrukh Zaeem	Director	47,208	-	47,208	-
Ammar Valika	Head of Sales	19,815	8,832	11,220	17,427
Amin Gulamani	Head of HR	1,163	2,284	-	3,447
Mohammad Aly Osman	Head of Internal Audit & Company Secretary	-	35,656	35,656	-
Yasir Qadri	Chief Executive Officer	146	14	14	146

Name of Director	Meetings Attended	28-Aug-18	26-Oct-18	8-Nov-18	11-Dec-18	27-Feb-19	29-Apr-19	6-May-19
Mr. Azhar Hamid	7	✓	✓	✓	✓	✓	✓	✓
Mirza Muhammad Sadeed Hassan Barlas*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	✓	✓	x	✓	✓
Mr. Tahir Mithal**	1	N/A	N/A	✓	✓	x	x	✓

Zeeshan Quddus	Chief Business Development Officer	10,052	-	10,052	-
Shahid Gul Motiwala	Chief Business Development Officer	93,544	25,511	-	119,055
Umair Ahmed	CFO & COO	-	2,370	2,370	-
Ashar Siddiqui	Head of IT	-	5,244	904	4,340

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

الامین اسلامک ایسیٹ ایلوکیشن فنڈ (اے آئی اے اے ایف)

Name	Designating	Beginning Units	Units issued	Units issued	Closing Units
Zaheer Ahmad Khan	Spouse Director	-	8,021	-	8,021

BOARD OF DIRECTORS (BOD) بورڈ کے ڈائریکٹران

مالی سال 2019 میں بورڈ کے ڈائریکٹرز کے اجلاس ہوئے۔ شرکاء کی حاضری کا جدول مندرجہ ذیل ہے۔

Name of Director	Meetings Attended	28-Aug-18	26-Oct-18	8-Nov-18	11-Dec-18	27-Feb-19	29-Apr-19	6-May-19
Mr. Azhar Hanid	7	✓	✓	✓	✓	✓	✓	✓
Mirza Muhammad Sadeed Hassan Barlas*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	✓	✓	x	✓	✓
Mr. Tauqeer Mazhar**	3	N/A	N/A	✓	✓	x	x	✓
Mr. Yasir Qadri	7	✓	✓	✓	✓	✓	✓	✓
Mr. Zia Ijaz*	0	x	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed**	5	N/A	N/A	✓	✓	✓	✓	✓
Syed Furukh Zaem	6	✓	✓	✓	x	✓	✓	✓

Name of Key Executives								
S.M Ali Osman	7	✓	✓	✓	✓	✓	✓	✓
Umair Ahmed	7	✓	✓	✓	✓	✓	✓	✓

* Mr. Sharjeel Shahid اور Mr. Zia Ijaz, Mirza M. Sadeed Barlas کو مستعفی ہوئے۔

** Mr. Tauqeer, Ms. Sadia Saeed & Mr. Imran Sarwar 2 نومبر 2018ء کو تعینات ہوئے۔

BOARD AUDIT COMMITTEE (BAC) بورڈ محاسب کمیٹی

30 جون 2019ء کو ختم ہونے والے مالی سال 2019 کے دوران بورڈ کے 6 اجلاس ہوئے۔ ان کی تفصیل درج ذیل ہے۔

Members	27-Aug-18	3-Sep-18	25-Oct-18	26-Feb-19	19-Mar-19	29-Apr-19
Mr. Azhar Hamid**	N/A	N/A	✓	N/A	N/A	N/A
Mirza Muhammad Sadeed Hassan Barlas*	✓	✓	N/A	N/A	N/A	N/A
Mr. Imran Sarwar***	N/A	N/A	N/A	x	✓	✓
Mr. Tauqeer Mazhar***	N/A	N/A	N/A	x	✓	✓
Mr. Zia Ijaz*	x	x	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	✓	✓	N/A	N/A	N/A	N/A
Ms. Naz Khan	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	N/A	N/A	N/A	✓	x	✓
Syed Furrukh Zaeem**	N/A	N/A	x	N/A	N/A	N/A

S.M. Aly Osman	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓
Mr. Yasir Qadri****	-	-	✓	-	✓	-

* Mr. Sharjeel Shahid اور Mr. Zia Ijaz, Mirza M. Sadeed Barlas 9 اکتوبر 2018 کو مستعفی ہوئے۔

** بورڈ نے 10 اکتوبر 2018 کو کمیٹی کی از سر نو تشکیل کی۔

*** بورڈ نے 26 اکتوبر 2018 کو کمیٹی کی از سر نو تشکیل کی۔

**** دعوت خصوصی

HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC)

انفرادی وسائل (HR) اور معاوضہ کمیٹی

مالی سال 2019 کمیٹی کے 4 اجلاس ہوئے۔ تفصیلات مندرجہ ذیل ہیں۔

Attendees	37th BHRCC Meeting Held at 09-11-2018	38th BHRCC Meeting Held at 10-12-2018	39th BHRCC Meeting Held at 08-02-2019	40th BHRCC Meeting Held at 18-04-2019
Azhar Hamid	✓	✓	✓	✓
Naz Khan	✓	✓	✓	✓
Sadia Saeed	✓	✓	✓	✓
Syed Furrukh Zaeem	✓	x	✓	✓
Imran Sarwar*	✓	-	-	-
Tauqeer Mazhar*	✓	N/A	N/A	N/A
Yasir Qadri	✓	✓	✓	✓
Amin Gulamani	✓	✓	✓	✓

X غیر حاضر N/A ناقابل اطلاق * خصوصی دعوت

RISK MANAGEMENT COMMITTEE

خطرہ منتظم کمیٹی (BRCC)

مالی سال 2019 میں اس کمیٹی کے 4 اجلاس ہوئے۔ بورڈ ڈائریکٹرز کی حاضری کا جدول مندرجہ ذیل ہے۔

Attendees	28-Aug-18	25-Oct-18	26-Feb-19	6-May-19
MR. IMRAN SARWAR *	-	-	X	✓
MR..TAUQEER MAZHAR *	-	-	X	✓
MR. SADEED BARLAS **	✓	-	-	-
MR. SYED FURRU KH ZAEEM	✓	✓	✓	✓
MR. YASIR QADRI	✓	✓	✓	✓
MR. AZHAR HAMID	✓	✓	✓	✓
MR. SHAJEEL SHAHID ***	✓	-	-	-
MR. HADI HASSAN MUKHI	✓	✓	-	✓

✓ حاضر

X غیر حاضر

Mr.Imran Sarwar بطور چیئرمین اور Mr.Tauqeer Mazhar کی بطور ممبر تعیناتی ہوئی۔ *

Mr. Sadeed Barlas بورڈ سے مستعفی ہوئے۔ **

Mr. Sharjeel Shahid بورڈ سے مستعفی ہوئے۔ ***

ضابطہ Corporate Governance کے تحت بورڈ کے 5 ڈائریکٹروں نے ڈائریکٹر تربیت پروگرام مکمل کیا۔

تمام ڈائریکٹرز فنڈ کے قوانین اور قواعد و ضوابط سے بدرجہ اتم آگاہ ہیں۔

فنانس کی پالیسی اور شراکت داروں کے معاملات کے بارے میں اپنی اپنی ذمہ داری کا پورا احساس ہے۔

محاسب AUDITORS

مندرجہ ذیل محاسب 30 جون 2019 کو سبکدوش ہو جائیں گے۔

نمبر شمار	فنڈ کا نام	آڈیٹر کا نام 30 جون 2019 تک	حیثیت تعیناتی سال اختتام 30 جون 2019
1	Al Ameen Islamic Cash Fund	M/s BDO Ebrahim & Co., Chartered Accountants	مسلسل 5 سال تک Auditor رہنے کی وجہ سے دوبارہ تعیناتی کے لئے نا اہل
2	Al Ameen Islamic Financial Planning Fund - II	M/s BDO Ebrahim & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
3	Al Ameen Islamic Dedicated Equity Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
4	Al Ameen Islamic Financial Planning Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	مسلسل 5 سال تک Auditor رہنے کی وجہ سے دوبارہ تعیناتی کے لئے نا اہل
5	Al Ameen Shariah Stock Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	مسلسل 5 سال تک Auditor رہنے کی وجہ سے دوبارہ تعیناتی کے لئے نا اہل
6	Al Ameen Islamic Asset Allocation Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
7	Al Ameen Islamic Aggressive Income Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
8	Al Ameen Islamic Financial Planning Fund - III	M/s KPMG Taseer Hadi & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل

جو محاسبین (Auditors) دوبارہ تعیناتی کے اہل تھے۔ انہوں نے اپنی خدمات اس مد میں پیش کیں۔ جہاں NBFC کے قواعد و ضوابط کے مطابق محاسب کی تہدیلی لازم تھی۔ کیونکہ وہ محاسب اپنی تعیناتی کی زیادہ سے زیادہ مدت پوری کر چکے تھے۔ نئے محاسبین (Auditors) نے تعیناتی کے لئے اپنی رضامندی دے دی۔

محاسب کمیٹی نے ان نئے محاسبین کی بطور خارجی محاسب برائے مالی سال 2020 منظوری دے دی۔

اظہار تشکر

ہم اپنے گرانقدر یونٹ ہولڈرز کا یو بی ایل فنڈ مینجرز لمیٹڈ پر ان کے اعتماد اور یقین کیلئے شکریہ ادا کرتے ہیں۔ اس کے علاوہ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (ٹرسٹی) کا ان کی مسلسل اعانت، رہنمائی اور تعاون پر شکریہ ادا کرنا چاہیں گے۔ بورڈ اس موقع کو غنیمت جانتے ہوئے اپنے تمام ملازمین کا بھی ان کی لگن، عزم، جذبے اور محنت شاقہ کے لئے اعتراف کے ساتھ دل سے شکر گزار ہے۔

یا سر قادی

چیف ایگزیکٹو

کراچی۔ 30 اگست 2019ء

AICF

Al-Ameen Islamic Cash Fund

INVESTMENT OBJECTIVE

AICF is an open-end Shariah Compliant Money Market Fund which aims to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	BDO Ebrahim & Co. Chartered Accountants
Bankers	Muslim Commercial Bank Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Allied Bank Limited Meezan Bank Limited United Bank Limited National Bank of Pakistan Bank Al Habib Limited Bank Alfalah Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	AA (f) (JCR - VIS)

Fund Manager's Report – Al-Ameen Islamic Cash Fund (AICF)

- i) **Description of the Collective Investment Scheme category and type**
Shariah Compliant Money Market / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
AICF is an open-end Shariah Compliant Money Market Fund which aims to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**
The Collective Investment Scheme achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
3M Average deposit rates of 3 AA rated Islamic banks/windows as selected by MUFAP.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AICF	6.17%	6.30%	6.70%	7.12%	7.09%	9.14%	9.51%	9.35%	9.47%	9.76%	9.78%	11.46%	8.46%
Benchmark	2.61%	2.57%	2.66%	2.83%	2.98%	3.20%	3.26%	3.63%	3.87%	4.15%	4.27%	4.45%	3.37%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
The fund yielded a return of 8.46% p.a. against the benchmark return of 3.37%. At the end of FY19, the Fund Manager maintained around 88% exposure in cash.
- vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Commercial Papers	0%	0%
Cash	99%	88%
GoP Ijara Sukuks	0%	0%
Others	1%	2%
Placements with banks	0%	10%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	8.46%
Standard Deviation (12m trailing):	0.09%
Sharpe Ratio (12m trailing):	(14.55)

ix) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)

Net Asset Value			NAV per unit		
30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
4,165,965	5,242,741	(20.54)	100.3293	105.2621	(4.69)

x) Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in and performance during the period

Debt Market Review for FY19

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

xi) Disclosure on distribution (if any), comprising:-

- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Distribution				Per unit	
<i>Declared on</i>	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	<i>Rupees (000)</i>			<i>----- Rupees -----</i>	
29-July-2018		12,620	0.4495	100.6919	100.2424
12-Aug-2018		8,363	0.2627	100.5051	100.2424
26-Aug-2018		7,855	0.2336	100.4760	100.2424
02-Sep-2018		8,467	0.2411	100.4835	100.2424
23-Sep-2018		8,163	0.2538	100.4962	100.2424
07-Oct-2018		8,599	0.2547	100.4971	100.2424
10-Oct-2018		9,541	0.2624	100.5048	100.2424
04-Nov-2018		9,821	0.2698	100.5122	100.2424
18-Nov-2018		8,595	0.2638	100.5062	100.2424
02-Dec-2018		9,566	0.2642	100.5066	100.2424
16-Dec-2018		12,420	0.3331	100.5755	100.2424
30-Dec-2018		12,294	0.3497	100.5921	100.2424
13-Jan-2019		12,977	0.3463	100.5887	100.2424
27-Jan-2019		13,291	0.3510	100.5934	100.2424
10-Feb-2019		13,451	0.3445	100.5869	100.2424
24-Feb-2019		14,063	0.3452	100.5876	100.2424
10-Mar-2019		14,401	0.3450	100.5874	100.2424
24-Mar-2019		14,741	0.3508	100.5932	100.2424
07-Apr-2019		15,648	0.3543	100.5967	100.2424
21-Apr-2019		14,222	0.3589	100.6013	100.2424
05-May-2019		14,522	0.3589	100.6013	100.2424
19-May-2019		16,288	0.3586	100.6010	100.2424
09-Jun-2019		25,372	0.5672	100.8096	100.2424
27-Jun-2019		22,599	0.5509	100.7933	100.2424

- i) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
- There were no significant changes in the state of affairs during the year under review.

ii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AICF
0.0001 - 9,999.9999	4,568
10,000.0000 - 49,999.9999	462
50,000.0000 - 99,999.9999	72
100,000.0000 - 499,999.9999	44
500,000.0000 & Above	6
Total	5152

iii) **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

iv) **Disclosures of circumstances that materially affect any interests of unit holders**

Investment are subject to market risk.

v) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

AI-AMEEN ISLAMIC CASH FUND

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	4,165,965	5,242,740	4,013,428
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	100.3293	105.2621	100.2424
- Redemption	100.3293	105.2621	100.2424
RETURN OF THE FUND - %			
Total Return of the Fund	8.46	5.01	4.70
Capital Growth (per unit)	0.79	5.00	(0.01)
Date of Income Distribution	2-Jul-18	-	19-Jun-17
Income Distribution	5.0197	-	4.71
Date of Income Distribution			
Income Distribution	8.07		
AVERAGE ANNUAL RETURN - %			
One Year	8.46	5.01	4.70
Second Year	6.74	4.86	4.76
Third Year	6.06	4.84	5.35
Since Inception	6.10	5.71	5.85
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	100.7811	105.2621	104.9327
Highest price per unit - Class A units - Redemption	100.7811	105.2621	104.9327
Lowest price per unit - Class A units - Offer	100.2424	100.2586	100.2364
Lowest price per unit - Class A units - Redemption	100.2424	100.2586	100.2364
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	88.00	99.00	95.00
Placements and Term Deposit Receipts	10.00	-	-
Others	2.00	1.00	5.00
PORTFOLIO COMPOSITION BY MARKET - %			
Debt Market	100	100	100

Note:

- The Launch date of Fund is 19 September 2012.

DISCLAIMER

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Cash Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2019

REPORT OF THE SHARIAH ADVISORY COMMITTEE

We, the Shariah Advisors of the fund are issuing this report in accordance with the rules and regulations. The scope of the report is to express an opinion on the Shariah Compliance of the Funds activities.

In the capacity of Shariah Advisors, we have prescribed criteria and procedures to be followed in ensuring Shariah Compliance in every investment.

It is the responsibility of the Management Company of the fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of AICF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AICF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AICF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR 6,305 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.



Mufti Muhammad Hassan Khan
Member, Shariah Advisory Committee



Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:

DATE: 08 August 2019



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED**

NAME OF FUND: Al Ameen Islamic Cash Fund

YEAR ENDING: JUNE 30, 2019

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Cash Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (the Regulations).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: Five Directors;
- b. Female: Two Directors.

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid
	Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar
	Ms. Sadia Saeed
	Mr. Tauqeer Mazhar
	Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 825 262

✉ info@ublfunds.com

📍 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

www.ublfunds.com

10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Tauqeer Mazhar
- c. Mr. Yasir Qadri
- d. Ms. Naz Khan
- e. Ms. Sadia Saeed
- f. Syed Furrugh Zaeem

Executives

- a. S.M. Aly Osman
- b. Mr. Amin Gulamani
- c. Mr. Ammar Valika
- d. Mr. Hadi Hassan Mukhi
- e. Mr. Umair Ahmed
- f. Mr. Zeeshan Quddus

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

12. CFO and CEO duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by separate Independent directors:

- a. Board Audit Committee
 - i. Ms. Naz Khan (Chair),
 - ii. Mr. Imran Sarwar,
 - iii. Ms. Sadia Saeed,
 - iv. Mr. Tauqeer Mazhar.
- b. Board Human Resource & Compensation Committee
 - i. Mr. Azhar Hamid (Chairman),
 - ii. Ms. Naz Khan,
 - iii. Ms. Sadia Saeed,
 - iv. Syed Furrugh Zaeem,
 - v. Mr. Yasir Qadri.
- c. Board Risk & Compliance Committee
 - i. Mr. Imran Sarwar (Chairman),
 - ii. Mr. Azhar Hamid,
 - iii. Syed Furrugh Zaeem,
 - iv. Mr. Tauqeer Mazhar,
 - v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

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15. The frequency of meetings of the Committee were as per following:
- a. Board Audit Committee : Quarterly Meeting-6 meetings held
 - b. Board Human Resource & Compensation Committee: 4 meetings held
 - c. Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.



AZHAR HAMID
Chairman

Karachi.
Dated: **August 30, 2019**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF AL AMEEN ISLAMIC CASH FUND ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 AS ADOPTED BY THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of Al Ameen Islamic Cash Fund (the Fund) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Fund's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2019.

We draw attention to the following paragraph as detailed in the Statement of Compliance:

"The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited, the Management Company of the Fund, for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (The Code)."

Accordingly, our opinion is in relation to Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017 as adopted by the Board of Directors of the Management Company.

