

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**

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  
+92 (21) 35685847, Fax +92 (21) 35685095

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the Unit holders of Al-Ameen Islamic Asset Allocation 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 Asset Allocation 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**





KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

### **Independent Auditors' Report**

#### **To the Unit holders of AI - Ameen Islamic Asset Allocation Fund**

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the financial statements of **AI - Ameen Islamic Asset Allocation 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.

#### ***Other Matter***

The financial statements of the Fund for the year ended 30 June 2018 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 28 August 2018.

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 Asset Allocation Fund

## Statement of Assets and Liabilities

As at 30 June 2019

	Note	2019 ----(Rupees in '000)----	2018
<b>Assets</b>			
Bank balances	6	1,519,465	3,646,368
Investments	7	2,108,068	2,839,282
Dividend and profit receivable	8	27,414	32,825
Deposits, prepayments and other receivables	9	7,685	10,442
Preliminary expenses and floatation costs	10	-	87
Advance tax	11	1,994	1,943
<b>Total assets</b>		<b>3,664,626</b>	<b>6,530,947</b>
<b>Liabilities</b>			
Payable to the Management Company	12	13,440	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	13	435	707
Payable to Securities and Exchange Commission of Pakistan	14	4,922	7,388
Accrued expenses and other payables	15	46,692	51,369
<b>Total liabilities</b>		<b>65,489</b>	<b>75,114</b>
<b>Net assets</b>		<b>3,599,137</b>	<b>6,455,833</b>
<b>Unit holders' fund</b> (as per statement attached)		<b>3,599,137</b>	<b>6,455,833</b>
<b>Contingencies and Commitments</b>	20		
		(Number of units)	
<b>Number of units in issue</b>		<b>32,037,578</b>	<b>55,077,294</b>
		(Rupees)	
<b>Net assets value per unit</b>	4.11	<b>112.3411</b>	<b>117.2141</b>

The annexed notes 1 to 32 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 Asset Allocation Fund**  
**Income Statement**  
For the year ended 30 June 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
<b>Income / (Loss)</b>			
Profit on bank deposits and Term Deposits Musharika calculated using the effective yield method	16	272,515	279,932
Profit / return on investments calculated using the effective yield method	17	11,803	8,248
Unrealised loss on revaluation of investments classified as:			
- designated at fair value through profit or loss		-	(383)
- at fair value through profit or loss	7.1 / 7.2	(355,071)	-
- held for trading		-	(173,149)
Dividend income		112,673	157,821
Realised (loss) / gain on sale of investments classified as:			
- designated at fair value through profit or loss		-	(993)
- at fair value through profit or loss		(59,522)	-
- held for trading		-	(210,309)
- available for sale		-	1,110
Other income		124	251
<b>Total (loss) / Income</b>		<b>(17,478)</b>	<b>62,528</b>
<b>Impairment loss on investments classified as 'available for sale'</b>		<b>-</b>	<b>(35,058)</b>
<b>Expenses</b>			
Remuneration of the Management Company	12.1	96,163	77,771
Sindh Sales Tax on the Management Company's remuneration	12.2	12,501	10,110
Allocation of expenses relating to the Fund		5,181	7,777
Selling and marketing expenses		20,724	31,110
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	13	6,181	8,777
Sindh Sales Tax on the Trustee's remuneration		804	1,141
Annual fee of Securities and Exchange Commission of Pakistan	14	4,922	7,388
Auditors' remuneration	18	429	406
Custody and settlement charges		947	978
Amortisation of preliminary expenses and floatation costs	10	87	200
Brokerage expenses		2,679	2,185
Legal and other professional charges		208	153
Shariah advisory fee	12.3	350	324
Charity		1,541	1,704
Listing Fee		28	28
Bank and other charges		206	324
<b>Total operating expenses</b>		<b>152,951</b>	<b>150,376</b>
<b>Net loss for the year before taxation</b>		<b>(170,429)</b>	<b>(122,906)</b>
Taxation	19	-	-
<b>Net loss for the year after taxation</b>		<b>(170,429)</b>	<b>(122,906)</b>