KARACHI

DATED: AUGUST 30, 2019



CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al-Ameen Islamic Cash Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Adoption of IFRS 9</p> <p>Effective July 01, 2018, the Fund changed its accounting policies due to the application of the International Financial Reporting Standard: IFRS 9 "Financial Instruments" which supersedes the requirements of IAS 39 "Financial Instruments - Recognition and Measurement".</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the analysis performed by management to identify all significant differences between previous accounting standard and the new accounting standard which can impact the financial statements;

S.No.	Key audit matter(s)	How the matter was addressed in our audit
	<p>IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces a new impairment model for financial assets. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Management has determined that the significant impact of the new standard on the Fund's financial statements relates to the disclosures required to be made by the new accounting standard in the financial statements.</p> <p>The Fund has used the exemption available in IFRS 9 not to restate comparative periods. Accordingly, comparative periods have not been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in net assets attributable to unit holders as at July 1, 2018.</p> <p>We considered this as a key audit matter since the adoption of the new accounting standard has a significant impact on the financial statements from recognition, classification & measurement and disclosure perspective.</p> <p>Note 4.2 to the financial statements explains the impact of the adoption of the new accounting standard.</p>	<ul style="list-style-type: none"> • Reviewed 'Investment Classification Model' of the management for analysis of 'Business Model' assessment and 'Contractual Cash Flow Characteristics' test for classification of financial assets; • Reviewed management's assessment of the impact of new accounting standard on the Fund's financial statements; • Evaluated the key decisions made by the Fund with respect to accounting policies, estimates and judgments in relation to adoption of the new accounting standard and assessed their appropriateness based on our understanding of the Fund's business and its operations; • Evaluated the adequacy and appropriateness of disclosures made in the financial statements in relation to adoption of the new accounting standard.

S.No.	Key audit matter(s)	How the matter was addressed in our audit
2.	<p>Recognition, measurement and presentation of 'Element of Income'</p> <p>Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) stipulates the requirements for recognition, measurement and presentation of element of income.</p> <p>As per the NBFC Regulations, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unitholders' fund. Furthermore, the NBFC Regulations also prescribes certain disclosure requirements with respect to presentation of element of income in the 'Statement of Movement in Unit Holders' Fund'.</p> <p>The NBFC Regulations explains that the accounting income as appearing in the 'Income Statement' excludes the amount of element of income and accounting income available for distribution as appearing in the 'Income Statement' excludes income already paid on units redeemed. However, at the time of distribution, in order to maintain the same ex-dividend net asset value of all units outstanding on the date of distribution, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.</p> <p>Due to the complex calculations involved in determining the element of income, the related impact on financial statements and ensuring compliance with the NBFC Regulations, we considered recognition, measurement and presentation of 'Element of Income' as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We reviewed the processes and controls implemented by the Fund relating to the production and review of system generated reports and manual workings for the purpose of calculations of element of income or loss, bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed" and checked the accuracy of refund of capital value at the time of distribution. • We evaluated the accuracy of system generated reports and manual workings produced by the Fund to ensure that the data is consistent with source documents and the said workings are in compliance with all the statutory provisions relating to element of income or loss. • We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the NBFC Regulations and assessed its implementation by the Fund. • We evaluated the adequacy of disclosures with respect to element of income / loss along with the adequacy of disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' in accordance with the NBFC Regulations, the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("UBL Fund Managers Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 30 AUG 2019


 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
ASSETS			
Bank balances	5	3,710,443	5,226,437
Term deposit musharika	6	430,000	-
Profit receivable	7	54,264	29,161
Prepayments and other receivables	8	2,596	8,903
Advance tax	9	6,709	6,618
TOTAL ASSETS		<u>4,204,012</u>	<u>5,271,119</u>
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	10	3,557	2,700
Payable to Central Depository Company of Pakistan Limited - Trustee	11	423	468
Payable to Securities and Exchange Commission of Pakistan	12	2,928	3,747
Accrued expenses and other liabilities	14	31,139	21,464
TOTAL LIABILITIES		<u>38,047</u>	<u>28,379</u>
NET ASSETS		<u>4,165,965</u>	<u>5,242,740</u>
UNIT HOLDERS FUNDS (AS PER STATEMENT ATTACHED)		<u>4,165,965</u>	<u>5,242,740</u>
CONTINGENCIES AND COMMITMENTS	15	----- (Number of Units) -----	
NUMBER OF UNITS IN ISSUE	16	<u>41,522,910</u>	<u>49,806,558</u>
NET ASSETS VALUE PER UNIT		<u>100.3293</u>	<u>105.2621</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

AL-AMEEN ISLAMIC CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees in '000) -----	2018
INCOME			
Profit on bank balances		359,543	273,066
Profit on term deposit musharika		2,503	17,588
Other income		223	143
Total income		362,269	290,797
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	10.1	18,121	22,764
Sales tax on remuneration of Management Company	10.2	2,355	2,959
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	4,155	5,082
Annual fee of Securities and Exchange Commission of Pakistan	12.1	2,928	3,747
Allocated expenses	13	3,903	4,996
Amortisation of preliminary expenses and floatation costs		-	123
Bank charges		226	171
Auditors' remuneration	17	439	400
Shariah advisory fee	10.3	350	361
Legal and professional charges		208	147
Fees and subscription charges		229	230
Printing expenses		10	21
Total expenses		32,924	41,001
Net operating income		329,345	249,796
Provision for Sindh Workers' Welfare Fund	14.2	(6,460)	(4,900)
Net income for the year before taxation		322,885	244,896
Taxation	18	-	-
Net income for the year after taxation		322,885	244,896
Allocation of net income for the year			
Income already paid on units redeemed		(19,462)	(190,011)
Net income for the year available for distribution		303,423	54,885
Net income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		303,423	54,885
		303,423	54,885
Earnings per unit	19	-	-

The annexed notes from 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees in '000) -----	
Net income for the year	322,885	244,896
Other comprehensive income		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	<u>322,885</u>	<u>244,896</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

**AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	322,885	244,896
Adjustments:		
Profit on bank balances and term deposit musharika	(362,046)	(290,654)
Amortisation of preliminary expenses and flotation cost	-	123
Provision for Sindh Workers' Welfare Fund	6,460	4,900
	(355,586)	(285,631)
Cash used in operations before working capital changes	(32,701)	(40,735)
Working capital changes		
(Increase) / decrease in assets		
Advance tax	(91)	(666)
Term deposit musharika	(430,000)	-
Prepayments and other receivables	6,307	171,364
	(423,784)	170,698
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	857	(1,336)
Payable to Central Depository Company of Pakistan Limited - Trustee	(45)	(23)
Annual fee payable to Securities and Exchange Commission of Pakistan	(819)	1,510
Accrued expenses and other liabilities	3,215	1,346
	3,208	1,497
Profit received on bank balances and term deposit musharika	336,943	292,338
Net cash (used in) / generated from operating activities	(116,334)	423,798
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	14,549,206	32,202,806
Payments on redemption of units	(15,390,961)	(31,218,390)
Dividend paid	(557,905)	-
Net cash (used in) / generated from financing activities	(1,399,660)	984,416
Net (decrease) / increase in cash and cash equivalents	(1,515,994)	1,408,214
Cash and cash equivalents at the beginning of the year	5,226,437	3,818,223
Cash and cash equivalents at the end of the year	3,710,443	5,226,437

The annexed notes from 1 to 30 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Note	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the year	5,189,103	53,637	5,242,740	4,014,676	(1,248)	4,013,428
Issuance of 144,899,098 units (2018: 314,891,412 units)						
Capital value of units	14,525,033	-	14,525,033	31,565,471	-	31,565,471
Element of income during the year						
Due to net income earned	24,173	-	24,173	637,335	-	637,335
Total proceeds on issuance of units	14,549,206	-	14,549,206	32,202,806	-	32,202,806
Redemption of 153,182,746 units (2018: 305,122,100 units)						
Capital value of units	(15,355,406)	-	(15,355,406)	(30,586,172)	-	(30,586,172)
Element of loss during the year						
Due to net income earned	(16,093)	(19,462)	(35,555)	(442,207)	(190,011)	(632,218)
Total payments on redemption of units	(15,371,499)	(19,462)	(15,390,961)	(31,028,379)	(190,011)	(31,218,390)
Total comprehensive income for the year	-	322,885	322,885	-	244,896	244,896
Annual distribution						
Rs. 5.0197 per unit declared on July 02, 2018 as cash dividend	(196,538)	(53,488)	(250,026)	-	-	-
Interim distributions						
Re. 0.4495 per unit declared on July 29, 2018 as cash dividend	(645)	(11,975)	(12,620)	-	-	-
Re. 0.2627 per unit declared on August 12, 2018 as cash dividend	(796)	(7,567)	(8,363)	-	-	-
Re. 0.2336 per unit declared on August 26, 2018 as cash dividend	(260)	(7,595)	(7,855)	-	-	-
Re. 0.2411 per unit declared on September 02, 2018 as cash dividend	(628)	(7,839)	(8,467)	-	-	-
Re. 0.2538 per unit declared on September 23, 2018 as cash dividend	(177)	(7,986)	(8,163)	-	-	-
Re. 0.2547 per unit declared on October 07, 2018 as cash dividend	(165)	(8,434)	(8,599)	-	-	-
Re. 0.2624 per unit declared on October 10, 2018 as cash dividend	(319)	(9,222)	(9,541)	-	-	-
Re. 0.2698 per unit declared on November 04, 2018 as cash dividend	(154)	(9,667)	(9,821)	-	-	-
Re. 0.2638 per unit declared on November 18, 2018 as cash dividend	(148)	(8,447)	(8,595)	-	-	-
Re. 0.2642 per unit declared on December 02, 2018 as cash dividend	(597)	(8,969)	(9,566)	-	-	-
Re. 0.3331 per unit declared on December 16, 2018 as cash dividend	(351)	(12,069)	(12,420)	-	-	-
Re. 0.3497 per unit declared on December 30, 2018 as cash dividend	(203)	(12,091)	(12,294)	-	-	-
Re. 0.3463 per unit declared on January 13, 2019 as cash dividend	(366)	(12,611)	(12,977)	-	-	-
Re. 0.3510 per unit declared on January 27, 2019 as cash dividend	(285)	(13,006)	(13,291)	-	-	-
Re. 0.3445 per unit declared on February 10, 2019 as cash dividend	(248)	(13,203)	(13,451)	-	-	-
Re. 0.3452 per unit declared on February 24, 2019 as cash dividend	(329)	(13,734)	(14,063)	-	-	-
Re. 0.3450 per unit declared on March 10, 2019 as cash dividend	(267)	(14,134)	(14,401)	-	-	-
Re. 0.3508 per unit declared on March 24, 2019 as cash dividend	(220)	(14,521)	(14,741)	-	-	-
Re. 0.3543 per unit declared on April 7, 2019 as cash dividend	(637)	(15,011)	(15,648)	-	-	-
Re. 0.3589 per unit declared on April 21, 2019 as cash dividend	(292)	(13,930)	(14,222)	-	-	-
Re. 0.3589 per unit declared on May 5, 2019 as cash dividend	(167)	(14,355)	(14,522)	-	-	-
Re. 0.3586 per unit declared on May 19, 2019 as cash dividend	(683)	(15,605)	(16,288)	-	-	-
Re. 0.5672 per unit declared on June 9, 2019 as cash dividend	(592)	(24,780)	(25,372)	-	-	-
Re. 0.5509 per unit declared on June 27, 2019 as cash dividend	(2,661)	(19,938)	(22,599)	-	-	-
Net income for the year less distribution	(207,728)	(27,292)	(235,020)	-	244,896	244,896
Net assets at the end of the year	4,159,082	6,883	4,165,965	5,189,103	53,637	5,242,740
Undistributed income brought forward comprises of:						
Realised gain / (excess distributed)		53,637			(1,248)	
Unrealised gain		-			-	
Total realised gain / (excess distributed) brought forward		53,637			(1,248)	
Income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		303,423			54,885	
		303,423			54,885	
Distributions during the year:						
Annual distribution of Rs. 5.0197 per unit declared on July 02, 2018 as cash dividend		(53,488)			-	
Interim distributions for the year ended June 30, 2019 as cash dividend		(296,689)			-	
		(350,177)			-	
Undistributed income carried forward		6,883			53,637	
Undistributed income carried forward comprises of:						
Realised gain		6,883			53,637	
Unrealised gain		-			-	
Total undistributed income carried forward		6,883			53,637	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			105.2621			100.2424
Net assets value per unit at the end of the year			100.3293			105.2621

The annexed notes from 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

AL-AMEEN ISLAMIC CASH FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al-Ameen Islamic Cash Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on May 29, 2012 and the Fund was authorized by the Securities and Exchange Commission of Pakistan ("SECP") on July 26, 2012 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"). The registered office of the Management Company is situated at the 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi. The Fund commenced its operations from September 19, 2012.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open-ended mutual fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The Fund provides high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund has been categorised by the Management Company as Shariah Compliant Money Market Fund.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company Limited has assigned management quality rating from AM2++ (stable outlook) to AM1 to the Management Company as at December 31, 2018 and a stability rating of "AA(f)" to the Fund as at December 31, 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values. These financial statements have been prepared under the following accrual basis of accounting except for cash flows informations.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 21 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.1.2 to these financial statements.

Provision for taxation

For details please refer notes 4.8 and 18 to these financial statements.

Sindh Workers' Welfare Fund

For details please refer note 14.2 to these financial statements.

Other assets

Judgment is involved in assessing the realisability of other assets balances.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments that are effective in current year and are relevant to the Fund

The Fund has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
Conceptual Framework for Financial Reporting 2018 - Original Issue		March 01, 2018
IAS 7	Financial Instruments : Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 9	Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 01, 2018

		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 01, 2018
IAS 39	Financial Instruments: Recognition and Measurements-amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 01, 2018

3.2 Standards / amendments that are effective in current year and not relevant to the Fund

The Fund has adopted the standards / amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 5	Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 8	Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 15	Original issue	July 01, 2018
IFRS 15	Clarifications to IFRS 15	July 01, 2018
IAS 40	Investment Property - amendments to clarify transfers of property to, or from, investment property	January 01, 2018

**Effective date
(annual periods
beginning on or
after)**

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2018
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

3.3 Amendments not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 8	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 19	Employee benefits - amendments regarding plan amendments, curtailments or settlements	January 01, 2019

		Effective date (annual periods beginning on or after)
IAS 17	Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates and joint ventures	January 01, 2019

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

3.4 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned against the respective standard:

IFRS 16	Leases	January 01, 2019
---------	--------	------------------

The Funds expects that the adoption of IFRS 16 will not have any material impact and therefore will not affect the Funds's financial statements in the period of initial application.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The Funds expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Funds's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at nominal values.

4.2 Financial instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for reporting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
	Note	----- (Rupees in '000) -----			
Financial assets					
Bank balances	(a)	Loans and receivables	Amortised cost	5,226,437	5,226,437
Profit receivable	(a)	Loans and receivables	Amortised cost	29,161	29,161
Other receivable	(a)	Loans and receivables	Amortised cost	8,720	8,720
				5,264,318	5,264,318

(a) These financial assets classified as 'Loans and receivables' have been classified as amortised cost.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

For financial assets classified as 'at amortized cost', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the SECP.

4.2.1.3 Transition

The Fund has used the exemption not to restate comparative periods. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

4.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.3 Financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities.

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

4.5 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs have been amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

4.8 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised.

However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.9 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.10 Issuance and redemption of units

Units are allocated at the offer price prevalent on the day on which funds for purchase of units are realised. The offer price represents the net asset value per unit at the end of the preceding day. Issue of units is also recorded on realisation of funds.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during business hours of that day. The redemption price represents the net asset value per unit at the end of the preceding day. Redemption of units is recorded on acceptance of application for redemption.

4.11 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.13 Revenue recognition

- Gains / (losses) arising on sale of investments is accounted for in the year in which it arises.
- Unrealised (loss) / gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' is included in the income statement in the year in which it arises.
- Unrealised (loss) / gain on revaluation of investments classified as financial assets at 'fair value through other comprehensive income' is included in the unit holders' fund through other comprehensive income in the year in which it arises.
- Profit on bank balances and term deposits is recorded on accrual basis.

4.14 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the income statement.

4.15 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
5 BANK BALANCES			
Cash at bank			
Current accounts	5.1	6,961	12,437
Profit and loss sharing accounts	5.2	3,703,482	5,214,000
		<u>3,710,443</u>	<u>5,226,437</u>

5.1 This includes an amount held with a related party (United Bank Limited) amounting to Rs. 4.047 million (June 30, 2018: Rs. 10.763 million).

5.2 Profit rates on these profit and loss sharing accounts range between 3.40% to 11.85% per annum (June 30, 2018: 4% to 6.20% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 76.393 million (June 30, 2018: Rs. 4,903.025 million) on which return is earned at 11.25% (June 30, 2018: 6.20%) per annum.

6 TERM DEPOSIT MUSHARIKA

Opening balance		-	-
Acquired during the year		430,000	1,370,000
Matured during the year	6.1	-	(1,370,000)
Closing balance		<u>430,000</u>	<u>-</u>

6.1 This Term Deposit Musharika carries interest at the rate of 12.5% per annum and will mature on August 20, 2019.

- 6.2 As per Regulation 55(5) of the NBFC Regulations, exposure of a collective investment scheme to any single entity shall not exceed an amount equal to ten per cent of total net assets of the collective investment scheme. The Fund has made investment in following entities in excess of ten percent of its net assets:

Entity	Amount (Rupees in '000)	Percentage of Net Assets
Meezan Bank Limited	430,000	10.32%

7 PROFIT RECEIVABLE

Profit receivable on:

Term deposit musharika	2,503	-
Profit and loss sharing accounts	51,761	29,161
	<u>54,264</u>	<u>29,161</u>

8 PREPAYMENTS AND OTHER RECEIVABLES

Prepaid credit rating fees	191	183
Receivable against issuance of units	2,405	8,720
	<u>2,596</u>	<u>8,903</u>

9 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2019.

	Note	2019 ----- (Rupees in '000) -----	2018
10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable (including Sindh Sales tax)	10.1 & 10.2	2,810	1,651
Conversion charges payable		109	73
Allocated expenses payable	13	417	935

	Note	2019 ----- (Rupees in '000) -----	2018
Shariah advisor fee payable	10.3	204	25
Other payables		17	16
		<u>3,557</u>	<u>2,700</u>

- 10.1 As per the NBFC Regulations, the Management Company is entitled to remuneration of an amount not exceeding 1% of average annual net assets of the Fund.

The Management Company has charged remuneration at the rate of 5% of gross earnings of the Fund, calculated on a daily basis subject to minimum of 0.25% and maximum of 1% of the average daily net assets of the Fund from January 21, 2018 as per amendment dated January 12, 2018.

- 10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 10.3 As per the NBFC Regulations, the Management Company is entitled to charge Shariah Advisory fee from the Fund. Accordingly the Management Company has charged Rs. 0.350 million as Shariah Advisory fee to the Fund under a contract signed with the Shariah Advisors.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee fee payable (including Sindh Sales tax)	12.1 & 12.2	<u>423</u>	<u>468</u>
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- 11.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff structure specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee monthly in arrears.

As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the Trustee fee during the year ended June 30, 2019 is as follows:

- up to Rs. 1,000 million	0.15% p.a. of NAV
- Rs. 1,000 million to Rs. 10,000 million	Rs. 1.5 million plus 0.075% p.a. of NAV exceeding Rs. 1,000 million
- exceeding Rs. 10,000 million	Rs. 8.25 million plus 0.06% p.a. of NAV exceeding Rs. 10,000 million

- 11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	2019 ----- (Rupees in '000) -----	2018
12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	12.1	<u>2,928</u>	<u>3,747</u>

- 12.1 Under the provisions of the NBFC Regulations, a collective investment scheme classified as money market scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

13 ALLOCATED EXPENSES

As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme. Previously, the Fund was required to charge such expenses up to a maximum of 0.1% of the average annual net assets or the actual cost whichever is lower. The SECP, vide S.R.O 639(I)/2019 dated June 20, 2019, has withdrawn the requirement to restrict allocated expenses up to a maximum of 0.1% of the average annual net assets. During the year, the Management Company has continued to charge 0.1% of the average annual net assets.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		293	264
Capital gain tax payable		714	1,616
Charity payable		11	96
Provision for indirect duties and taxes	14.1	7,812	7,812
Legal and professional charges payable		61	11
Withholding tax payable		5,636	-
Provision for Sindh Worker's Welfare Fund	14.2	16,108	9,648
Others		504	2,017
		<u>31,139</u>	<u>21,464</u>

14.1 Provision for indirect duties and taxes

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was levied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law.

The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED upto June 30, 2016.

On June 30, 2016, the Honorable High Court of Sindh had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 7.812 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2019 would have been higher by Re. 0.188 per unit (June 30, 2018: Re. 0.157 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

14.2 Provision For Workers' Welfare Fund

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs.500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable High Court of Sindh (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On November 10, 2016 the Honorable SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of “Industrial Undertaking” but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited) has recommended to all its members on January 12, 2017 the following:

- i) The provision against the Federal WWF held by the Mutual Funds till June 30, 2015 should be reversed on January 12, 2017; and
- ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. May 21, 2015) with effect from January 12, 2017.

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on January 12, 2017. In response to the aforementioned letter SECP vide its letter dated February 1, 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the financial statements of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on January 12, 2017.

Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.3879 per unit (June 30, 2018: Re. 0.1937 per unit).

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

		2019	2018
	Note	-----Number of units-----	
16	NUMBER OF UNITS IN ISSUE		
	Total units in issue at the beginning of the year	49,806,558	40,037,246
	Add: Units issued	144,899,098	314,891,412
	Less: Units redeemed	(153,182,746)	(305,122,100)
	Total units in issue at the end of the year	<u>41,522,910</u>	<u>49,806,558</u>

----- (Rupees in '000) -----

17	AUDITORS' REMUNERATION		
	Annual audit fee	163	163
	Fee for half yearly review	82	82
	Fee for review of compliance with the requirements of the Code of Corporate Governance	27	27
	Fee for other certifications / services	54	54
	Out of pocket expenses and sales tax	113	74
		<u>439</u>	<u>400</u>

18 **TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed to the unit holders in cash. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company has distributed by way of cash dividend at least 90% of the aforementioned net accounting income earned by the Fund to the unit holders. Accordingly, no provision for current and deferred tax has been made in these financial statements.

19 **EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

20 **TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the Total Expense Ratio of the Fund is 1.01% as on June 30, 2019, which includes 0.31% representing Government Levy, Sindh Worker's Welfare Fund and SECP fee.

21 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, the financial assets carried on the statement of assets and liabilities are categorised either as 'at Amortised cost' or 'at fair value through profit or loss'. The financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

	As at June 30, 2019		
	Amortized cost	Financial assets 'at fair value through profit or loss'	Total
Rupees in '000			
Financial assets			
Balances with banks	3,710,443	-	3,710,443
Term deposit musharika	430,000	-	430,000
Profit receivable	54,264	-	54,264
Other receivable	2,405	-	2,405
	4,197,112	-	4,197,112

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through profit or loss'	Amortized cost	Total
Rupees in '000			
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	3,148	3,148
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	374	374
Accrued expenses and other liabilities	-	375	375
	-	3,897	3,897

Particulars	As at June 30, 2018		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
Rupees in '000			
Financial assets			
Balances with banks	5,226,437	-	5,226,437
Profit receivable	29,161	-	29,161
Other receivable	10,483	-	10,483
	5,266,081	-	5,266,081

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
Rupees in '000			
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	2,389	2,389
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	414	414
Accrued expenses and other liabilities	-	371	371
	-	3,175	3,175

22 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	17.74	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5.14	BBA
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance, Information Security and Quality Assurance	18.91	B.Com
5	Asim Wahab Khan	Head of Investment Strategy & Equities	13.45	MBA / CFA
6	Syed Sheeraz Ali	Fund Manager	9.48	BS

Syed Sheeraz Ali is the Fund Manager of the Fund. He is also the Fund Manager of UBL Money Market Fund, UBL Income Opportunity Fund and UBL Financial Planning Fund.

23 PATTERN OF UNIT HOLDING

Category	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	5,019	29,516,660	71.09%
Associated company and key executives	4	64,611	0.16%
Insurance companies	57	992,583	2.39%
Retirement funds	34	3,260,103	7.85%
Public limited companies	6	2,352,046	5.66%
Others	28	5,336,907	12.85%
	5,148	41,522,910	100.00%

Category	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,978	12,669,703	25.44%
Associated company and key executives	10	26,152,944	52.51%
Insurance companies	9	1,258,977	2.53%
Retirement funds	23	1,685,696	3.38%
Public limited companies	5	5,740,676	11.53%
Others	12	2,298,562	4.61%
	3,037	49,806,558	100.00%

TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (subsidiary of Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee of the Fund), the Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

Details of transaction with the related parties and balances with them at the year end are as follows:

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	(Rupees in '000)					
Transactions during the year ended June 30, 2019						
Profit on bank balances	-	126,165	-	-	-	-
Bank charges	-	194	-	-	-	-
Units issued	-	-	-	5,295,954	11,818	1,176,389
Units redeemed	-	-	-	7,918,372	10,304	836,385
Dividend paid	-	-	-	137,122	625	94,078
Remuneration (inclusive of Sindh Sales Tax)	20,476	-	4,155	-	-	-
Allocated expenses	3,903	-	-	-	-	-
Shariah advisory fee	350	-	-	-	-	-
Listing fee	-	25	-	-	-	-
Balances held as at June 30, 2019						
Units held (In units '000)	-	-	-	-	65	8,504
Units held	-	-	-	-	6,482	853,197
Bank balances	-	80,440	-	-	-	-
Remuneration payable including Sindh Sales Tax	2,810	-	423	-	-	-
Other payables	126	-	-	-	-	-
Allocated expenses payable	417	-	-	-	-	-
Shariah advisory fee payable	204	-	-	-	-	-
Profit receivable	-	4,326	-	-	-	-
Transactions during the year ended June 30, 2018						
Profit on bank balances	-	170,753	-	-	-	-
Bank and other charges	-	162	-	-	-	25
Units issued	-	-	-	22,671,574	30,385	463,813
Units redeemed	-	367	-	20,054,221	21,278	466,828
Remuneration (inclusive of Sindh Sales Tax)	25,723	-	5,082	-	-	-
Allocated expenses	4,996	-	-	-	-	-
Shariah advisory fee	361	-	-	-	-	-
Balances held as at June 30, 2018						
Units held (In units '000)	-	102	-	26,050	-	-
Units held	-	10,737	-	2,742,079	-	-
Bank balances	-	4,913,788	-	-	-	-
Remuneration payable including Sindh Sales Tax	1,651	-	468	-	-	-
Other payables	89	-	-	-	-	-
Allocated expenses payable	935	-	-	-	-	-
Shariah advisory fee payable	25	-	-	-	-	-
Profit receivable	-	28,172	-	-	-	-

25 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

Particulars	August 28, 2018	October 26, 2018	November 8, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
Name of Directors:								
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	N/A	N/A	N/A	N/A	N/A	N/A	1
Mr. Imran Sarwar**	N/A	N/A	✓	✓	x	✓	✓	4
Mr. Tauqeer Mazhar**	N/A	N/A	✓	✓	x	x	✓	3
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Mr. Zia Ijaz*	x	N/A	N/A	N/A	N/A	N/A	N/A	0
Mr. Sharjeel Shahid*	✓	N/A	N/A	N/A	N/A	N/A	N/A	1
Ms. Naz Khan	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed**	N/A	N/A	✓	✓	✓	✓	✓	5
Syed Furrkh Zaeem	✓	✓	✓	x	✓	✓	✓	6
Name of Key Executives								
S.M. Aly Osman	✓	✓	✓	✓	✓	✓	✓	7
Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Zia Ijaz, Mirza M. Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018

** Mr. Tauqeer Mazhar, Ms. Sadia Saeed & Mr. Imran Sarwar appointed as of November 2, 2018

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and the directives issued by the SECP.

These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

26.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the regulations laid down by SECP. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

26.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

26.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2019, the Fund is exposed to such risk on its balances held with bank and investment in term deposit musharika. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in profit and loss sharing accounts on which interest rate range between 3.40% to 11.85% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2019, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 37.046 million (2018: Rs. 52.141 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for balances in term deposit musharika on which interest rate is 12.50% per annum.

In case of 100 basis points increase in interest rates on June 30, 2019, with all other variables held constant, the net income for the year and the net assets would be lower by Rs. 4.300 million (2018: Rs. Nil). In case of 100 basis points decrease in interest rates on June 30, 2019, with all other variables held constant, the net income for the year and the net assets would be higher by Rs. 4.300 million (2018: Rs. Nil).

Particulars	June 30 , 2019					
	Effective yield/ interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%		(Rupees in '000)			
On-balance sheet financial instruments						
Financial assets						
Balances with banks	3.4% - 11.85%	3,710,443	3,703,482	-	-	6,961
Term deposit musharika	12.50%	430,000	-	-	-	430,000
Profit receivable		54,264	-	-	-	54,264
Other receivable		2,405	-	-	-	2,405
Sub total		4,197,112	3,703,482	-	-	493,630
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		3,148	-	-	-	3,148
Payable to the Central Depository Company of Pakistan Limited - Trustee		374	-	-	-	374
Accrued expenses and other liabilities		375	-	-	-	375
Sub total		3,897	-	-	-	3,897
On-balance sheet gap (a)		4,193,215	3,703,482	-	-	489,733
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	3,703,482	-	-	-
Cumulative interest rate sensitivity gap		-	3,703,482	3,703,482	3,703,482	-

Particulars	June 30 , 2018					
	Effective yield/ interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	4.00% - 6.20%	5,226,437	5,214,050	-	-	12,387
Profit receivable		29,161	-	-	-	29,161
Other receivable		10,483	-	-	-	10,483
Sub total		5,266,081	5,214,050	-	-	52,031
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		2,389	-	-	-	2,389
Payable to the Central Depository Company of Pakistan Limited - Trustee		414	-	-	-	414
Accrued expenses and other liabilities		371	-	-	-	371
Sub total		3,175	-	-	-	3,175
On-balance sheet gap (a)		5,262,906	5,214,050	-	-	48,856
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	5,214,050	-	-	-
Cumulative interest rate sensitivity gap		-	5,214,050	5,214,050	5,214,050	-

26.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

26.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Fund can borrow, with the prior approval of the trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further the Fund also has the ability to suspend redemptions of units with the approval of Board of Directors of the Management Company in extraordinary circumstances. An interval of six working days between the receipt of a redemption request and issuance of against it to the holder provides a cushion in the repayment of on-demand redemption of units. However, during the year no such option was exercised or considered necessary.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	3,148	-	-	3,148
Payable to the Central Depository Company of Pakistan Limited - Trustee	374	-	-	374
Accrued expenses and other liabilities	375	-	-	375
Total liabilities	3,897	-	-	3,897

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	2,389	-	-	2,389
Payable to the Central Depository Company of Pakistan Limited - Trustee	414	-	-	414
Accrued expenses and other liabilities	371	-	-	371
Total liabilities	3,175	-	-	3,175

26.3

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules, the NBFC Regulations and guidelines given by the SECP from time to time. The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

- 26.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2019:

Balances with banks by rating category

Name of the bank	Rating agency	Balances held by the Fund as at June 30, 2019	Latest available published rating as at June 30, 2019
Rupees in '000			
Bank Alfalah Limited - Islamic Banking	PACRA	12	AA+
Bank Al Habib Limited - Islamic Banking	PACRA	3,595,320	AA+
Habib Metropolitan Bank Limited - Islamic Banking	PACRA	14,035	AA+
Meezan Bank Limited	JCR-VIS	9,957	AA+
Faysal Bank Limited - Islamic Banking	JCR-VIS	7,723	AA
Habib Bank Limited	JCR-VIS	36	AAA
United Bank Limited	JCR-VIS	80,440	AAA
MCB Bank Limited	PACRA	1,811	AAA
Allied Bank Limited	PACRA	15	AAA
National Bank of Pakistan	JCR-VIS	1,094	AAA
		<u>3,710,443</u>	

- 26.3.2 The analysis below summarizes the credit quality of the Fund's portfolio:

Rating by rating category	2019	2018
	----- (Percentage) -----	
AAA	2.25	94.06
AA	0.21	-
AA- to AA+	97.54	5.94
	<u>100.00</u>	<u>100.00</u>

Concentration on credit risk

Concentration of risk arises when a number of financial instruments or contracts are entered into the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with one Bank. The management believes that the bank is a reputed institution.

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled on time and both parties have fulfilled their contractual settlement obligations.

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. The Fund's objective when managing the unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs)

There were no financial instruments held by the Fund which are measured at fair value as of June 30, 2019 and June 30, 2018.

29 DATE OF AUTHORIZATION

These financial statements were authorized for issue by Board of Directors of the Management Company on 30-AUG-2019.

30 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**For UBL Fund Managers Limited
(Management Company)**

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

AISF

Al-Ameen Islamic Sovereign Fund

INVESTMENT OBJECTIVE

AISF is an open-end Shariah Compliant Income Fund which aims to generate a competitive return with minimum risk, by investing primarily in Shariah Compliant Government Securities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	KPMG Taseer Hadi and Co., Chartered Accountants
Bankers	Allied Bank Limited - Islamic Banking Bank Al Habib Limited - Islamic Banking Bank Alfalah Limited - Islamic Banking Dubai Islamic Bank Limited Faysal Bank Limited - Islamic Banking Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking MCB Bank Limited Meezan Bank Limited - Islamic Banking National Bank of Pakistan Soneri Bank Limited - Islamic Banking United Bank Limited - Islamic Banking
Management Co. Rating	AM1 (JCR-VIS)
Fund Rating	AA- (f) (JCR-VIS)

Fund Manager's Report – Al-Ameen Islamic Sovereign Fund (AISF)

- i) **Description of the Collective Investment Scheme category and type**
Shariah Compliant Income Fund
- ii) **Statement of Collective Investment Scheme's investment objective**
AISF is an open-end Shariah Compliant Income Fund which aims to provide a competitive return with minimum risk to its investors by investing primarily in Shariah-compliant Government Securities.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**
The Collective Investment Scheme achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Average of 6M PKISRV rates.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AISF	-3.17%	5.19%	5.51%	5.69%	6.09%	8.87%	7.66%	8.43%	8.88%	9.15%	9.08%	11.53%	6.82%
Benchmark	5.63%	6.64%	6.92%	7.45%	7.95%	8.79%	5.70%	3.91%	6.25%	6.92%	7.11%	7.87%	6.78%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance.**
AISF continued to offer competitive returns to investors while being less sensitive to interest rates owing to investment in GoP Ijarah which are floater securities. The fund generated a return of 6.82% p.a. during the period under review. At the end of Jun-19, the Fund Manager maintained 0% exposure in GoP Ijara Sukuks and 97% in Cash.
- vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
GoP Ijara Sukuks	82%	0%
Cash	17%	97%
Others	1%	1%
Placements with banks	0%	2%
Leverage	Nil	Nil

viii) **Analysis of the Collective Investment Scheme's performance**

FY'19 Return:	6.82%
Standard Deviation (12m trailing):	0.58%
Sharpe Ratio (12m trailing):	(5.10)

ix) **Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)**

Net Asset Value			NAV per unit		
30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
5,138,214	4,936,518	4.09	101.0468	103.9136	(2.76)

x) **Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in and performance during the period**

Debt Market Review for FY19

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

- xi) **Disclosure on distribution (if any), comprising:-**
 - particulars of income distribution or other forms of distribution made and proposed during the period; and
 - statement of effects on the NAV before and after distribution is made

Distribution				Per unit	
<i>Declared on</i>	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	<i>Rupees (000)</i>			<i>----- Rupees -----</i>	
02-Jul-2018	-	144,994	3.0521	103.9136	100.8615
24-Jun-2019	-	37,252	6.6827	107.5443	100.8616

- xii) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
 There were no significant changes in the state of affairs during the year under review.

- xiii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AISF
0.0001 - 9,999.9999	3,389
10,000.0000 - 49,999.9999	110
50,000.0000 - 99,999.9999	14
100,000.0000 - 499,999.9999	8
500,000.0000 & Above	12
Total	3,533

- xiv) **Disclosure on unit split (if any), comprising:-**
 There were no unit splits during the period.
- xv) **Disclosures of circumstances that materially affect any interests of unit holders**
 Investment are subject to market risk.

- xvi) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

Al - Ameen Islamic Sovereign Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	5,138,214	4,936,518	7,746,303
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer *	102.1886	105.0878	102.0012
- Redemption	101.0468	103.9136	100.8615
RETURN OF THE FUND - %			
Total Return of the Fund	6.82	3.03	5.56
Capital Growth (per unit)	0.39	3.03	(0.29)
Date of Income Distribution	02-Jul-18	-	26-Jun-17
Income Distribution	3.0521	-	5.85
Date of Income Distribution	24-Jun-19	-	-
Income Distribution	6.6827	-	-
AVERAGE ANNUAL RETURN - %			
Since Launch/ One Year	6.82	3.03	5.56
Second Year	4.93	4.30	4.96
Third Year	5.14	4.31	5.35
Since inception	7.39	7.46	8.09
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	108.7285	105.0878	108.1287
Highest price per unit - Class C units - Redemption	107.5136	103.9136	106.9205
Lowest price per unit - Class C units - Offer	101.5083	101.5293	102.0012
Lowest price per unit - Class C units - Redemption	100.3741	100.3948	100.8615

* Front-end load @1% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	97.00	18.00	72.00
Government Securities	0.00	82.00	28.00
Placements with Banks	2.00	0.00	0.00
Others	1.00		

PORTFOLIO COMPOSITION BY MARKET - %

Debt market	100	100	100
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Note:

- The Launch date of Fund is 07 November 2010.

DISCLAIMER

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as

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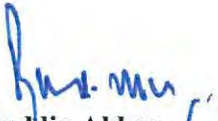
TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC SOVEREIGN FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Sovereign Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2019

REPORT OF THE SHARIAH ADVISORY COMMITTEE

We, the Shariah Advisors of the fund are issuing this report in accordance with the rules and regulations. The scope of the report is to express an opinion on the Shariah Compliance of the Funds activities.