The annexed notes 1 to 32 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 Asset Allocation Fund

## Statement of Comprehensive Income

For the year ended 30 June 2019

	2019	2018
	----(Rupees in '000)----	
<b>Net loss for the year after taxation</b>	<b>(170,429)</b>	(122,906)
<b>Other comprehensive income for the year:</b>		
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>		
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	-	16,733
<b>Total comprehensive loss for the year</b>	<b><u>(170,429)</u></b>	<b><u>(106,173)</u></b>

The annexed notes 1 to 32 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 Asset Allocation Fund  
Statement of Movement in Unit Holders' Fund  
For the year ended 30 June 2019

	Note	2019				2018			
		Capital value	Undistributed income	Unrealised appreciation on 'available for sale' investments	Total	Capital value	Undistributed income	Unrealised appreciation on 'available for sale' investments	Total
		----- (Rupees in '000) -----				----- (Rupees in '000) -----			
<b>Net assets at 30 June 2018 / 30 June 2017</b>		<b>6,032,689</b>	<b>406,411</b>	<b>16,733</b>	<b>6,455,833</b>	<b>7,365,506</b>	<b>529,317</b>	<b>-</b>	<b>7,894,823</b>
Adjustment due to adoption of IFRS 9	3	-	<b>16,733</b>	<b>(16,733)</b>	<b>-</b>	-	-	-	-
<b>Net assets at 01 July 2018 / 01 July 2017</b>		<b>6,032,689</b>	<b>423,144</b>	<b>-</b>	<b>6,455,833</b>	<b>7,365,506</b>	<b>529,317</b>	<b>-</b>	<b>7,894,823</b>
<b>Issuance of 7,613,004 units</b> (2018: 30,997,774 units)									
- Capital value		892,351	-	-	892,351	3,682,418	-	-	3,682,418
- Element of income during the year		-	-	-	-	-	-	-	-
-Relating to other comprehensive Income		-	-	-	-	6,886	-	-	6,886
-Relating to net loss for the year after taxation		2,695	-	-	2,695	(60,016)	-	-	(60,016)
Total proceeds on issuance of units		895,046	-	-	895,046	3,629,288	-	-	3,629,288
<b>Redemption of 30,652,720 units</b> (2018: 42,377,391 units)									
- Capital value		(3,592,931)	-	-	(3,592,931)	5,034,273	-	-	5,034,273
- Element of loss during the year		-	-	-	-	-	-	-	-
-Relating to other comprehensive Income		-	-	-	-	15,730	-	-	15,730
-Relating to net loss for the year after taxation		11,618	-	-	11,618	(87,898)	-	-	(87,898)
Total payments on redemption of units		(3,581,313)	-	-	(3,581,313)	4,962,105	-	-	4,962,105
Total comprehensive loss for the year		-	(170,429)	-	(170,429)	-	(122,906)	16,733	(106,173)
<b>Net assets at end of the year</b>		<b>3,346,422</b>	<b>252,715</b>	<b>-</b>	<b>3,599,137</b>	<b>6,032,689</b>	<b>406,411</b>	<b>16,733</b>	<b>6,455,833</b>
<b>Undistributed income brought forward:</b>									
- Realised income			406,411				385,737		
- Unrealised income			16,733				143,580		
			423,144				529,317		
Net loss for the year after taxation			(170,429)				(122,906)		
<b>Undistributed income carried forward</b>			<b>252,715</b>				<b>406,411</b>		
<b>Undistributed income carried forward comprises of:</b>									
- Realised income			607,786				406,411		
- Unrealised loss			(355,071)				-		
			252,715				406,411		
				(Rupees)				(Rupees)	
<b>Net assets value per unit at beginning of the year</b>				<b>117.2141</b>				<b>118.7962</b>	
<b>Net assets value per unit at end of the year</b>				<b>112.3411</b>				<b>117.2141</b>	

The annexed notes 1 to 32 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 Asset Allocation Fund