In the capacity of Shariah Advisors, we have prescribed criteria and procedures to be followed in ensuring Shariah Compliance in every investment.


It is the responsibility of the Management Company of the fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of AISF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AISF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AISF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR 1,668 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.


Mufti Muhammad Hassan Kaleem
Member, Shariah Advisory Committee




Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee



KARACHI:
DATE: 08 August 2019



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED**

NAME OF FUND: Al Ameen Islamic Sovereign Fund

YEAR ENDING: JUNE 30, 2019

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Sovereign Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (the Regulations).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: Five Directors;
- b. Female: Two Directors.

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid
	Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar
	Ms. Sadia Saeed
	Mr. Tauqeer Mazhar
	Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

UBL FUND MANAGERS LIMITED

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www.ublfunds.com

10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Tauqeer Mazhar
- c. Mr. Yasir Qadri
- d. Ms. Naz Khan
- e. Ms. Sadia Saeed
- f. Syed Furrukh Zaeem

Executives

- a. S.M. Aly Osman
- b. Mr. Amin Gulamani
- c. Mr. Ammar Valika
- d. Mr. Hadi Hassan Mukhi
- e. Mr. Umair Ahmed
- f. Mr. Zeeshan Quddus

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

12. CFO and CEO duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by separate Independent directors:

a. Board Audit Committee

- i. Ms. Naz Khan (Chair),
- ii. Mr. Imran Sarwar,
- iii. Ms. Sadia Saeed,
- iv. Mr. Tauqeer Mazhar.

b. Board Human Resource & Compensation Committee

- i. Mr. Azhar Hamid (Chairman),
- ii. Ms. Naz Khan,
- iii. Ms. Sadia Saeed,
- iv. Syed Furrukh Zaeem,
- v. Mr. Yasir Qadri.

c. Board Risk & Compliance Committee

- i. Mr. Imran Sarwar (Chairman),
- ii. Mr. Azhar Hamid,
- iii. Syed Furrukh Zaeem,
- iv. Mr. Tauqeer Mazhar,
- v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

UBL FUND MANAGERS LIMITED

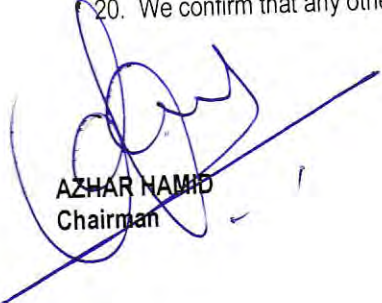
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15. The frequency of meetings of the Committee were as per following:
- Board Audit Committee : Quarterly Meeting-6 meetings held
 - Board Human Resource & Compensation Committee: 4 meetings held
 - Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.



AZHAR HAMID
Chairman

Karachi.

Dated: **August 30, 2019**



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit holders of Al-Ameen Islamic Sovereign Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of UBL Fund Managers Limited ("the Management Company") for and on behalf of Al-Ameen Islamic Sovereign Fund ("the Fund") for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations in respect of the Fund and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.



KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended 30 June 2019.

Further, we highlight that the Securities and Exchange Commission of Pakistan (SECP) through its letter dated 18 April 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective Investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of the Management Company, has voluntarily opted to comply with the relevant provisions of the Regulations.

Date: 23 September 2019

Karachi

KPMG Taseer Hadi & Co.

**KPMG Taseer Hadi & Co.
Chartered Accountants**



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Independent Auditors' Report

To the Unit holders of AI - Ameen Islamic Sovereign Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AI - Ameen Islamic Sovereign Fund** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2019, income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



KPMG Taseer Hadi & Co.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



KPMG Taseer Hadi & Co.

expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditors' report is Zeeshan Rashid.

Date: 23 September 2019

Karachi

**KPMG Taseer Hadi & Co.
Chartered Accountants**

AI - Ameen Islamic Sovereign Fund

Statement of Assets and Liabilities

As at 30 June 2019

	Note	2019 (Rupees in '000)	2018
Assets			
Bank balances	6	5,007,292	856,839
Term deposit musharika	7	120,000	-
Investments	8	-	4,059,168
Profits receivable	9	46,756	45,436
Prepayments and other receivables	10	12,851	7,815
Advance tax	11	534	470
Total assets		5,187,433	4,969,728
Liabilities			
Payable to the Management Company	12	6,225	5,372
Payable to Central Depository Company of Pakistan Limited - Trustee	13	432	454
Payable to Securities and Exchange Commission of Pakistan	14	5,361	3,360
Accrued expenses and other payables	15	37,201	24,024
Total liabilities		49,219	33,210
Net assets		5,138,214	4,936,518
Unit holders' fund (as per statement attached)		5,138,214	4,936,518
Contingencies and commitments	22		
		(Number)	
Number of units in issue		50,849,830	47,505,965
		(Rupees)	
Net assets value per unit	4.12	101.0468	103.9136

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

AI - Ameen Islamic Sovereign Fund

Income Statement

For the year ended 30 June 2019

	Note	2019 (Rupees in '000)	2018
Income			
Profit on bank deposits and profit / return on investments calculated using the effective yield method	16	596,754	254,266
Realised loss on redemption and sale of investments		(11,125)	(25,280)
Unrealised loss on revaluation of investments designated at fair value through profit or loss		-	(18,756)
Other income		27	27
Total income		585,656	210,257
Expenses			
Remuneration of the Management Company	12.1	71,471	44,800
Sindh Sales Tax on the Management Company's remuneration	12.2	9,291	5,824
Allocation of expenses relating to the Fund	12.3	7,147	4,480
Selling and marketing expense relating to the Fund	12.4	1,185	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	13.1	7,447	5,209
Annual fee of Securities and Exchange Commission of Pakistan	14	5,361	3,360
Auditors' remuneration	17	877	852
Shariah advisory fee		350	324
Brokerage expenses		45	1,715
Listing fee		28	28
Legal and professional charges		208	152
Bank charges		107	113
Other expenses		261	291
Total operating expenses		103,778	67,148
Net income from operating activities		481,878	143,109
Provision for Sindh Workers' Welfare Fund	15.2	(9,453)	(2,810)
Net income for the year before taxation		472,425	140,299
Taxation	18	-	-
Net income for the year after taxation		472,425	140,299
Allocation of net income for the year after taxation			
Net income for the year after taxation		472,425	140,299
Income already paid on units redeemed		(432,188)	(119,965)
		40,237	20,334
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		40,237	20,334
		40,237	20,334

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

AI - Ameen Islamic Sovereign Fund

Statement of Comprehensive Income

For the year ended 30 June 2019

	2019 (Rupees in '000)	2018
Net income for the year after taxation	472,425	140,299
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>472,425</u>	<u>140,299</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

Al - Ameen Islamic Sovereign Fund
Statement of Movement in Unit holders' Fund
For the year ended 30 June 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	4,881,606	54,912	4,936,518	7,711,724	34,578	7,746,302
Issuance of 156,499,331 units (30 June 2018: 142,116,982 units)						
- Capital value	15,784,757	-	15,784,757	14,355,307	-	14,355,307
- Element of income	176,603	-	176,603	197,532	-	197,532
Total proceeds on issuance of units	15,961,360	-	15,961,360	14,552,839	-	14,552,839
Redemption of 153,155,466 units (30 June 2018: 171,412,385 units)						
- Capital value	(15,447,490)	-	(15,447,490)	(17,310,084)	-	(17,310,084)
- Element of loss	(170,165)	(432,188)	(602,353)	(72,873)	(119,965)	(192,838)
Total payments on redemption of units	(15,617,655)	(432,188)	(16,049,843)	(17,382,957)	(119,965)	(17,502,922)
Total comprehensive income for the year	-	472,425	472,425	-	140,299	140,299
Final distribution for the year ended 30 June 2018: Rs. 3.0521 per unit declared on 2 July 2018 (30 June 2018: Nil)	(125,107)	(19,887)	(144,994)	-	-	-
Interim distribution for the year ended 30 June 2019: Rs. 6.6827 per unit declared on 24 June 2019 (30 June 2018: Nil)	(30,560)	(6,692)	(37,252)	-	-	-
Net income for the year less distribution	(155,667)	445,846	290,179	-	140,299	140,299
Net assets at end of the year	5,069,644	68,570	5,138,214	4,881,606	54,912	4,936,518
Undistributed income brought forward:						
- Realised income		73,668			21,968	
- Unrealised (loss) / income		(18,756)			12,610	
		54,912			34,578	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		40,237			20,334	
		40,237			20,334	
Final distribution for the year ended 30 June 2018: Rs. 3.0521 per unit declared on 2 July 2018 (30 June 2018: Nil)		(19,887)			-	
Interim distribution for the year ended 30 June 2019: Rs. 6.6827 per unit declared on 24 June 2019 (30 June 2018: Nil)		(6,692)			-	
Undistributed income carried forward		68,570			54,912	
Undistributed income carried forward comprises of:						
- Realised income		68,570			73,668	
- Unrealised loss		-			(18,756)	
		68,570			54,912	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		103.9136			100.8615	
Net assets value per unit at end of the year		101.0468			103.9136	

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

Al - Ameen Islamic Sovereign Fund

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 (Rupees in '000)	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		472,425	140,299
Adjustments for non-cash and other items:			
Profit on bank deposits and mark-up / return on investments calculated using effective yield method	16	(596,754)	(254,266)
Unrealised loss on revaluation of investments designated at fair value through profit or loss		-	18,756
Realised loss on redemption and sale of investments		11,125	25,280
Provision for Sindh Workers' Welfare Fund		9,453	2,810
		<u>(576,176)</u>	<u>(207,421)</u>
Net cash used in operations before working capital changes		(103,751)	(67,121)
Working capital changes			
<i>Decrease / (Increase) in assets</i>			
Investments		4,048,043	(1,939,042)
Prepayments and other receivables		(1)	(5)
Advance tax		(64)	(12)
		<u>4,047,978</u>	<u>(1,939,059)</u>
<i>Increase / (Decrease) in liabilities</i>			
Payable to the Management Company		853	424
Payable to Central Depository Company of Pakistan Limited - Trustee		(22)	54
Payable to Securities and Exchange Commission of Pakistan		2,001	812
Accrued expenses and other payables		3,724	(10,071)
		<u>6,556</u>	<u>(8,781)</u>
Profits received		595,434	247,293
Net cash generated from / (used in) operating activities		4,546,217	(1,767,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units	20	15,800,658	14,552,316
Payments on redemption of units		(16,049,843)	(17,502,922)
Cash distribution to unit holders		(26,579)	-
Net cash used in financing activities		(275,764)	(2,950,606)
Net increase / (decrease) in cash and cash equivalents		4,270,453	(4,718,274)
Cash and cash equivalents at beginning of the year		856,839	5,575,113
Cash and cash equivalents at end of the year		5,127,292	856,839
Cash and cash equivalents			
Bank balances		5,007,292	856,839
Term deposit musharika		120,000	-
		<u>5,127,292</u>	<u>856,839</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

AI - Ameen Islamic Sovereign Fund

Notes to the Financial Statements

For the year ended 30 June 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

AI-Ameen Islamic Sovereign Fund (the Fund), was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 25 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 17 September 2010 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 7 November 2010.

The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to general public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The investment objective of the Fund is to provide a competitive rate of return with a moderate level of risk to its investors by investing in designated authorised investments approved by the Shariah Advisory Board.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 „Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 01 January 2019), clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Fund's financial statements.
- IFRS 16 „Leases" (effective for annual periods beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 „Leases", IFRIC 4 „Determining whether an Arrangement contains a Lease", SIC-15 „Operating Leases - Incentives" and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard is not likely to have an impact on Fund's financial statements.
- Amendment to IFRS 9 „Financial Instruments" – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are „solely payments of principal and interest". Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Fund's financial statements.
- Amendment to IAS 28 „Investments in Associates and Joint Ventures" - Long Term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests

or „LTI“). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Fund's financial statements.

- Amendments to IAS 19 „Employee Benefits“- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Fund's financial statements.
- Amendment to IFRS 3 „Business Combinations“ – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after 01 July 2019 and are not likely to have an impact on Fund's financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4.2.1 - Regarding the classification of investments.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the

financial statements for the year ended 30 June 2019 is included in the following notes:

- Notes 4.2.3 and 4.2.4 - Valuation of investments
- Notes 4.2.5 and 4.18 - Impairment of financial instruments and other assets

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.5 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3 CHANGE IN ACCOUNTING POLICIES

Except as described below, the Fund has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements.

The Fund has adopted IFRS 9 'Financial instruments' from 1 July 2018. The Fund also adopted IFRS 15 'Revenue from contracts with customers' from 1 July 2018. A number of other new standards are effective from 1 July 2018 but they do not have a material effect on the Fund's financial statements.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities. As a result of adoption of IFRS 9, the Fund has adopted consequential amendments to IAS 1 Presentation of Financial statements, which requires separate presentation in the income statement and statement of comprehensive income, profit calculated using the effective yield method.

Additionally, the Fund has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2019, but have not been applied to the comparative information.

The adoption of IFRS 15 did not impact the timing or amount of profit, mark-up and other investment income and related assets and liabilities recognised by the Fund. Accordingly, there is no impact on comparative information.

The key changes to the Fund's accounting policies resulting from its adoption of IFRS 9 are summarised below. The full impact of adopting the standard is set out in Note 5.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities therefore its adoption did not have a significant effect on the Fund's accounting policies related to financial liabilities.

For an explanation of how the Fund classifies financial assets under IFRS 9, see Note 4.3.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Fund has classified its financial assets as measured at: FVTPL or amortised cost. IFRS 9 has scoped out impairment for financial assets measured at 'fair value through profit or loss' where as for debt securities measured at amortised cost there are impairment requirements. However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and have instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes.

iii. Transition

The changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively except that comparative periods have not generally been restated. As the Fund presents the movement in unit holders' Fund on net assets basis, there is no impact of the changes on net assets of the Funds. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable to information presented for 2019 under IFRS 9.

For more information and details on the changes and implications resulting from the adoption of IFRS 9, see Note 5.

4 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied except for the change in accounting policy as mentioned in note 3, to all the periods presented.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at amortised cost. These comprise of deposits with banks and highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

4.2 Financial assets (Policies applicable before 1 July 2018)

4.2.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets. The classification depends upon the purpose for which the financial assets are acquired. The Fund classifies its financial assets in the following categories:

a) Financial asset at fair value through profit or loss

This category has two sub-categories, namely financial asset held for trading and those designated at fair value through profit or loss upon initial recognition.

Financial asset which are acquired principally for the purpose of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading. All derivatives are classified as held for trading. These are initially recorded at cost.

Financial asset designated at fair value through profit or loss upon initial recognition include those group of financial asset which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

After initial measurement, financial asset classified as at fair value through profit or loss are carried at fair value and the gains or losses on revaluation are recognised in the income statement.

b) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (c) loans and receivables, (a) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for the liquidity or change in price.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

4.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value profit or loss and available for sale are valued as follows:

- Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates) which are based on the remaining tenor of the securities.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortised cost using the effective yield method.

4.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In case of investment classified as „available-for-sale“, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for „available-for-sale“ financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is reclassified from the statement of comprehensive income to the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of provision is measured as the difference between the asset's carrying value and present value of estimated future cash inflows, discounted at the original effective interest rate.

4.3 Financial assets (Policies applicable after 1 July 2018)

i. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objectives for managing the financial assets are achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, „principal“ is defined as the fair value of the financial asset on initial recognition. „Interest“ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

The fair value of financial assets are determined as follows:

- Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates) which are based on the remaining tenor of the securities.

iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

iv. Impairment of financial assets

Financial assets at amortised cost

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated 24 October 2012 issued by SECP. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes. The provisioning policy has been duly formulated and approved by the Board of Directors.

4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and where the Fund has transferred substantially all risks and rewards of ownership.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amount and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.6 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

4.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.8 Unitholders' Fund

Unitholders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.9 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the distributors / Management Company during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.11 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.12 Net assets value per unit

The net assets value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

4.13 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of atleast ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.14 Revenue recognition

- Realised gains / (losses) arising on redemption and sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Income on government securities is recognised on time proportion basis using the effective yield.
- Profit on saving accounts and term deposits musharika is recognised taken into account the effective yield.

4.15 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

4.16 Earnings per unit

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

4.17 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.18 Other assets

Other assets are stated at cost less impairment losses, if any.

4.19 Zakat payable

Zakat payment is the responsibility of each unit holder. Nevertheless, the fund follows the provision of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani unit holders are subject to Zakat at 2.5% of par value of unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat year before the payment of Zakat.

5. Financial assets and financial liabilities

5.1 Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table and the accompanying note below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at 01 July 2018:

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
----- (Rupees in '000)-----					
Financial assets					
GoP Ijarah Sukuks	(a)	Designated at FVTPL	Mandatorily at FVTPL	4,059,168	4,059,168
Bank balances	(b)	Loans and receivables	Amortised cost	856,839	856,839
Profits receivable	(b)	Loans and receivables	Amortised cost	45,436	45,436
Prepayments and other receivables	(b)	Loans and receivables	Amortised cost	7,697	7,697
Financial liabilities					
Payable to Management Company	(c)	Other financial liabilities	Amortised cost	5,372	5,372
Payable to Central Depository Company of Pakistan Limited - Trustee	(c)	Other financial liabilities	Amortised cost	454	454
Accrued expenses and other payables	(c)	Other financial liabilities	Amortised cost	1,360	1,360

(a) GoP Ijarah Sukuks classified as designated at fair value through profit or loss have been measured at fair value through profit or loss with value changes continue to be recognised in income statement

(b) The financial assets classified as loans and receivables have been classified as amortised cost.

(c) The financial liabilities classified as other financial liabilities have been classified as amortised cost.

6	BANK BALANCES	Note	2019 ----- (Rupees in '000)-----	2018
	In current accounts	6.1	151,406	6,710
	In saving accounts	6.2	4,855,886	850,129
			<u>5,007,292</u>	<u>856,839</u>

6.1 This includes balance with United Bank Limited of Rs. 0.804 million (30 June 2018: Rs. 3.7 million), holding company of the Management Company.

6.2 These carry profit rates ranging from 6.3% to 12% per annum (30 June 2018: 1.89% to 6.4% per annum). It includes balance with United Bank Limited of Rs. 1,886.49 million (30 June 2018: Rs. 531.03 million).

7	TERM DEPOSIT MUSHARIKA	Note	2019 ----- (Rupees in '000)-----	2018
	Commercial Bank	7.1	<u>120,000</u>	-

7.1 This Carry profit rate of 12.5% per annum and will mature on 20 August 2019.

8	INVESTMENTS	Note	2019 ----- (Rupees in '000)-----	2018
	At fair value through profit or loss			
	Government securities	8.1	<u>-</u>	<u>-</u>
	Designated at fair value through profit or loss			
	Government securities		<u>-</u>	<u>4,059,168</u>

8.1 Government Securities - at fair value through profit or loss

	As at 01 July 2018	Purchase d during the year	Sold / matured during the year	As at 30 June 2019	Carrying value as at 30 June 2019	Market value as at 30 June 2019	Market value as at 30 June 2018	Percentage of total investments	Percentage of net assets
	(No. of Holdings)				(Rupees in '000)			%	
Government of Pakistan									
Ijarah Sukuk XVI - 3 years	24,340	16,550	(40,890)	-	-	-	2,443,249	-	-
Ijarah Sukuk XVII - 3 years	16,090	-	(16,090)	-	-	-	1,615,919	-	-
					-	-	4,059,168	-	-

9 PROFITS RECEIVABLE

Profits receivable on:

- Government securities
- Bank balances
- Term deposit musharika

Note	2019	2018
	----(Rupees in '000)----	
	-	42,060
	46,057	3,376
	699	-
	<u>46,756</u>	<u>45,436</u>

10 PREPAYMENTS AND OTHER RECEIVABLES

- Receivable against issuance of units
- Prepaid expenses
- Others

	12,732	7,697
	118	118
	1	-
	<u>12,851</u>	<u>7,815</u>

11 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax Year 2019.

12 PAYABLE TO THE MANAGEMENT COMPANY

- Management remuneration payable
- Sindh Sales Tax on Management's remuneration
- Payable against allocation of expenses relating to the Fund
- Payable against selling and marketing expenses relating to the Fund
- Shariah advisory fee
- Sales load and other payables

Note	2019	2018
	----(Rupees in '000)----	
12.1	3,756	3,906
12.2	488	508
12.3	376	818
12.4	1,185	-
	204	25
	216	115
	<u>6,225</u>	<u>5,372</u>

12.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5% of average annual net assets in case of Income Scheme. The Management Company has charged remuneration at the rate of 1% per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

12.2 Sindh Sales Tax has been charged at 13% (30 June 2018: 13%) on the management fee charged during the year.

12.3 As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the Management Company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) upto a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management company has charged 0.1% of the average annual net assets, being lower.

12.4 Securities and Exchange Commission of Pakistan vide Circular No. 40 of 2016 dated 30 December 2016, has allowed Asset Management Companies to charge Selling and Marketing expenses to its CIS's at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.2% on daily net assets of the Fund, being the lower amount.

13 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

- Trustee remuneration
- Sindh Sales Tax on Trustee remuneration

Note	2019	2018
	----(Rupees in '000)----	
13.1	382	402
13.2	50	52
	<u>432</u>	<u>454</u>

13.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2019 is as follows:

Net assets:

Tariff per annum

- up to Rs. 1 billion
- Rs.1 billion to Rs. 5 billion
- exceeding Rs. 5 billion

- 0.17% per annum of net assets value
- Rs. 1.7 million plus 0.085% per annum of net assets value exceeding Rs. 1 billion
- Rs. 5.1 million plus 0.07% per annum of net assets value exceeding Rs. 5 billion.

- 13.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 1, 2016.

14 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.075% of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008.

15 ACCRUED EXPENSES AND OTHER PAYABLES	<i>Note</i>	2019	2018
		----- (Rupees in '000) -----	
Provision for indirect duties and taxes	15.1	16,613	16,613
Provision for Sindh Workers' Welfare Fund	15.2	15,504	6,051
Withholding tax deducted at source		3,739	44
Capital gains tax payable		79	14
Zakat deducted at source		349	703
Auditors' remuneration payable		538	503
Brokerage payable		26	26
Withholding Sindh Sales Tax payable		-	5
Charity payable		2	9
Sales load payable		219	45
Legal fees payable		61	11
Others		71	-
		37,201	24,024

- 15.1** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED upto 30 June 2016.

On 30 June 2016, the Honourable Sindh High Court had passed a judgement that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 14.993 million until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.2948 (30 June 2018: Rs. 0.3156) per unit.

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, since 30 June 2016, provision for FED has not been made.

- 15.2** The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honourable Lahore High Court (LHC) and the Honourable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honourable Supreme Court of Pakistan (SCP). On 10 November 2016 the SCP passed a judgement declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgement, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on 21 May 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more in any year of account commencing on or after the date of closing of account on or after 31 December 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited, has recommended to all its members on 12 January 2017 the following:

- i) The provision against the Federal WWF held by the Mutual Funds till 30 June 2015 should be reversed on 12 January 2017; and
- ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. 21 May 2015).

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on 12 January 2017. In response to the aforementioned letter SECP vide its letter dated 01 February 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

Had the provision not been made, the net asset value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.3049 (30 June 2018: Rs. 0.1274) per unit.

16 PROFIT ON BANK DEPOSITS AND PROFIT / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE YIELD METHOD

Profits on:

- Government securities
- Bank balances
- Term deposit musharika

2019 **2018**
-----**(Rupees in '000)**-----

151,963	184,260
444,092	54,950
699	15,056
596,754	254,266

16.1 Profit rate on term deposit musharika is 12.5% (30 June 2018: 5.95% to 6.05%) per annum.

17 AUDITORS' REMUNERATION

- Annual audit fee
- Half yearly review fee
- Fee for certifications and other services
- Out of pocket expenses

335	335
224	224
195	195
123	98
877	852

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund has distributed more than 90% of the Fund's accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly, no provision has been made in the financial statements for the year ended 30 June 2019.

19 TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (all the expenses, including government levies, incurred during the year divided by average net assets value for the year) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended 30 June 2019 is 1.58% which include 0.35% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

20 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against sale of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Opening balance as at 01 July 2018	7,697	-	7,697
Receivable against issuance of units	15,805,693		15,805,693
Payable against redemption of units		(16,049,843)	(16,049,843)
	15,805,693	(16,049,843)	(244,150)
Amount received on issuance of units	(15,800,658)	-	(15,800,658)
Amount paid on redemption of units	-	16,049,843	16,049,843
	(15,800,658)	16,049,843	249,185
Closing balance as at 30 June 2019	12,732	-	12,732

21 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively.

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the year end are as follows:

21.1 Transactions during the year

	2019					
	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
(Rupees in '000)						
Units issued	-	-	-	16,526,167	1,406	-
Units redeemed	-	-	-	15,856,680	-	-
Profit on saving accounts	-	272,033	-	-	-	-
Bank charges	-	97	-	-	-	-
Remuneration	71,471	-	6,590	-	-	-
Sales tax on remuneration	9,291	-	857	-	-	-
Allocation of expenses relating to the Fund	7,147	-	-	-	-	-
Shariah advisory fee	350	-	-	-	-	-
Selling and marketing expense relating to the Fund	1,185	-	-	-	-	-
Dividend paid	-	-	-	119,599	350	-
2018						
(Rupees in '000)						
Units issued	-	-	-	13,804,245	1,992	-
Units redeemed	-	381	-	16,206,549	2,038	-
Profit on saving accounts	-	35,598	-	-	-	-
Bank charges	-	105	-	-	-	-
Remuneration	44,800	-	4,610	-	-	-
Sales tax on remuneration	5,824	-	599	-	-	-
Allocation of expenses relating to the Fund	4,480	-	-	-	-	-
Shariah advisory fee	324	-	-	-	-	-
Listing fee	-	-	-	-	-	25

21.2 Balances outstanding as at year end

	2019					
	(Rupees in '000)					
Units held (in units '000)	-	-	-	41,722	42	-
Units held (in rupees '000)	-	-	-	4,215,924	4,229	-
Bank balances*	-	1,887,348	-	-	-	-
Remuneration payable **	4,244	-	432	-	-	-
Sales load and other payables	216	219	-	-	-	-
Shariah fee	204	-	-	-	-	-
Others	-	-	-	-	-	-
Payable against allocated expenses	376	-	-	-	-	-
Payable against selling and marketing expenses relating to the Fund	1,185	-	-	-	-	-
Profit receivable	-	17,262	-	-	-	-
2018						
(Rupees in '000)						
Units held (in units '000)	-	-	-	39,186	28	-
Units held (in rupees '000)	-	-	-	4,071,949	2,945	-
Bank balances*	-	534,762	-	-	-	-
Remuneration payable **	4,414	-	454	-	-	-
Sales load and other payables	115	44	-	-	-	-
Shariah fee	25	-	-	-	-	-
Payable against allocated expenses	818	-	-	-	-	-
Profit receivable	-	1,639	-	-	-	-

* These carry profit rate ranging from 6.3% to 12% per annum (30 June 2018: 6.2% per annum).

** These balances are inclusive of Sindh Sales Tax payable.

23 FINANCIAL INSTRUMENTS BY CATEGORY

23 FINANCIAL INSTRUMENTS BY CATEGORY

23 FINANCIAL INSTRUMENTS BY CATEGORY

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

24.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

25 FINANCIAL RISK MANAGEMENT

25.1 The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

25.2 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations and guidelines given by SECP from time to time.

Credit risk is managed and controlled by the management company of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in instruments and bank deposits that have a minimum "AA-" from a credit rating agency duly approved by the SECP.
- Investment transactions are carried out with large number of brokers, whose credit rating is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon deliveries.
- The risk of counter party exposure due to failed trade causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks (including related party).

The table below analyses the Fund's maximum exposure to credit risk:

	Rating Agency	Rating	2019 (Rupees in '000)	2018
Bank balances by rating category				
Habib Bank Limited	VIS	AAA	36	36
Allied Bank Limited	PACRA	AAA	10	1,128
MCB Bank Limited	PACRA	AAA	538	1,327
National Bank of Pakistan Limited	VIS	AAA	53	1,647
United Bank Limited	VIS	AAA	1,882,306	534,763
Bank Al Habib Limited	PACRA	AA+	932,403	2,925
Habib Metropolitan Bank Limited	PACRA	AA+	25	960
Meezan Bank Limited	VIS	AA+	34	586
Faysal Bank Limited	PACRA	AA	1,184,502	22
Dubai Islamic Bank Pakistan Limited	VIS	AA	9	-
Soneri Bank Limited	PACRA	AA-	1,007,365	313,336
Bank Alfalah Limited	VIS	AA-	11	109
			5,007,292	856,839
Term deposit musharika				
Meezan Bank Limited	VIS	AA+	120,000	-

	2019	2018
	----- (Rupees in '000) -----	
Profits receivable	46,756	45,436
Prepayments and other receivables	12,733	7,697

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Further, all transactions in securities are executed through approved brokers, thus the risk of default is considered to be minimal. In accordance with the risk management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

Risk attributable to investment in government securities is limited as these are guaranteed by the Federal Government.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The Fund's activities may give rise to settlement risk. „Settlement risk" is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

25.3 Liquidity risk

„Liquidity risk" is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all invested in government securities and saving accounts. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

In accordance with the risk management policy of the Fund, the Fund manager monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets. However, no such borrowing has been obtained during the year.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008, to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue.

In addition to unitholders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2019:

	2019			
	Three months	Six months	One year	More than one year
	(Rupees in '000)			
Financial Liabilities				
Payable to Management Company	6,225	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	432	-	-	-
Accrued expenses and other payables	5,083	-	-	-
	11,740	-	-	-
Unit holders' fund	5,138,214	-	-	-
	2018			
	Three months	Six months	One year	More than one year
	(Rupees in '000)			
Financial Liabilities				
Payable to Management Company	5,372	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	454	-	-	-
Accrued expenses and other payables	1,360	-	-	-
	7,186	-	-	-
Unit holders' fund	4,936,518	-	-	-

25.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and debt security prices.

i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market profit rates. The Fund's profit rate risk is monitored on a quarterly basis by the board of directors.

As at 30 June 2019, the balances that may be exposed to profit rate risk are as follows:

	2019	2018
	----- (Rupees in '000) -----	
Variable rate instruments		
Bank balances	4,855,886	850,129
Government securities - designated at fair value through profit or loss	-	2,443,249
Fixed rate instruments		
Government securities - designated at fair value through profit or loss	-	1,615,919
Term deposit musharika	120,000	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the year end would have increased / (decreased) the net assets and net income by Rs. 48.61 million (30 June 2018: Rs. 32.93 million), assuming all other variables held constant.

Fair value sensitivity analysis for fixed rate instrument

Short term investment with a bank is carried at held to maturity. Therefore a change in profit rate at the reporting date would not effect the income statement.

The composition of the Fund's investment portfolio and KIBOR rates and rates announced by the Financial Market Association are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2019 is not necessarily indicative of the effect on Funds net assets of future movements in profit rates. The fluctuation in profit rate of 100 basis points is reasonably possible in the current economic environment.

Yield / Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

		2019				
		(Rupees in '000)				
		Exposed to yield / interest rate risk				
Yield / Interest rate		Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
%						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.3 - 12	4,855,886	-	-	151,406	5,007,292
Term deposit musharika	12.5	120,000	-	-	-	120,000
Profits receivable		-	-	-	46,756	46,756
Prepayments and other receivables		-	-	-	12,733	12,733
		4,975,886	-	-	210,895	5,186,781
Financial liabilities						
Payable to the Management Company		-	-	-	6,225	6,225
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	432	432
Accrued expenses and other payables		-	-	-	5,083	5,083
		-	-	-	11,740	11,740
On-balance sheet gap		4,975,886	-	-	199,155	5,175,041
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

2018						
(Rupees in '000)						
	Yield / Interest rate %	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	1.89 - 6.4	850,129	-	-	6,710	856,839
Investments		-	2,443,249	1,615,919	-	4,059,168
Profits receivable		-	-	-	45,436	45,436
Prepayments and other receivables		-	-	-	7,697	7,697
		<u>850,129</u>	<u>2,443,249</u>	<u>1,615,919</u>	<u>59,843</u>	<u>4,969,140</u>
Financial liabilities						
Payable to the Management Company		-	-	-	5,372	5,372
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	454	454
Accrued expenses and other payables		-	-	-	1,360	1,360
		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,186</u>	<u>7,186</u>
On-balance sheet gap		<u>850,129</u>	<u>2,443,249</u>	<u>1,615,919</u>	<u>52,657</u>	<u>4,961,954</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

iii) Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the Fund in which the investment is made, change in business circumstances of the Fund, industry environment and / or the economy in general. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

25.5 Unit holders' fund risk management (Capital risk management)

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market conditions. Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

In order to maintain or adjust the unit holders' Fund structure, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and Chief Executive of the management company critically track the movement of „Assets under Management“. The Board of Directors is updated about the fund yield and movement of NAV and total fund size at the end of each quarter.

**26 TOP TEN BROKERS / DEALERS BY PERCENTAGE
OF COMMISSION PAID BY THE FUND**

Name of Broker

	Commission 2019 %
Paramount Capital (Private) Limited	48.44
Currency Market Associates (Private) Limited	35.14
Pearl Securities Limited	7.37
Vector Capital (Private) Limited	5.26
C & M Management (Private) Limited	3.79
	100.00

**Commission
2018
%**

Name of Broker

Paramount Capital (Private) Limited	21.80
JS Global Capital Limited	19.73
C & M Management (Private) Limited	17.64
Invest Capital Markets Limited	14.46
Bright Capital (Private) Limited	14.46
Summit Capital (Private) Limited	6.94
Vector Capital (Private) Limited	4.97
	100.00

27 INVESTMENT COMMITTEE

Details of the members of investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Mr. Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	MBA, CFA
3	Mr. Hadi Hassan Muki	Head of Risk management, Compliance	19	B.com
4	Syed Shabbir Sardar Zaidi*	Fund Manager and Senior Analyst	10	M.A.S, CFA

*Syed Shabbir Sardar Zaidi is Fund Manager of Al Ameen Islamic Sovereign Fund, Al Ameen Islamic Dedicated Equity Fund, Al Ameen Islamic Financial Planning Fund, Al Ameen Islamic Financial Planning Fund - II, Al Ameen Islamic Financial Planning Fund - III and Al-Ameen Islamic Retirement Savings Fund.

28 DIRECTORS' MEETING ATTENDANCE

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

	Dates	28 August 2018	26 October 2018	8 November 2018	11 December 2018	27 February 2019	29 April 2019	6 May 2019
Name of Director	Meetings attended							
Mr. Azhar hamid	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Yasir Qadri	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Naz Khan	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sharjeel Shahid *	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Zia Ijaz *	0	No	N/A	N/A	N/A	N/A	N/A	N/A
Syed Furrukh Zaeem	6	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr. Mirza Muhammad Sadeed Hassan Barlas *	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Tauqeer Mazhar **	3	N/A	N/A	Yes	Yes	No	No	Yes
Mr. Imran Sarwar **	4	N/A	N/A	Yes	Yes	No	Yes	Yes
Ms. Sadia Saeed **	5	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Name of Key Executives								
Mr. S.M. Aly Osman	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Umair Ahmed	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Mr. Zia Ijaz, Mr. Mirza Muhammad Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018

** Mr. Tauqeer Mazhar, Ms. Sadia Saeed & Mr. Imran Sarwar appointed as of November 2, 2018

29 PATTERN OF UNIT HOLDERS

Category	30 June 2019		
	Number of		Percentage
	Unit holders	Units held	
Individuals	3,492	5,064,710	9.96
Non Banking Financial Companies	11	41,722,476	82.05
Associated Companies and Directors	1	41,855	0.08
Retirement Funds	16	3,883,447	7.64
Public Limited Companies	2	87,773	0.17
Others	11	49,569	0.10
	3,533	50,849,830	100

Category	30 June 2018		
	Number of		Percentage
	Unit holders	Units held	
Individuals	3,504	5,508,728	11.60
Non Banking Financial Companies	7	39,185,932	82.48
Associated Companies and Directors	2	28,338	0.06
Retirement Funds	20	2,712,055	5.71
Others	9	70,912	0.16
	3,542	47,505,965	100

30 CREDIT RATING

The Management Company has been rated as AM1 on 27 December 2018 (30 June 2018: AM1) by VIS. The Fund has been rated as AA-(f) on 31 December 2018 (30 June 2018: AA-(f)) by VIS.

31 GENERAL

31.1 Date of authorisation for issue

These financials statements were authorized for issue by Board of Directors of the Management Company on 30-AUG -2019.