## Cash Flow Statement

For the year ended 30 June 2019

	2019	2018
Note	----(Rupees in '000)----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year before taxation	(170,429)	(122,906)
<b>Adjustments for:</b>		
Profit on bank deposits and Term Deposits Musharika using the effective yield method	16 (272,515)	(280,183)
Profit / return on investments using the effective yield method	17 (11,803)	(8,248)
Unrealised loss on revaluation of investments classified as:		
- designated at fair value through profit or loss	-	383
- at fair value through profit or loss	355,071	-
- held for trading	-	173,149
Dividend income	(112,673)	(157,821)
Loss / (gain) on sale of investments classified as:		
- designated at fair value through profit or loss	-	993
- at fair value through profit or loss	59,522	-
- held for trading	-	210,309
- available for sale	-	(1,110)
Amortisation of preliminary expenses and floatation costs	87	200
Impairment loss on investments classified as 'available for sale'	-	35,058
	<b>17,689</b>	<b>(27,270)</b>
<b>Net cash used in operations before working capital changes</b>	<b>(152,740)</b>	<b>(150,176)</b>
<b>Working capital changes</b>		
<i>Decrease / (increase) in assets</i>		
Investments	616,621	7,582
Receivable against sale of investments	-	(891)
Deposits and other receivables	(1,944)	21,946
Advance tax	(51)	(39)
	<b>614,626</b>	<b>28,598</b>
<i>(Decrease) / increase in liabilities</i>		
Payable to the Management Company	(2,210)	(4,640)
Payable to Central Depository Company of Pakistan Limited - Trustee	(272)	(82)
Payable to Securities and Exchange Commission of Pakistan	(2,466)	3,269
Payable against purchase of investments	-	(15,800)
Accrued expenses and other payables	(4,677)	(240,413)
	<b>(9,625)</b>	<b>(257,666)</b>
Profit and dividend received	<b>402,402</b>	<b>442,947</b>
<b>Net cash flows generated from operating activities</b>	<b>854,663</b>	<b>63,703</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	899,747	3,629,288
Payments on redemption of units	(3,581,313)	(4,962,105)
<b>Net cash flows used in financing activities</b>	<b>(2,681,566)</b>	<b>(1,332,817)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,826,903)</b>	<b>(1,269,114)</b>
Cash and cash equivalents at beginning of the year	<b>3,946,368</b>	<b>5,215,482</b>
<b>Cash and cash equivalents at end of the year</b>	<b>2,119,465</b>	<b>3,946,368</b>
<b>Cash and cash equivalents</b>		
Bank balances	1,519,465	3,646,368
Term deposit musharika (TDM)	600,000	300,000
	<b>2,119,465</b>	<b>3,946,368</b>

The annexed notes 1 to 32 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 Asset Allocation Fund

## Notes to the Financial Statements

*For the year ended 30 June 2019*

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

Al Ameen Islamic Asset Allocation 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 October 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 October 2013 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from 10 December 2013.

The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. 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. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes based on the market outlook. Under circular 07 dated 06 March 2009 issued by the SECP, the Fund has been categorised by the Management Company as an Islamic Asset Allocation Fund.

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 PRESENTATION**

#### **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

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 most significant effects on the amounts recognised in the financial statements is included in note 4.2.1 / 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:

- Note 4.2.4 and 4.3 - Valuation of investments
- Note 4.2.5 and 4.3 - 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 CHANGES 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 01 July 2018. The Fund also adopted IFRS 15 „Revenue from contracts with customers" from 01 July 2018. A number of other new standards are effective from 01 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 / mark-up 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 dividend, 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 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 recognised.

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 holder's 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 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 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 SECP for valuation of debt securities vide its Circular No. 1 of 2009 dated 06 January 2009 as amended by Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non traded securities. The circular 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 fair value of government securities is determined using the PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan (MUFAP).

**c) Basis of valuation of equity securities**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price or lower than the closing bid price.

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**

Impairment loss on financial assets other than "available for sale" investments is recognized in the income statement whenever carrying amount of financial asset exceeds its recoverable amount. If in the subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through income statement.