**For UBL Fund Managers Limited
(Management Company)**

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

AIAIF

Al-Ameen Islamic Aggressive Income Fund

INVESTMENT OBJECTIVE

AIAIF is an open-end Shariah Compliant Aggressive Fixed Income Fund which invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	KPMG Taseer Hadi & Co, Chartered Accountants
Bankers	Al Baraka Islamic Bank Limited Allied Bank Limited Bank Alfalah Limited - Islamic Banking BankIslami Pakistan Limited Dubai Islamic Bank Limited MCB Bank Limited National Bank of Pakistan Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking Meezan Bank Limited United Bank Limited Faysal Bank Limited - Islamic Banking Soneri Bank Limited - Islamic Banking
Management Co. Rating	AM1 (JCR-VIS)
Fund Rating	BBB+ (f) (JCR-VIS)

Fund Manager's Report – Al-Ameen Islamic Aggressive Income Fund (AIAIF) formerly United Islamic Income Fund (UIIF)

- i) **Description of the Collective Investment Scheme category and type**
Shariah Compliant Aggressive Fixed Income/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
AIAIF is an open-end Shariah Compliant Aggressive Fixed Income Fund which invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**
The Collective Investment Scheme has a long-term investment objective. Significant efforts were made during the year for the achievement of the long-term objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Weighted average of 12 Month deposit rates of 3 Islamic Banks
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AIAIF	4.22%	4.13%	6.10%	7.05%	4.65%	1.46%	8.04%	8.32%	7.03%	8.77%	8.71%	10.42%	6.52%
Benchmark	5.32%	5.36%	5.39%	5.55%	5.62%	5.62%	6.05%	6.84%	6.06%	7.70%	8.41%	8.78%	6.38%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
During FY19, the fund generated a return of 6.52% p.a. At the end of Jun'19, asset allocation stood at 75% of assets in cash, 14% of assets in Sukuks, 8% of assets in Placements with banks, while the rest was invested in others.
- vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Sukuks	30%	14%
GoP Ijara Sukuk	0%	0%
Commercial Papers	0%	0%
Cash	57%	75%
Others	2%	3%
Placements with banks	12%	8%
Leverage	Nil	Nil

viii) **Analysis of the Collective Investment Scheme's performance**

FY'19 Return:	6.52%
Standard Deviation (12m trailing):	0.44%
Sharpe Ratio (12m trailing):	(7.48)

ix) **Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)**

Net Asset Value			NAV per unit		
30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
456,145	795,728	(42.68)	100.1259	103.4230	(3.19)

x) **Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in during the period; and**

Debt Market Review for FY19

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

xi) **Disclosure on distribution (if any), comprising:-**

- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Distribution				Per Unit	
Declared on	Bonus	Cash	Per unit	Cum NAV	Ex NAV
	Rupees (000)		Rupees-		
23-June-2019		40,457	6.3166	106.2545	99.9379

- i) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- ii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIAIF
0.0001 - 9,999.9999	1,782
10,000.0000 - 49,999.9999	91
50,000.0000 - 99,999.9999	9
100,000.0000 - 499,999.9999	7
500,000.0000 & Above	0
Total	1,889

- iii) **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- iv) **Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

- v) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE**Al-Ameen Islamic Aggressive Income Fund**

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	456,145	795,728	1,105,259
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Income units - Offer*	101.2573	104.5917	101.0669
- Redemption	100.1259	103.4230	99.9376
Growth units - Offer	101.2573	104.5917	101.0669
- Redemption**	100.1259	103.4230	99.9376

* Back-end load will be deducted as per applicable step-down structure

RETURN OF THE FUND - %

Total Return of the Fund	6.52	3.49	4.81
Capital Growth (per unit)	0.20	3.49	0.29
Date of Income Distribution	2-Jul-18		19-Jun-17
Income Distribution	3.4854		4.52
Date of Income Distribution	24-Jun-19		-
Income Distribution	6.3166		-

AVERAGE ANNUAL RETURN - %

One Year	6.52	3.49	4.81
Second Year	5.01	4.15	5.94
Third Year	4.94	5.12	6.71
Fourth year	5.47	5.91	8.62
Fifth Year	6.03	7.60	8.28
Sixth Year	7.42	7.48	7.92
Since inception	5.51	5.22	5.20

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Income units - Offer	107.4276	104.5917	104.2182
Highest price per unit - Income units - Redemption	106.2272	103.4230	104.2182
Highest price per unit - Growth units - Offer	107.4276	104.5917	104.2182
Highest price per unit - Growth units - Redemption	106.2272	103.4230	104.2182
Lowest price per unit - Income units - Offer	101.0672	101.0013	99.3900
Lowest price per unit - Income units - Redemption	99.9379	99.8727	99.3900
Lowest price per unit - Growth units - Offer	101.0672	101.0013	99.3900
Lowest price per unit - Growth units - Redemption	99.9379	99.8727	99.3900

* Front-end load @ 1% is applicable

** Back-end load as per applicable step-down structure

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	75.00	57.00	38.00
Sukuk Certificates	14.00	30.00	56.00
Placement with banks	8.00		
others	3.00	13.00	6.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt market	100.00	100.00	100.00
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Note:

- The Launch date of Fund is 20 October 2007

DISCLAIMER

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Aggressive Income Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 18, 2019



REPORT OF THE SHARIAH ADVISORY COMMITTEE

We, the Shariah Advisors of the fund are issuing this report in accordance with relevant rules and regulations. The scope of the report is to express an opinion on the Shariah Compliance of the Funds activities.

In the capacity of Shariah Advisors, we have prescribed criteria and procedures to be followed in ensuring Shariah Compliance in every investment.


It is the responsibility of the Management Company of the fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of AIAIF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIAIF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AIAIF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR 848 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.


Mufti Muhammad Hassan Kaleem
Member, Shariah Advisory Committee




Mufti Muhammad Waheed Khan
Member, Shariah Advisory Committee



KARACHI:
DATE: 08 August 2019

UBL FUND MANAGERS LIMITED

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**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED**

NAME OF FUND: Al Ameen Islamic Aggressive Income Fund

YEAR ENDING: JUNE 30, 2019

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Aggressive Income Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (the Regulations).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: Five Directors;
- b. Female: Two Directors.

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid
	Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar
	Ms. Sadia Saeed
	Mr. Tauqeer Mazhar
	Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Tauqeer Mazhar
- c. Mr. Yasir Qadri
- d. Ms. Naz Khan
- e. Ms. Sadia Saeed
- f. Syed Furrukh Zaeem

Executives

- a. S.M. Aly Osman
- b. Mr. Amin Gulamani
- c. Mr. Ammar Valika
- d. Mr. Hadi Hassan Mukhi
- e. Mr. Umair Ahmed
- f. Mr. Zeeshan Quddus

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

12. CFO and CEO duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by separate Independent directors:

a. Board Audit Committee

- i. Ms. Naz Khan (Chair),
- ii. Mr. Imran Sarwar,
- iii. Ms. Sadia Saeed,
- iv. Mr. Tauqeer Mazhar.

b. Board Human Resource & Compensation Committee

- i. Mr. Azhar Hamid (Chairman),
- ii. Ms. Naz Khan,
- iii. Ms. Sadia Saeed,
- iv. Syed Furrukh Zaeem,
- v. Mr. Yasir Qadri.

c. Board Risk & Compliance Committee

- i. Mr. Imran Sarwar (Chairman),
- ii. Mr. Azhar Hamid,
- iii. Syed Furrukh Zaeem,
- iv. Mr. Tauqeer Mazhar,
- v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

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15. The frequency of meetings of the Committee were as per following:
- Board Audit Committee : Quarterly Meeting-6 meetings held
 - Board Human Resource & Compensation Committee: 4 meetings held
 - Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.



AZHAR HAMID
Chairman

Karachi.
Dated: **August 30, 2019**



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Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit holders of Al-Ameen Islamic Aggressive Income Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of UBL Fund Managers Limited ("the Management Company") for and on behalf of Al-Ameen Islamic Aggressive Income Fund ("the Fund") for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations in respect of the Fund and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.



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Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended 30 June 2019.

Further, we highlight that the Securities and Exchange Commission of Pakistan (SECP) through its letter dated 18 April 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective Investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of the Management Company, has voluntarily opted to comply with the relevant provisions of the Regulations.

Date: 19 September 2019

Karachi

KPMG Taseer Hadi & Co.

**KPMG Taseer Hadi & Co.
Chartered Accountants**



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Independent Auditors' Report

To the Unit holders of AI - Ameen Islamic Aggressive Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AI - Ameen Islamic Aggressive Income Fund** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2019, income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



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Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



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expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditors' report is Zeeshan Rashid.

Date: 19 September 2019

Karachi

KPMG Taseer Hadi & Co.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Al - Ameen Islamic Aggressive Income Fund

Statement of Assets and Liabilities

As at 30 June 2019

	Note	2019 (Rupees in '000)	2018
Assets			
Bank balances	6	348,387	459,540
Term deposit musharika	7	40,000	95,000
Investments	8	67,749	240,647
Profit receivable	9	6,795	8,349
Deposits, prepayments and other receivables	10	8,822	6,571
Advance tax	11	2,081	1,824
Total assets		473,834	811,931
Liabilities			
Payable to the Management Company	12	1,306	1,444
Payable to Central Depository Company of Pakistan Limited - Trustee	13	71	127
Payable to Securities and Exchange Commission of Pakistan	14	401	756
Accrued expenses and other payables	15	15,911	13,876
Total liabilities		17,689	16,203
Net assets		456,145	795,728
Unit holders' fund (as per statement attached)		456,145	795,728
Contingencies and commitments	22		
		(Number of units)	
Number of units in issue		4,555,712	7,693,921
		(Rupees)	
Net assets value per unit	4.11	100.1259	103.4230

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

Al - Ameen Islamic Aggressive Income Fund

Income Statement

For the year ended 30 June 2019

		2019 (Rupees in '000)	2018
Note			
Income			
Profit on bank deposits, term deposit musharika and return on investments calculated using the effective yield method	16	50,937	64,963
Realised loss on sale of investments	8.5	(2,316)	(2,924)
Unrealised loss on revaluation of investments at fair value through profit or loss	8.4	(2,424)	(4,950)
Other income		3	231
Total income		46,200	57,320
Expenses			
Remuneration of the Management Company	12.1	8,024	15,118
Sindh Sales Tax on the Management Company's remuneration	12.2	1,043	1,965
Allocation of expenses relating to the Fund	12.3	535	1,008
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	13.1	1,028	1,899
Annual fee of Securities and Exchange Commission of Pakistan	14	401	756
Bank charges		62	109
Auditors' remuneration	17	515	559
Listing fee		28	28
Brokerage expenses		23	106
Legal and professional charges		251	190
Shariah advisory fee		350	333
Settlement charges		696	155
Other expenses		208	164
Total operating expenses		13,164	22,390
Net income from operating activities		33,036	34,930
Provision for Sindh Workers' Welfare Fund	15.2	(648)	(686)
Net income for the year before taxation		32,388	34,244
Taxation	18	-	-
Net income for the year after taxation		32,388	34,244
Allocation of net income for the year after taxation			
Net income for the year after taxation		32,388	34,244
Income already paid on units redeemed		(9,536)	(15,572)
		22,852	18,672
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		22,852	18,672
		22,852	18,672

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

Al - Ameen Islamic Aggressive Income Fund
Statement of Comprehensive Income
For the year ended 30 June 2019

	2019	2018
	(Rupees in '000)	
Net income for the year after taxation	32,388	34,244
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>32,388</u>	<u>34,244</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

AI - Ameen Islamic Aggressive Income Fund
Statement of Movement in Unit Holders' Fund
For the year ended 30 June 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	763,357	32,371	795,728	1,091,560	13,699	1,105,259
Issuance of 3,809,917 units (30 June 2018: 11,361,204 units)						
- Capital value	380,754	-	380,754	1,135,686	-	1,135,686
- Element of income	10,426	-	10,426	15,333	-	15,333
Total proceeds on issuance of units	391,180		391,180	1,151,019	-	1,151,019
Redemption of 6,948,126 units (30 June 2018: 14,726,778 units)						
- Capital value	(694,379)	-	(694,379)	(1,471,908)	-	(1,471,908)
- Element of loss	(5,382)	(9,536)	(14,918)	(7,314)	(15,572)	(22,886)
Total payments on redemption of units	(699,761)	(9,536)	(709,297)	(1,479,222)	(15,572)	(1,494,794)
Total comprehensive income for the year	-	32,388	32,388	-	34,244	34,244
Final distribution for the year ended 30 June 2018: 3.4854 per unit declared on 3 July 2018 (31 December 2017: Nil)	(8,078)	(18,738)	(26,816)	-	-	-
Interim distribution for the year ended 30 June 2019: 6.3166 per unit paid on 24 June 2019	(5,319)	(21,719)	(27,038)	-	-	-
Net income for the year less distribution	(13,397)	(8,069)	(21,466)	-	34,244	34,244
Net assets at end of the year	441,379	14,766	456,145	763,357	32,371	795,728
Undistributed income brought forward:						
- Realised income		37,321			12,363	
- Unrealised income		(4,950)			1,336	
		32,371			13,699	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		22,852			18,672	
		22,852			18,672	
Final distribution for the year ended 30 June 2018: 3.4854 per unit declared on 3 July 2018 (31 December 2017: Nil)		(18,738)			-	
Interim distribution for the year ended 30 June 2019: 6.3166 per unit paid on 24 June 2019		(21,719)			-	
Undistributed income carried forward		14,766			32,371	
Undistributed income carried forward comprises of:						
- Realised income		17,190			37,321	
- Unrealised (loss) / income		(2,424)			(4,950)	
		14,766			32,371	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		103.4230			99.9376	
Net assets value per unit at end of the year		100.1259			103.4230	

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

AI - Ameen Islamic Aggressive Income Fund

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 (Rupees in '000)	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		32,388	34,244
Adjustments for non-cash and other items:			
Profit on bank deposits, term deposit musharika and return on investments calculated using the effective yield method	16	(50,937)	(64,963)
Unrealized loss on revaluation of investments at fair value through profit or loss		2,424	4,950
Realised loss on sale of investments		2,316	2,924
Provision for Sindh Workers' Welfare Fund		648	686
		(45,549)	(56,403)
Net cash used in operations before working capital changes		(13,161)	(22,159)
Working capital changes			
<i>Decrease / (increase) in assets</i>			
Investments		168,158	384,975
Deposits, prepayments and other receivables		(267)	208
Advance tax		(257)	(52)
		167,634	385,131
<i>Increase / (decrease) in liabilities</i>			
Payable to the Management Company		(138)	(312)
Payable to Central Depository Company of Pakistan Limited - Trustee		(56)	(18)
Payable to Securities and Exchange Commission of Pakistan		(355)	(135)
Accrued expenses and other payables		1,387	(5,260)
		838	(5,725)
Profit received		52,491	68,013
Net cash flows generated from operating activities		207,802	425,260
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units	20	375,799	1,190,751
Payments on redemption of units	20	(709,297)	(1,494,794)
Cash distribution to unit holders		(40,457)	-
Net cash used in financing activities		(373,955)	(304,043)
Net (decrease) / increase in cash and cash equivalents		(166,153)	121,217
Cash and cash equivalents at beginning of the year		554,540	433,323
Cash and cash equivalents at end of the year		388,387	554,540
Cash and cash equivalents			
Bank balances		348,387	459,540
Term deposit musharika		40,000	95,000
		388,387	554,540

The annexed notes 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

Al - Ameen Islamic Aggressive Income Fund

Notes to the Financial Statements

For the year ended 30 June 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Aggressive Income Fund (the Fund) was established under a Trust Deed executed between UBL Fund Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited (CDC), as its Trustee. The Trust Deed was executed on 10 August 2007 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on 27 August 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules 2003.

The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open end shariah compliant (Islamic) aggressive fixed income scheme in accordance with Circular No. 7 of 2009 issued by SECP.

The Fund has been formed to generate superior, long term, risk adjusted returns by investing in medium to long term income instrument as well as short tenor money market instruments. Furthermore, the Fund invests in instruments that are approved by the Shariah Advisory Board. Under provision of the Trust Deed, all activities of the Fund shall be undertaken in accordance with the Shariah.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 „Uncertainty over Income Tax Treatments“ (effective for annual periods beginning on or after 01 January 2019), clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Fund's financial statements.
- IFRS 16 „Leases“ (effective for annual periods beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard is not likely to have an impact on Fund's financial statements.
- Amendment to IFRS 9 „Financial Instruments“ – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are „solely payments of principal and interest“. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Fund's financial statements.
- Amendment to IAS 28 „Investments in Associates and Joint Ventures“ - Long Term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or „LTI“). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 19 „Employee Benefits“ - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Fund's financial statements.

- Amendment to IFRS 3 „Business Combinations“ – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after 01 July 2019 and are not likely to have an impact on Fund's financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the significant effects on the amounts recognised in the financial statements is included in note 4.2.1 and 4.3 - Regarding the classification of investments.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 30 June 2019 is included in the following notes:

- Notes 4.2.4 and 4.3 - Valuation of investments
- Notes 4.2.5, 4.3 and 4.18 - Impairment of financial assets and other assets

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.5 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3 CHANGE IN ACCOUNTING POLICY

Except as described below, the Fund has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements.

The Fund has adopted IFRS 9 'Financial instruments' from 1 July 2018. The Fund also adopted IFRS 15 „Revenue from contracts with customers“ from 1 July 2018. A number of other new standards are effective from 1 July 2018 but they do not have a material effect on the Fund's financial statements.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and

to certain aspects of the accounting for financial liabilities. As a result of adoption of IFRS 9, the Fund has adopted consequential amendments to IAS 1 Presentation of Financial statements', which requires separate presentation in the income statement and statement of comprehensive income, profit calculated using the effective yield method.

Additionally, the Fund has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2019, but have not been applied to the comparative information.

The adoption of IFRS 15 did not impact the timing or amount of profit and other investment income and related assets and liabilities recognised by the Fund. Accordingly, there is no impact on comparative information.

The key changes to the Fund's accounting policies resulting from its adoption of IFRS 9 are summarized below. The full impact of adopting the standard is set out in Note 4.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities therefore its adoption did not have a significant effect on the Fund's accounting policies related to financial liabilities.

For an explanation of how the Fund classifies financial assets under IFRS 9, see Note 4.3.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Fund has classified its financial assets as measured at: FVTPL, FVOCI or amortised cost. IFRS 9 has scoped out impairment for financial assets measured at 'fair value through profit or loss' where as for debt securities measured at amortised cost there are impairment requirements. However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and have instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes.

iii. Transition

The changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively except that comparative periods have not generally been restated. As the Fund presents the movement in unit holders' Fund on net assets basis, there is no impact of the changes on net assets of the funds. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable to information presented for 2019 under IFRS 9.

For more information and details on the changes and implications resulting from the adoption of IFRS 9, see Note 5.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied except for the change in accounting policy as mentioned in note 3 to all the periods presented.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at amortised cost. These comprise of deposits with banks and highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

4.2 Financial assets (Policies applicable before 01 July 2018)

4.2.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets. The classification depends upon the purpose for which the financial assets are acquired. The Fund classifies its financial assets in the following categories:

a) Financial assets designated at fair value through profit or loss

This category has two sub-categories, namely financial asset held for trading and those designated at fair value through profit or loss upon initial recognition.

Financial asset which are acquired principally for the purpose of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading. All derivatives are classified as held for trading. These are initially recorded at cost.

Financial asset designated at fair value through profit or loss upon initial recognition include those group of financial asset which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

After initial measurement, financial asset classified as at fair value through profit or loss are carried at fair value and the gains or losses on revaluation are recognised in the income statement.

b) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (c) loans and receivables and (a) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for the liquidity or change in price.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

4.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value profit or loss and available-for-sale are valued as follows:

a) Basis of valuation of debt securities (other than government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates) which are based on the remaining tenor of the securities.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortised cost using the effective yield method.

4.2.5 Impairment of financial assets

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In case of investment classified as „available-for-sale“, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for „available-for-sale“ financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is reclassified from the statement of comprehensive income to the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of provision is measured as the difference between the asset's carrying value and present value of estimated future cash inflows, discounted at the original effective interest rate.

Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in Circular No. 33 of 2012 dated 24 October 2012, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

4.3 Financial assets (Policies applicable after 01 July 2018)

i. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objectives for managing the financial assets are achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, „principal“ is defined as the fair value of the financial asset on initial recognition. „Interest“ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Profit, foreign exchange gains and losses and impairment are recognised in income statement.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Profit calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates) which are based on the remaining tenor of the securities.

iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

iv. Impairment of financial assets

Financial assets at amortised cost

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated 24 October 2012 issued by SECP. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and where the Fund has transferred substantially all risks and rewards of ownership.

4.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4.7 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the distributors / Management Company during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Element of income / (loss)

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net assets value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.10 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.11 Net assets value per unit

The net assets value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

4.12 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of atleast ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.13 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Income on debt and government securities is recognised on time proportion basis using the effective yield.
- Profit on saving accounts and term deposits is recognised taken into account the effective yield.

4.14 Zakat Payable

Zakat payment is the responsibility of each unit holder. Nevertheless, the Fund follows the provisions of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani unit holders are subject to Zakat at 2.5% of the par value of unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat year before the payment of Zakat.

4.15 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the income statement on accrual basis.

4.16 Earnings per unit

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

4.17 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.18 Other assets

Other assets are stated at cost less impairment losses, if any.

5 Financial assets and financial liabilities

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table and the accompanying note below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at 01 July 2018:

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 ----- (Rupees in '000)-----	New carrying amount under IFRS 9
Financial assets					
Sukuk certificates	(a)	Designated at FVTPL	Mandatorily at FVTPL	240,647	240,647
Sukuk certificates	(b)	Available for sale	At FVOCI	-	-
Bank balances	(c)	Loans and receivables	Amortised cost	459,540	459,540
Term deposit musharika	(c)	Loans and receivables	Amortised cost	95,000	95,000
Profits receivable	(c)	Loans and receivables	Amortised cost	8,349	8,349
Deposits, prepayments and other receivables	(c)	Loans and receivables	Amortised cost	6,571	6,571
Financial liabilities					
Payable to the Management Company	(d)	Other financial liabilities	Amortised cost	1,444	1,444
Payable to Central Depository Company of Pakistan Limited - Trustee	(d)	Other financial liabilities	Amortised cost	127	127
Accrued expenses and other payables	(d)	Other financial liabilities	Amortised cost	2,289	2,289

(a) Sukuk certificates classified as 'designated at FVTPL' have been reclassified as 'fair value through profit or loss' based on the business model whose objective is neither to collect the contractual cashflows nor both collecting.

(b) The financial assets classified as 'available for sale' have been classified as 'fair value through other comprehensive income'.

(c) The financial assets classified as 'loans and receivables' have been classified as 'amortised cost'.

(d) The financial liabilities classified as 'other financial liabilities' have been classified as 'amortised cost'.

6 BANK BALANCES

	Notes	2019 ----(Rupees in '000)----	2018
In current accounts	6.1	5,793	6,696
In savings accounts	6.2	342,594	452,844
		<u>348,387</u>	<u>459,540</u>

6.1 This includes balance with United Bank Limited of Rs. 3.33 million (30 June 2018: Rs. 4.64 million), holding company of the Management Company.

6.2 These carry profit rates ranging from 6.3% to 12.25% (30 June 2018: 5.6% to 6.4%) per annum. This includes balance with United Bank Limited of Rs. 27.07 million (30 June 2018: Rs. 91.08 million).

7 TERM DEPOSIT MUSHARIKA

		2019 ----(Rupees in '000)----	2018
Commercial bank	7.1	<u>40,000</u>	<u>95,000</u>

7.1 Profit rate on Term deposit musharika is 11.35% (30 June 2018: 6.1%) per annum and will mature on 12 July 2019.

8 INVESTMENTS

2019 2018
----(Rupees in '000)----

At fair value through profit or loss

- Sukuk certificates
- Quoted
- Unquoted

8.2	25,122	-
8.2	42,627	-
	67,749	-

Designated at fair value through profit or loss

- Sukuk certificates
- Quoted
- Unquoted

8.2	-	103,166
8.2	-	137,481
	-	240,647

At fair value through other comprehensive income (30 June 2018: Available for sale)

- Sukuk certificates - Quoted

8.1	-	-
	67,749	240,647

8.1 At fair value through other comprehensive income - sukuk certificates (certificates of Rs.5,000 each, unless otherwise stated)

Name of Investee Company	Note	As at 01 July 2018	Purchased / acquired during the year	Sold / matured during the year	As at 30 June 2019	Carrying value as at 30 June 2019	Market value as at 30 June 2019	Market value as at 30 June 2018	Percentage of total investment	Percentage of net assets
			(Number of certificates)				(Rupees in '000)		%	
<u>Quoted</u>										
Leasing companies										
Security Leasing Corporation Limited - Sukuk (19-09-07) – II	8.1.2	10,000	-	-	10,000	-	-	-	-	-
Cable and electronics goods										
New Allied Electronics Industries Limited-I*	8.1.3	192,000	-	-	192,000	-	-	-	-	-
New Allied Electronics Industries Limited-II	8.1.4	10,000	-	-	10,000	-	-	-	-	-
Chemical										
Agritech Limited	8.1.5	16,600	-	-	16,600	-	-	-	-	-
Agritech Limited (zero rate coupon)	8.1.6	2,411	-	-	2,411	-	-	-	-	-

* Face value of each certificate is Rs.312.5.

8.1.1 At 30 June 2019, the cost of above investments amounted to Rs.167.98 (30 June 2018: Rs.167.98) million.

8.1.2 Security Leasing Corporation Limited - II (SLCL) was categorized as non-performing by MUFAP initially as at 30 June 2011 and subsequently in April 2012. The Fund has fully provided the investment in accordance with Circular No. 33 of 2012 issued by the Securities and Exchange Commission of Pakistan (SECP).

8.1.3 The exposure was classified as non-performing in 2009. Accordingly, under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP, the entire exposure was provided for in the books in the year 2011.

8.1.4 The exposure was classified as non-performing in 2009 under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP and currently the entire exposure has been provided for in the books.

8.1.5 The exposure was classified as non-performing in 2011 under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP and currently the entire exposure has been provided for in the books.

8.1.6 In 2013, Agritech Limited issued 2,411 term finance certificates against the profit due on its long overdue sukuk certificates. These have not been recognised as they were issued against the suspended mark up receivable, because as per Circular 33 of 2012, profit shall only be recorded up to the extent it is received in cash.

8.2 'At fair value through profit or loss' - sukuk certificates (certificates of Rs. 5,000 each, unless otherwise stated)

Investee Company	As at 01 July 2018	Purchased / acquired during the year	Sold / matured during the year	As at 30 June 2019	Carrying value as at 30 June 2019	Market value as at 30 June 2019	Market value as at 30 June 2018	Percentage of total investments	Percentage of net assets
	----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
<u>Quoted</u>									
Power generation and distribution									
K-Electric Limited - 5 years	15,000	-	(15,000)	-	-	-	76,054	0.00%	0.00%
Chemical									
Engro Corporation Limited - 5 years	5,000	-	-	5,000	27,112	25,122	27,112	37.08%	5.51%
					27,112	25,122	103,166	37.08%	5.51%
<u>Unquoted</u>									
Chemical									
Ghani Gases Limited (certificates of Rs. 62,500 each)	325	-	-	325	20,516	20,201	25,987	29.82%	4.43%
Engro Fertilizers Limited Sukuk - III (certificates of Rs. 875 each)	19,800	-	(19,800)	-	-	-	52,495	0.00%	0.00%
					20,516	20,201	78,482	29.82%	4.43%
Power generation and distribution									
Pakistan Water & Power Development Authority (WAPDA) - III (certificates of Rs.1,786 each)	13,000	-	(13,000)	-	-	-	33,949	0.00%	0.00%
Food and energy									
Dawood Hercules Corporation Limited (certificates of Rs. 90,000 each)	250	-	-	250	22,545	22,426	25,050	33.10%	4.92%
					43,061	42,627	137,481	62.92%	9.35%

8.3 Significant terms and conditions of sukuk certificates (other than non - performing sukuks) held as at 30 June 2019 are as follows:

Name	Issue date	Remaining Principal (Rupees in '000)	Mark-up rate per annum	Maturity date	Secured / unsecured	Rating
Chemical						
Engro Corporation Limited	11 July 2014	25,000	13.5% (Fixed Rate Security)	11 July 2019	Secured	AA+
Ghani Gases Limited	02 February 2017	20,312	3 Months KIBOR + 1%	02 February 2023	Secured	A
Food and Energy						
Dawood Hercules Corporation Limited	16 November 2017	22,500	3 Months KIBOR + 1%	16 November 2022	Secured	AA

8.4 Unrealized loss on revaluation of investments classified at fair value through profit or loss

	2019	2018
	----- (Rupees in '000) -----	
Market value of investments	67,749	240,647
Less: cost / carrying value of investments	(70,173)	(245,597)
	<u>(2,424)</u>	<u>(4,950)</u>

8.5 Realised loss on sale of investments classified at fair value through profit or loss

Sukuk certificates	<u>2,316</u>	<u>2,924</u>
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9 PROFIT RECEIVABLE**Profit receivable on:**

Bank balances	3,469	2,519
Term deposit musharika	995	987
Investments	<u>2,331</u>	<u>4,843</u>
	<u>6,795</u>	<u>8,349</u>

10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Prepaid expenses	216	-
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100	100
Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Receivable against issuance of units	5,955	3,971
Other receivable	51	-
	<u>8,822</u>	<u>6,571</u>

11 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax Year 2019.

12 PAYABLE TO THE MANAGEMENT COMPANY

		2019	2018
	Note	----- (Rupees in '000) -----	
Management remuneration payable	12.1	556	994
Sindh Sales Tax on management remuneration	12.2	72	129
Payable against allocation of expenses relating to the Fund	12.3	37	142
Shariah advisory fee		204	26
Sales load and other payables		<u>437</u>	<u>153</u>
		<u>1,306</u>	<u>1,444</u>

12.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5% of average annual net assets in case of Income Scheme. The management company has charged remuneration at the rate of 1.5% per annum of the average daily net assets of the Fund. The remuneration is paid to the management company on monthly basis in arrears.

12.2 Sindh Sales Tax has been charged at 13% (30 June 2018: 13%) on the management fee charged during the year.

12.3 As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the management company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) upto a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly, the management company has charged 0.1% of the average annual net assets, being lower.

13 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2019	2018
		----- (Rupees in '000) -----	
Trustee remuneration	13.1	63	112
Sindh Sales Tax on Trustee remuneration	13.2	8	15
		<u>71</u>	<u>127</u>

13.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears.

The tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2019 is as follows:

Net assets:	Tariff per annum
- up to Rs. 1 billion	0.17% per annum of net assets value
- Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085% per annum of net assets value exceeding Rs. 1 billion
- exceeding Rs. 5 billion	Rs. 5.1 million plus 0.07% per annum of net assets value exceeding Rs. 5 billion.

- 13.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2016.

14 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.075% of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008.

15 ACCRUED EXPENSES AND OTHER PAYABLES

	<i>Note</i>	2019 ------(Rupees in '000)-----	2018
Provision for indirect duties and taxes	15.1	9,511	9,511
Provision for Sindh Workers' Welfare Fund	15.2	2,725	2,076
Withholding tax and zakat deducted at source		2,830	504
Capital gains tax payable		50	195
Auditors' remuneration payable		320	301
Brokerage payable		-	13
Charity payable		5	78
Sales load payable		5	42
Other payables		465	1,156
		15,911	13,876

- 15.1** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED up to 30 June 2016.

On 30 June 2016, the Honourable Sindh High Court had passed a judgement that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 9.147 million until the matter is resolved. Had the provision not been made, the net assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 2.01 per unit (30 June 2018: Rs. 1.19 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, since 30 June 2019, provision for FED has not been made.

15.2 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honourable Lahore High Court (LHC) and the Honourable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honourable Supreme Court of Pakistan (SCP). On 10 November 2016, the SCP passed a judgement declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgement, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on 21 May 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more in any year of account commencing on or after the date of closing of account on or after 31 December 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited, has recommended to all its members on 12 January 2017 the following:

- i) The provision against the Federal WWF held by the Mutual Funds till 30 June 2015 should be reversed on 12 January 2017; and
- ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. 21 May 2015).

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on 12 January 2017. In response to the aforementioned letter SECP vide its letter dated 01 February 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

Had the provision not been made, the net assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.60 per unit (30 June 2018: Rs. 0.27 per unit).

16	PROFIT ON BANK DEPOSITS AND MARK-UP / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE YIELD METHOD	2019 ------(Rupees in '000)-----	2018
	Profits on:		
	- Bank balances	32,572	24,439
	- Term deposit musharika	1,170	12,201
	- GOP ijarah sukuks	-	3,244
	- Sukuk certificates	17,195	25,079
		<u>50,937</u>	<u>64,963</u>

17	AUDITORS' REMUNERATION		
	Annual audit fee	210	210
	Half yearly review fee	136	136
	Fee for certifications and other services	91	163
	Out of pocket expenses	78	50
		<u>515</u>	<u>559</u>

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund has distributed more than ninety percent of the Fund's accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly, no provision has been made in the financial statements for the year ended 30 June 2019.

19 TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (all the expenses, including government levies, incurred during the year divided by average net assets value for the year) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended 30 June 2019 is 2.58% which include 0.41% representing government levy, Workers' Welfare Fund and SECP fee.

20	RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES	Receivable against sale of units	Payable against redemption of units	Total
		-----	(Rupees in '000)	-----
	Opening balance as at 01 July 2018	3,971	-	3,971
	Receivable against issuance of units	377,783	-	377,783
	Payable against redemption of units	-	709,297	709,297
		377,783	709,297	1,087,080
	Amount received on issuance of units	(375,799)	-	(375,799)
	Amount paid on redemption of units	-	(709,297)	(709,297)
		(375,799)	(709,297)	(1,085,096)
	Closing balance as at 30 June 2019	5,955	-	5,955

21 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively.

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the year end are as follows:

21.1 Transactions during the year

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	2019 (Rupees in '000)					
Units issued	-	-	-	-	2,831	-
Units redeemed	-	-	-	-	6,173	-
Profit on saving accounts	-	1,983	-	-	-	-
Bank charges	-	40	-	-	-	-
Dividend paid	-	-	-	-	954	-
Settlement Charges	-	-	11	-	-	-
Remuneration	8,024	-	910	-	-	-
Sales tax on remuneration	1,043	-	118	-	-	-
Allocation of expenses relating to the Fund	535	-	-	-	-	-
Shariah advisory fee	350	-	-	-	-	-
	2018 (Rupees in '000)					
Units issued	-	-	-	-	920	-
Units redeemed	-	-	-	-	5,035	-
Profit on saving accounts	-	11,294	-	-	-	-
Bank charges	-	95	-	-	-	-
Dividend paid	-	-	-	-	-	-
Settlement Charges	-	-	16	-	-	-
Remuneration**	15,118	-	1,680	-	-	-
Sales tax on remuneration	1,965	-	219	-	-	-
Allocation of expenses relating to the Fund	1,008	-	-	-	-	-
Shariah advisory fee	333	-	-	-	-	-
Listing fee	-	-	-	-	-	20

21.2 Balance outstanding as at year end

	2019 (Rupees in '000)					
Units held (in units '000)	-	-	-	-	89	-
Units held (in rupees '000)	-	-	-	-	8,911	-
Bank balances*	-	30,412	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	628	-	71	-	-	-
Sales load payable	10	4	-	-	-	-
Conversion charges payable	106	-	-	-	-	-
Shariah fee	204	-	-	-	-	-
Others payable	60	-	-	-	-	-
Payable against allocated expenses	37	-	-	-	-	-
Profit receivable	-	254	-	-	-	-

* These carry profit rate at the rate of 11.25% per annum.

** These balances are inclusive of Sindh Sales Tax payable.

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	2018 (Rupees in '000)					
Units held (in units '000)	-	-	-	-	121	-
Units held (in rupees '000)	-	-	-	-	12,514	-
Bank balances*	-	95,717	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	1,123	-	127	-	-	-
Sales load and other payables	136	42	-	-	-	-
Conversion charges payable	93	-	-	-	-	-
Shariah fee	26	-	-	-	-	-
Other payable	17	-	-	-	-	-
Payable against allocated expenses	142	-	-	-	-	-
Profit receivable	-	552	-	-	-	-

* These carry profit rate ranging between 6.2% per annum.

** These balances are inclusive of Sindh Sales Tax payable.

22 CONTINGENCIES AND COMMITMENTS

Except as stated in note 15.2, there are no contingencies and commitments as at 30 June 2019.