In case of equity securities 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 is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income statement is reversed from other comprehensive income and recognized in the income statement.

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.

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.

#### **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:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	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.
<b>Debt securities at FVOCI</b>	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.
<b>Equity investments at FVOCI</b>	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 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 SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular 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 are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

**c) Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

**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**

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 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**

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 Assets 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 unit holders' 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 at least 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.
- Mark-up on deposits with banks and mark-up / return on investments in debt and government securities is recognised using effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

#### **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 Preliminary expenses and floatation costs**

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the Fund as preliminary expenses and floatation costs which are to be amortised by the Fund over a period of five years commencing from 11 December 2013 in accordance with the Trust Deed.

#### **4.19 Other assets**

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

## 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 notes 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)-----					
<b>Financial assets</b>					
Quoted equity securities	(a)	Available for sale	Mandatorily at FVTPL	750,449	750,449
Quoted equity securities	(b)	Designated at FVTPL	Mandatorily at FVTPL	1,691,162	1,691,162
Sukuk certificates	(c)	Designated at FVTPL	Mandatorily at FVTPL	97,671	97,671
Bank balances	(d)	Loans and receivables	Amortised cost	3,646,368	3,646,368
Term deposit Musharika	(d)	Loans and receivables	Amortised cost	300,000	300,000
Dividend and profit receivable	(d)	Loans and receivables	Amortised cost	32,825	32,825
Deposits, prepayments and other receivables	(d)	Loans and receivables	Amortised cost	10,442	10,442
				<u>6,528,917</u>	<u>6,528,917</u>
<b>Financial liabilities</b>					
Payable to the Management Company	(e)	Other financial liabilities	Amortised cost	15,650	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	(e)	Other financial liabilities	Amortised cost	707	-
Accrued expenses and other payables	(e)	Other financial liabilities	Amortised cost	11,289	11,289
				<u>27,646</u>	<u>26,939</u>

The reclassifications set out in the table above are explained below.

- (a) Quoted equity securities classified as financial assets 'available for sale' have not been elected by the Fund to be classified to fair value through other comprehensive income.
- (b) Quoted equity securities classified as financial assets at fair value through profit or loss - held for trading have been measured at fair value through profit or loss with value changes continue to be recognised in income statement.
- (c) Sukuk Certificates classified as financial assets 'at fair value through profit or loss - held for trading' have been measured at 'fair value through profit or loss' based on the business model whose objective is neither to collect the contractual cash flows nor both collecting contractual cash flows and selling of financial assets.
- (d) The financial assets classified as 'loans and receivables' have been classified as 'at amortised cost'.
- (e) The financial liabilities classified as 'other financial liabilities' have been classified as 'at amortised cost'.

## 6 BANK BALANCES

	Note	2019 ----(Rupees in '000)----	2018
In current accounts	6.1	32,260	24,871
In savings accounts	6.2	1,487,205	3,621,497
		<u>1,519,465</u>	<u>3,646,368</u>

6.1 This includes balance with United Bank Limited - Corporate Division of Rs. 1.43 million (30 June 2018: Rs. 0.12 million), holding company of the Management Company (a related company).

6.2 This includes balance with United Bank Limited - Islamic Banking Division of Rs. 249.11 million (30 June 2018: Rs. 2,599 million), holding company of the Management Company (a related company). These carry profit rates ranging from 6.3% to 12.25% (30 June 2018: 3.9% to 6.4%) per annum.

## 7 INVESTMENTS

	Note	2019 ----(Rupees in '000)----	2018
<b>Investments by Category</b>			
<b>At fair value through profit or loss</b>			
- Equity securities - quoted	7.1	1,398,436	1,691,162
- Sukuk certificates	7.2	109,632	-
<b>Designated at fair value through profit or loss</b>			
- Sukuk certificates		-	97,671
<b>Available for sale</b>			
- Equity securities - quoted		-	750,449
<b>At amortised cost (30 June 2018: Loans and receivables)</b>			
- Term deposit musharika (TDM)	7.3	600,000	300,000
		<u>2,108,068</u>	<u>2,839,282</u>

## 7.1 Quoted equity securities classified as 'at fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at 01 July 2018	Purchases during the year	Bonus / rights issue	Sales during the year	As at 30 June 2019	Cost of holdings as at 30 June 2019	Market value as at 30 June 2019	Percentage of total investments	Percentage of net assets	Par value as a percentage of issued capital of the investee company
Note	(Number of shares)				(Rupees in '000)			%		
<b>Cement</b>										
D.G. Khan Cement Company Limited	700	-	-	700	-	-	-	-	-	-
Fauji Cement Company Limited	190,000	-	-	190,000	-	-	-	-	-	-
Kohat Cement Company Limited	858,300	72,500	261,240	25,000	1,167,040	110,186	61,305	2.91	1.70	0.58
Lucky Cement Limited	193,550	91,450	-	164,350	120,650	58,115	45,904	2.18	1.28	0.04
Cherat Cement Company Limited	603,600	244,900	-	594,500	254,000	11,480	7,864	0.37	0.22	0.14
Pioneer Cement Limited	261,300	386,000	-	465,000	182,300	4,891	4,129	0.20	0.11	0.08
Attock Cement Pakistan Limited	196,900	-	-	196,900	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	100,000	-	-	100,000	2,330	2,389	0.11	0.07	0.02
	2,304,350	894,850	261,240	1,636,450	1,823,990	187,002	121,591	5.77	3.38	0.86
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	112,260	9,700	11,726	-	133,686	182,706	134,933	6.40	3.75	0.11
Oil & Gas Development Company Limited	1,256,300	108,500	-	216,000	1,148,800	177,272	151,056	7.17	4.20	0.03
Pakistan Oilfields Limited	204,100	74,600	40,820	98,300	221,220	120,254	89,791	4.26	2.49	0.08
Pakistan Petroleum Limited	847,500	61,000	130,125	339,200	699,425	129,769	101,018	4.79	2.81	0.03
	2,420,160	253,800	182,671	653,500	2,203,131	610,001	476,798	22.62	13.25	0.25
<b>Oil and gas marketing companies</b>										
Attock Petroleum Limited	99,350	-	7,090	106,440	-	-	-	-	-	-
Pakistan State Oil Company Limited	304,320	113,200	57,864	281,300	194,084	46,912	32,922	1.56	0.91	0.05
Sui Northern Gas Pipelines Limited	6,000	-	-	6,000	-	-	-	-	-	-
	409,670	113,200	64,954	393,740	194,084	46,912	32,922	1.56	0.91	0.05
<b>Fertilizer</b>										
Engro Fertilizers Limited	2,671,000	2,050,000	-	3,824,500	896,500	70,411	57,349	2.72	1.59	0.07
Engro Corporation Limited	655,700	156,500	46,870	389,300	469,770	132,675	124,771	5.92	3.47	0.08
Fauji Fertilizer Company Limited	118,000	952,500	-	288,500	782,000	77,557	68,190	3.23	1.89	0.06
	3,444,700	3,159,000	46,870	4,502,300	2,148,270	280,643	250,310	11.87	6.95	0.21
<b>Chemical</b>										
ICI Pakistan Limited	43,800	-	-	37,500	6,300	5,049	3,355	0.16	0.09	0.01
Engro Polymer & Chemicals Limited	2,054,000	960,890	-	1,054,000	1,960,890	61,560	52,866	2.51	1.47	0.22
Engro Polymer & Chemicals Limited (right)	759,890	-	-	759,890	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	109,000	-	-	109,000	1,596	1,662	0.08	0.05	0.01
	2,857,690	1,069,890	-	1,851,390	2,076,190	68,205	57,883	2.75	1.61	0.24
<b>Glass and ceramics</b>										
Tariq Glass Industries Limited	251,500	-	-	196,500	55,000	5,894	4,215	0.20	0.12	0.07
	251,500	-	-	196,500	55,000	5,894	4,215	0.20	0.12	0.07
<b>Cable and electrical goods</b>										