23 FINANCIAL INSTRUMENTS BY CATEGORY

	2019			
	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
	(Rupees in '000)			
Financial Assets				
Bank balances	348,387	-	-	348,387
Term deposit musharika	40,000	-	-	40,000
Investments	-	-	67,749	67,749
Profit receivable	6,795	-	-	6,795
Deposits, prepayments and other receivables	8,606	-	-	8,606
	<u>403,788</u>	<u>-</u>	<u>67,749</u>	<u>471,537</u>
		At amortised cost	Total	
		(Rupees in '000)		
Financial liabilities				
Payable to the Management company		1,306	1,306	
Payable to Central Depository Company of Pakistan Limited - Trustee		71	71	
Accrued expenses and other payable		3,675	3,675	
		<u>5,052</u>	<u>5,052</u>	
	2018			
	Loans and receivables	Available for sale	Designated at fair value through profit or loss	Total
	(Rupees in '000)			
Financial Assets				
Bank balances	459,540	-	-	459,540
Term deposit musharika	95,000	-	-	95,000
Investments	-	-	240,647	240,647
Profit receivable	8,349	-	-	8,349
Deposits, prepayments and other receivables	6,571	-	-	6,571
	<u>569,460</u>	<u>-</u>	<u>240,647</u>	<u>810,107</u>
		Other financial liabilities	Total	
		(Rupees in '000)		
Financial liabilities				
Payable to the Management company		1,444	1,444	
Payable to Central Depository Company of Pakistan Limited - Trustee		127	127	
Accrued expenses and other liabilities		2,289	2,289	
		<u>3,860</u>	<u>3,860</u>	

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund's accounting policy on fair value measurements of investments is discussed in note 4.2 and 4.3 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On-balance sheet financial instruments

30 June 2019	Note	Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
Financial assets measured at fair value										
Investment in debt securities		67,749	-	-	-	67,749	-	67,749	-	67,749
Financial assets not measured at fair value	24.1									
Bank Balances		-	-	-	348,387	348,387				
Term deposit musharika		-	-	-	40,000	40,000				
Profit receivable		-	-	-	6,795	6,795				
Deposits, prepayments and other receivables		-	-	-	8,606	8,606				
		-	-	-	403,788	403,788				
Financial liabilities not measured at fair value	24.1									
Payable to the Management Company		-	-	-	1,306	1,306				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	71	71				
Accrued expenses and other payables		-	-	-	3,675	3,675				
		-	-	-	5,052	5,052				

30 June 2018	Note	Carrying amount				Fair value				
		Designated at fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
Financial assets measured at fair value										
Investment in debt securities			240,647	-	-	240,647	-	240,647	-	240,647
Financial assets not measured at fair value	24.1									
Bank balances			-	459,540	-	459,540				
Term deposit musharika			-	95,000	-	95,000				
Profits receivable			-	8,349	-	8,349				
Deposits, prepayments and other receivables			-	6,571	-	6,571				
			-	569,460	-	569,460				
Financial liabilities not measured at fair value	24.1									
Payable to the Management Company			-	-	1,444	1,444				
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	127	127				
Accrued expenses and other payables			-	-	2,289	2,289				
			-	-	3,860	3,860				

24.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

24.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

25 FINANCIAL RISK MANAGEMENT

25.1 The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

25.2 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations and guidelines given by SECP from time to time.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in instruments and bank deposits that have a minimum "AA-" from a credit rating agency duly approved by the SECP.
- Investment transactions are carried out with large number of brokers, whose credit rating is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon deliveries.
- The risk of counter party exposure due to failed trade causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks (including related party).

The table below analyses the Fund's maximum exposure to credit risk:

	Rating Agency	Rating	2019	2018
Bank balances by rating category			----- (Rupees in '000) -----	
United Bank Limited	VIS	AAA	30,412	95,717
Habib Bank Limited	VIS	AAA	14	14
MCB Bank Limited	PACRA	AAA	1,641	1,724
Allied Bank Limited	PACRA	AAA	8	9
National Bank of Pakistan	PACRA	AAA	698	137
Bank Alfalah Limited	PACRA	AA+	435	2,599
Meezan Bank Limited	VIS	AA+	12	737
Habib Metropolitan Bank Limited	PACRA	AA+	22	491
Faysal Bank Limited	VIS	AA	14	708
Dubai Islamic Bank Pakistan Limited	VIS	AA-	314,375	112
Soneri Bank Limited	PACRA	AA-	705	253,246
Bankislami Pakistan Limited	PACRA	A+	28	103,509
AlBaraka Bank (Pakistan) Limited	PACRA	A-	11	87
MCB Islamic Bank Limited	PACRA	A	12	450
			<u>348,387</u>	<u>459,540</u>
Sukuk certificates by rating category				
AAA			-	33,949
AA+			25,122	27,112
AA			22,426	153,598
A			20,201	25,988
			<u>67,749</u>	<u>240,647</u>
Term Deposit Musharika				
AA-			-	95,000
A			40,000	-
			<u>40,000</u>	<u>95,000</u>
Profit receivable			<u>6,795</u>	<u>8,349</u>
Deposits, prepayments and other receivables			<u>8,606</u>	<u>6,571</u>

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Further, all transactions in securities are executed through approved brokers, thus the risk of default is considered to be minimal. For Debt instruments settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. In accordance with the risk management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The maximum exposure to credit risk before any credit enhancement as at 30 June 2019 is the carrying amount of the financial assets.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse worthy counterparties thereby mitigating any significant concentration of credit risk.

The Fund's activities may give rise to settlement risk. „Settlement risk" is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

25.3 Liquidity risk

„Liquidity risk" is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all invested in government securities, sukuk and saving accounts. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

In accordance with the risk management policy of the Fund, the Fund manager monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets. However, no such borrowing has been obtained during the year.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008, to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue.

In addition to unitholders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2019:

	2019				
	Maturity Upto			More than one year	Total
	Three months	Six months	One year		
Financial Liabilities					
Payable to Management Company	1,306	-	-	-	1,306
Payable to Central Depository Company of Pakistan Limited - Trustee	71	-	-	-	71
Accrued expenses and other payables	3,675	-	-	-	3,675
	5,052	-	-	-	5,052
Unit holders' fund	456,145	-	-	-	456,145
	2018				
	Maturity Upto			More than one year	Total
	Three months	Six months	One year		
Financial Liabilities					
Payable to Management Company	1,444	-	-	-	1,444
Payable to Central Depository Company of Pakistan Limited - Trustee	127	-	-	-	127
Accrued expenses and other payables	2,289	-	-	-	2,289
Total Liabilities	3,860	-	-	-	3,860
Unit holders' fund	795,728	-	-	-	795,728

The above mentioned financial liabilities do not carry any mark-up.

25.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and debt security prices.

i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market profit rates. The Fund's profit rate risk is monitored on a quarterly basis by the board of directors.

As at 30 June 2019, the balances that may be exposed to profit rate risk are as follows:

	2019	2018
	(Rupees in '000)	
<i>Variable rate instruments</i>		
Bank balances	342,594	452,844
Investments - At fair value through profit or loss	42,627	213,535
	<u>385,221</u>	<u>666,379</u>
<i>Fixed rate instrument</i>		
Term deposit musharika	40,000	95,000
Investments - At fair value through profit or loss	25,122	27,112
	<u>65,122</u>	<u>122,112</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the year end would have increased / (decreased) the net assets and net income by Rs. 3.852 million (30 June 2018: Rs. 6.664 million), assuming all other variables held constant.

Fair Value sensitivity analysis for fixed rate instruments

A change in 100 basis points in profit rates at year end would have increased / (decreased) the net assets and net income by Rs. 0.251 million (30 June 2018: Rs. 0.271 million). The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as held till maturity.

Yield / profit rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

	Profit rate (%)	2019			More than one year	Not exposed to profit rate	Total
		Maturity Up to					
		Three months	Six months	One year			
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets							
Bank balances	3.40 - 12.25	342,594	-	-	-	5,793	348,387
Term deposit musharika	11.35	40,000	-	-	-	-	40,000
Investments classified as:							
'At fair value through Profit or Loss'							
- Sukuk Certificates	KIBOR 3M-6M+ 1.00% -13.5%	25,122	-	-	42,627	-	67,749
Profit receivable		-	-	-	-	6,795	6,795
Deposits, prepayments and other receivables		-	-	-	-	8,606	8,606
Total financial assets		407,716	-	-	42,627	21,194	471,537
Financial liabilities							
Payable to Management Company		-	-	-	-	1,306	1,306
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	71	71
Accrued expenses and other payables		-	-	-	-	3,675	3,675
Total financial liabilities		-	-	-	-	5,052	5,052
On-balance sheet gap		407,716	-	-	42,627	16,142	466,485
Off-balance sheet financial instruments							
		-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-

	Profit rate (%)	2018			More than one year	Not exposed to profit rate risk	Total
		Maturity Up to					
		Three months	Six months	One year			
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets							
Bank balances	5.60 - 6.40	452,844	-	-	-	6,696	459,540
Term deposit musharika	6.10	95,000	-	-	-	-	95,000
Investments classified as:							
'At fair value through Profit or Loss'							
- Sukuk Certificates	KIBOR 3M-6M+ 1.00% -13.5%	-	-	76,054	164,593	-	240,647
Profit receivable		-	-	-	-	8,349	8,349
Deposits, prepayments and other receivables		-	-	-	-	6,571	6,571
Total financial assets		547,844	-	76,054	164,593	21,616	810,107
Financial liabilities							
Payable to Management Company		-	-	-	-	1,444	1,444
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	127	127
Accrued expenses and other payables		-	-	-	-	2,289	2,289
Total financial liabilities		-	-	-	-	3,860	3,860
On-balance sheet gap		547,844	-	76,054	164,593	17,756	806,247
Off-balance sheet financial instruments							
Off-balance sheet gap		-	-	-	-	-	-

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

iii) Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the Fund in which the investment is made, change in business circumstances of the Fund, industry environment and / or the economy in general. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

25.5 Unit holders' fund risk management (Capital risk management)

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market conditions. Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

In order to maintain or adjust the unit holders' Fund structure, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and Chief Executive of the management company critically track the movement of „Assets under Management“. The Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

26 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND

Name of Broker
Next Capital Limited

Commission
2019
%

100.00%

Commission
2018
%

Name of Broker

BIPL Securities
Bright Capital (Private) Limited
Next Capital Limited
Paramount Capital (Private) Limited

42.58%
37.88%
10.06%
9.48%
100.00%

27 INVESTMENT COMMITTEE

Details of the members of investment committee of the Fund are as follows:

S.No.	Name	Designation	Experience in years	Qualification
1	Mr. Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	MBA, CFA
3	Mr. Hadi Hassan Muki	Head of Risk management, Compliance, Information Security and Quality Assurance	19	B.COM
4	Mr. Usama Bin Razi*	Fund Manager and Head of Fixed Income Funds	25	MBA

*Mr. Usama Bin Razi is Fund Manager of UBL Liquidity Plus Fund, UBL Government Securities Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Capital Protected Fund III, UBL Retirement Savings Fund, Al Ameen Islamic Aggressive Income Fund and Al Ameen Asset Allocation Fund.

28 DIRECTORS' MEETING ATTENDANCE

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

	Dates	28 August 2018	26 October 2018	08 November 2018	11 December 2018	27 February 2019	29 April 2019	06 May 2019
Name of Director	Meetings attended							
Mr. Azhar Hamid	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mirza Muhammad Sadeed Hassan Barlas*	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	Yes	Yes	No	Yes	Yes
Mr. Tauqeer Mazhar**	3	N/A	N/A	Yes	Yes	No	No	Yes
Mr. Yasir Qadri	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Zia Ijaz*	0	No	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sadia Saeed**	5	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Syed Furukh Zaeem	6	Yes	Yes	Yes	No	Yes	Yes	Yes
Name of Key Executives								
Mr. S.M. Aly Osman	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Umair Ahmed	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Mr. Mirza Muhammad Sadeed Hassan Barlas, Mr. Zia Ijaz, & Mr. Sharjeel Shahid resigned on 09 October 2018.

** Mr. Imran Sarwar, Mr. Tauqeer Mazhar & Ms. Sadia Saeed appointed as of 02 November 2018.

29 PATTERN OF UNIT HOLDERS

Category

Individuals
Associated companies and directors
Insurance companies
Retirement Funds
Public Limited Companies
Others

2019		
Number of Unit holders	Units held	Percentage
1,861	3,185,746	69.93%
1	89,066	1.96%
2	697,824	15.31%
26	574,468	12.61%
1	287	0.01%
17	8,321	0.18%
1,908	4,555,712	100.00%

Category

Individuals
Associated companies and directors
Insurance companies
Retirement funds
Public Limited Companies
Others

2018		
Number of Unit holders	Units held	Percentage
1,897	5,134,117	66.73%
1	120,780	1.57%
3	638,662	8.30%
19	798,914	10.38%
4	829,847	10.79%
6	171,601	2.23%
1,930	7,693,921	100.00%

30 CREDIT RATING

The Management Company has been rated as AM1 on 27 December 2018 (30 June 2018: AM1) by VIS.

The Fund has been rated as BBB+(f) on 31 December 2018 (30 June 2018: BBB+(f)) by VIS.

31 GENERAL

31.1 Date of authorisation for issue

These financial statements were authorized for issue by Board of Directors of the Management Company on 30-Aug-2019.

**For UBL Fund Managers Limited
(Management Company)**

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

AIAAF

Al-Ameen Islamic Asset Allocation Fund

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.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	KPMG Taseer Hadi and Co., Chartered Accountants
Bankers	Allied Bank Limited - Islamic Banking Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Limited Faysal Bank Limited - Islamic Banking Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking MCB Bank Limited Meezan Bank Limited - Islamic Banking National Bank of Pakistan Soneri Bank Limited - Islamic Banking United Bank Limited -Islamic Banking
Management Co. Rating	AM1 (JCR-VIS)

Fund Manager's Report – Al-Ameen Islamic Asset Allocation Fund (AIAAF)

i) Description of the Collective Investment Scheme category and type

Islamic Asset Allocation / Open-end

ii) Statement of Collective Investment Scheme's 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.

iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective

The Collective Investment Scheme achieved its stated objective.

iv) Statement of benchmark(s) relevant to the Collective Investment Scheme

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.

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AIAAF	0.76%	-0.02%	-0.42%	2.13%	-1.10%	-3.17%	3.81%	-0.44%	-1.12%	-1.72%	-0.57%	-2.19%	-4.16%
Benchmark	1.04%	-0.61%	-0.62%	1.70%	-1.57%	-3.78%	4.53%	-1.38%	-1.05%	-2.35%	-0.03%	-2.68%	-6.84%

vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance

The fund posted a negative return of 4.16% for the period under review FY19. At the end of FY19, the Fund Manager maintained 41% in Cash while 38% of total assets were invested in equities.

vii) Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Equities	37%	38%
Placements with banks	5%	16%
Sukuks	1%	3%
Gop Ijarah Sukuk	0%	0%
Cash	56%	41%
Others	1%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	-4.16%
Standard Deviation (12m trailing):	7.80%
Sharpe Ratio (12m trailing):	(1.79)

ix) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)

Net Asset Value			NAV per unit		
30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
3,599,138	6,455,833	(44.25)	112.3411	117.2141	(4.16)

x) Disclosure on the markets that the Collective investment Scheme has invested in including review of the market(s) invested in and performance during the period

Debt Market Review for FY19

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year

bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

- xi) **Disclosure on distribution (if any), comprising:-**
- particulars of income distribution or other forms of distribution made and proposed during the period; and
 - statement of effects on the NAV before and after distribution is made

Distribution				Per unit	
<i>Declared on</i>	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	<i>Rupees (000)</i>			<i>----- Rupees -----</i>	

- xii) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements.**
There were no significant changes in the state of affairs during the year under review.

- xiii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIAAF
0.0001 - 9,999.9999	1,620
10,000.0000 - 49,999.9999	467
50,000.0000 - 99,999.9999	82
100,000.0000 - 499,999.9999	54
500,000.0000 & Above	2
Total	2,225

- xiv) **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- xv) **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- xvi) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

AI - Ameen Islamic Asset Allocation Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	3,599,138	6,455,833	7,894,823
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	116.1495	121.1877	122.8234
- Redemption	112.3411	117.2141	118.7962
RETURN OF THE FUND - %			
Total Return of the Fund	(4.16)	(1.33)	14.58
Capital Growth (per unit)	(3.55)	(1.12)	3.16
Date of Income Distribution	-	-	19-Jun-17
Income Distribution	-	-	11.00
AVERAGE ANNUAL RETURN - %			
One year	-4.16	-1.33	14.58
Two year	-2.75	6.63	11.87
Three year	3.03	7.47	13.90
Since Launch	6.91	9.13	11.74

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Class A units - Offer	124.4618	125.2156	139.2082
Highest price per unit - Class A units - Redemption	120.3809	121.1100	134.6438
Lowest price per unit - Class A units - Offer	113.9243	115.3613	117.0821
Lowest price per unit - Class A units - Redemption	110.1889	111.5788	113.2432

* Front-end load @ 3% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	41.00	56.00	63.00
Equity	38.00	37.00	34.00
Bank Placements	16.00	5.00	0.00
Others	1.00	1.00	1.00
sukuk	3.00	1.00	2.00

PORTFOLIO COMPOSITION BY MARKET - %

Equity	38.00	37.00	34.00
Money Market / Debt	62.00	63.00	66.00

Note:

- The Launch date of Fund is 10 Dec 2013.

DISCLAIMER

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Asset Allocation Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 18, 2019

REPORT OF THE SHARIAH ADVISORY COMMITTEE

We, the Shariah Advisors of the Fund are issuing this report in accordance with the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

In the capacity of Shariah Advisor, we have prescribed criteria for Shariah compliance of equity investments which comprises of five factors such as (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Illiquid assets to total assets, (iv) Investment in non-Shariah compliant activities and income from non-compliant investments, and (v) Net liquid assets vs. share market price.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries from the Management Company personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

- i. We have reviewed and approved the modes of investments of Al-Ameen Islamic Asset Allocation Fund (AIAAF) in light of Shariah requirements. The following is a list of equity investments of AIAAF as on 30 June 2019 and their evaluation according to the screening criteria established by us:

AIAAF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A	B
1	The Hub Power Co. Ltd.	Generator of Electricity	33%	10%	0%	36%	(18.2)	62.0
2	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	21%	0%	33%	83.9	109.9
3	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	0%	9%	0%	17%	189.7	845.0
4	Engro Corporation	Manufacturer of Chemicals	15%	29%	0%	58%	(76.5)	227.5
5	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	12%	0%	38%	51.2	110.7
6	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1	353.0
7	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)	92.0
8	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8	64.5
9	Kohat Cement Co. Ltd.	Manufacturer of Cement	19%	8%	0%	74%	(8.6)	41.5
10	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	11%	1%	74%	(32.5)	65.0

In light of the above, we hereby certify that all the provisions of the Fund and investments made on accounts of AIAAF by UBL Funds are Shariah compliant and in accordance with the criteria established.

- ii. On the basis of information provided by the management all operations of AIAAF for the year ended 30 June 2019 have been in compliance with the Shariah principles.
- iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by AIAAF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside charity for such proportion of the income from Investee companies in order to purify the earning of the Fund.



During the year, an amount of PKR 1,541,140 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.



Mufti Muhammad Hassan Kaleem
Member, Shariah Advisory Committee



Mufti Muhammad Najeem Khan
Member, Shariah Advisory Committee

KARACHI:

DATE: 16 August 2019

UBL FUND MANAGERS LIMITED

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**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED**

NAME OF FUND: Al Ameen Islamic Asset Allocation Fund

YEAR ENDING: JUNE 30, 2019

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Asset Allocation Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (the Regulations).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: Five Directors;
 - b. Female: Two Directors.
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid
	Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar
	Ms. Sadia Saeed
	Mr. Tauqeer Mazhar
	Syed Furrakh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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