Pak Elektron Limited	700	-	-	-	700	25	14	0.00	0.00	0.00
	700	-	-	-	700	25	14	0.00	0.00	0.00
<b>Pharmaceuticals</b>										
The Searle Company Limited	2,213	77,500	331	-	80,044	12,082	11,731	0.56	0.33	0.04
Highnoon Laboratories Limited	181	-	18	-	199	74	50	0.00	0.00	0.00
	2,394	77,500	349	-	80,243	12,156	11,781	0.56	0.33	0.04
<b>Automobile parts and accessories</b>										
Agriauto Industries Limited *	200	-	-	-	200	59	40	0.00	0.00	0.00
Thal Limited *	133,200	10,000	-	31,000	112,200	52,488	40,848	1.94	1.13	0.14
	133,400	10,000	-	31,000	112,400	52,547	40,888	1.94	1.13	0.14
<b>Automobile assembler</b>										
Honda Atlas Cars (Pakistan) Limited	159,750	15,500	-	175,250	-	-	-	-	-	-
Millat Tractors Limited	27,780	-	-	27,780	-	-	-	-	-	-
	187,530	15,500	-	203,030	-	-	-	-	-	-
<b>Engineering</b>										
Amreli Steels Limited	497,200	-	-	483,000	14,200	1,002	350	0.02	0.01	0.00
Mughal Iron & Steel Industries Limited	144,000	-	-	144,000	-	-	-	-	-	-
International Steels Limited	675,500	-	-	646,500	29,000	2,949	1,152	0.05	0.03	0.01
International Industries Limited	-	115,000	-	19,000	96,000	13,479	7,399	0.35	0.21	0.08
	1,316,700	115,000	-	1,292,500	139,200	17,430	8,901	0.42	0.25	0.09
<b>Food and personal care products</b>										
Shezan International Limited	1,000	-	100	-	1,100	570	465	0.02	0.01	0.01
Al-Shaheer Corporation Limited	50,000	82,000	-	40,000	92,000	2,047	1,159	0.05	0.03	0.06
	51,000	82,000	100	40,000	93,100	2,617	1,624	0.07	0.04	0.07
<b>Commercial banks</b>										
Meezan Bank Limited	572,510	150,000	112,227	242,000	592,737	41,179	51,663	2.45	1.44	0.05
	572,510	150,000	112,227	242,000	592,737	41,179	51,663	2.45	1.44	0.05
<b>Textile composite</b>										
Nishat Mills Limited	851,100	56,500	-	244,900	662,700	92,828	61,856	2.93	1.72	0.19
	851,100	56,500	-	244,900	662,700	92,828	61,856	2.93	1.72	0.19
<b>Power generation and distribution</b>										
The Hub Power Company Limited	2,303,400	812,241	-	917,500	2,198,141	191,123	173,104	8.21	4.81	0.19
The Hub Power Company Limited (right)	-	286,273	-	286,273	-	-	-	-	-	-
K-Electric Limited **	5,294,500	225,000	-	524,000	4,995,500	28,001	21,930	1.04	0.61	0.02
Lalpur Power Limited	1,061,500	-	-	-	1,061,500	20,391	13,800	0.65	0.38	0.28
Pakgen Power Limited	1,580,000	-	-	-	1,580,000	30,462	22,404	1.06	0.62	0.42
Saif Power Limited	322,000	1,429,500	-	-	1,751,500	46,339	32,858	1.56	0.91	0.45
	10,561,400	2,753,014	-	1,727,773	11,586,641	316,316	264,096	12.52	7.33	1.36
<b>Paper and board</b>										
Packages Limited	3,300	31,000	-	-	34,300	12,332	10,309	0.49	0.29	0.04
	3,300	31,000	-	-	34,300	12,332	10,309	0.49	0.29	0.04
<b>Technology and communication</b>										
Avanceon Limited	123,907	-	1,982	118,950	6,939	328	340	0.02	0.01	0.00
	123,907	-	1,982	118,950	6,939	328	340	0.02	0.01	0.00
<b>Refinery</b>										
National Refinery Limited	-	30,000	-	1,400	28,600	4,605	3,245	0.15	0.09	0.04
	-	30,000	-	1,400	28,600	4,605	3,245	0.15	0.09	0.04
<b>Total as at 30 June 2019</b>						<b>1,751,020</b>	<b>1,398,436</b>			
Total as at 30 June 2018						<b>1,864,311</b>	<b>1,691,162</b>			

\* These have a face value of Rs. 5 per share.

\*\* These have a face value of Rs. 3.5 per share

**7.1.1** The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other Asset Management Companies and Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. Investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 1.10 million (2018: Rs. 1.68 million) at year end. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end.

**7.1.2** Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

	2019 -- (Number of shares) --	2018 250,000	2019 ---- (Rupees in '000) ----	2018 23,040
The Hub Power Company Limited	250,000	250,000	19,688	23,040

**7.2 Sukuk certificates - at fair value through profit or loss (certificates of Rs. 5,000 each, unless otherwise stated)**

Name of the Investee Company	Note	As at 01 July 2018	Purchases during the year	Sales during the year	As at 30 June 2019	Cost of holdings as at 30 June 2019	Market Value as at 30 June 2019	Percentage of total investment	Percentage of net assets
		----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
<u>Quoted</u>									
<b>Chemical</b>									
Engro Corporation Limited	7.2.1	1,000	-	-	1,000	5,422	5,025	0.24	0.15
		1,000	-	-	1,000	5,422	5,025	0.24	0.14
<u>Unquoted</u>									
<b>Chemical</b>									
Ghani Gases Limited	7.2.1	750	-	-	750	47,346	46,617	2.26	1.32
		750	-	-	750	47,346	46,617	2.22	1.30
<b>Electricity</b>									
WAPDA Sukuk III		2,000	-	2,000	-	-	-	-	-
		2,000	-	2,000	-	-	-	-	-
<b>Fertilizer</b>									
Dawood Hercules Corporation Limited	7.2.1	270		-	270	24,349	24,220	1.17	0.68
		270	-	-	270	24,349	24,220	1.17	0.68
<b>Cement</b>									
Javedan Corporation Limited	7.2.1	-	350	-	350	35,000	33,770	1.64	0.97
		-	350	-	350	35,000	33,770	1.64	0.97
		3,270	350	2,000	1,620	112,117	109,632	3.05	1.79

**7.2.1** Significant terms and conditions of sukuk certificates outstanding as at 30 June 2019 are as follows:

Name of Security	Issue date	Remaining principal (Rupees in '000)	Mark-up rate per annum	Maturity	Secured / unsecured	Rating
<b>Chemical</b>						
Engro Corporation Limited - Listed	11 July 2014	5,000	13.5% (Fixed Rate Security)	11 July 2019	Secured	AA+
Ghani Gases Limited - Listed	02 February 2017	46,875	3 months KIBOR + 1%	02 February 2023	Secured	A
<b>Fertilizer</b>						
Dawood Hercules Corporation Limited	16 November 2017	24,300	3 months KIBOR + 1%	16 November 2022	Secured	AA
<b>Cement</b>						
Javedan Corporation Limited	04 October 2018	35,000	6 months KIBOR + 1.75%	04 October 2026	Secured	AA-

**7.3** Profit rate on TDMS is between 11.35% to 12.5% (2018: 5.8% to 7.16%) per annum with maturities up to 17 July 2019 (2018: 12 July 2018).

**7.4 Letter of placements - at amortised cost**

Name of Company	Maturity Date	Purchases during the year	Income Accrued	Matured during the year	As at 30 June 2019	Percentage of total value of investments	Percentage of Net Assets
		(Rupees in '000)			%		
Javedan Corporation Limited	15 October 2018	35,000	113	35,113	-	-	-
BankIslami Pakistan Limited	25 January 2019	200,000	1,743	201,743	-	-	-
BankIslami Pakistan Limited	25 February 2019	200,000	1,801	201,801	-	-	-
BankIslami Pakistan Limited	14 March 2019	90,000	2,330	92,330	-	-	-
BankIslami Pakistan Limited	27 March 2019	200,000	1,743	201,743	-	-	-
BankIslami Pakistan Limited	15 April 2019	90,000	836	90,836	-	-	-
BankIslami Pakistan Limited	29 April 2019	200,000	1,935	201,935	-	-	-
BankIslami Pakistan Limited	15 May 2019	90,000	792	90,792	-	-	-
BankIslami Pakistan Limited	03 June 2019	200,000	2,081	202,081	-	-	-
		1,305,000	13,374	1,318,374	-	-	-

**8 DIVIDEND AND PROFIT RECEIVABLE**

2019 2018  
----(Rupees in '000)----

Dividend receivable - 8,691

**Profit receivable on:**

Bank balances  
Term deposit musharika  
Investments  
- Sukuk certificates

14,671	19,060
10,023	3,713
2,720	1,361
27,414	24,134
27,414	32,825

**9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

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	2,250	6,951
Receivable against sale of investments	2,835	891
	7,685	10,442

**10 PRELIMINARY EXPENSES AND FLOATATION COSTS**

Preliminary expenses and floatation costs	87	287
Amortisation during the year	(87)	(200)
	-	87

- 10.1** The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the Fund as preliminary expenses and floatation costs which are to be amortised by the Fund over a period of five years commencing from 11 December 2013 in accordance with the Trust Deed.

**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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 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**

	Note	2019 ----(Rupees in '000)----	2018
Management remuneration payable	12.1	6,051	5,439
Sindh Sales Tax on management remuneration	12.2	787	707
Sales load and other payables		2,187	1,468
Shariah advisory fee	12.3	204	25
Payable against allocation of expenses relating to the Fund	12.4	303	1,120
Selling and marketing expenses payable	12.5	3,908	6,891
		13,440	15,650

- 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 2 percent of average daily net assets of the Fund. The Management Company has charged remuneration at the rate of 1% per annum of the average daily net assets of the Fund till 12 August 2018 and 2% onwards. 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 per amended NBFC Regulations dated 25 November 2015, the Management Company is entitled to charge shariah advisory fee from the Fund. Accordingly, the Management Company has charged Rs. 0.350 million (2018: Rs. 0.324 million) as shariah advisory fee under a contract signed with the shariah advisors.
- 12.4** 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) up to 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.
- 12.5** 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 0.4% on daily net assets of the Fund, being the lower amount.



13	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2019	2018
			----(Rupees in '000)----	
	Trustee Remuneration	13.1	385	626
	Sindh Sales Tax on the Trustee's remuneration	13.2	50	81
			<u>435</u>	<u>707</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. 0.7 million or 0.20% per annum of net assets of the Fund, whichever is higher
- exceeding Rs. 1 billion	Rs. 2 million plus 0.10% per annum of net assets of the Fund value exceeding Rs. 2 billion.

- 13.2** Sales tax at the rate of 13% (2018: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

#### 14 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.095% 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	Note	2019	2018
			----(Rupees in '000)----	
	Provision for indirect duties and taxes	15.1	15,834	15,834
	Provision for Sindh Workers' Welfare Fund	15.2	24,246	24,246
	Withholding tax payable		17	17
	Zakat deducted at source payable		2,307	3,685
	Sales tax payable		12	12
	Capital gains tax payable		82	59
	Auditors' remuneration payable		291	275
	Brokerage payable		888	796
	Charity payable		834	1,787
	Sales load payable		120	4,608
	Other payables		2,061	50
			<u>46,692</u>	<u>51,369</u>

- 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. 4.56 million (2018: Rs. 4.56 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. 0.1423 per unit (30 June 2018: Rs. 0.0827) 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 assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.7568 per unit (30 June 2018: Rs. 0.4402) per unit.

<b>16</b>	<b>PROFIT ON BANK DEPOSITS AND TERM DEPOSITS MUSHARIKA CALCULATED USING THE EFFECTIVE YIELD METHOD</b>	<b>2019</b>	<b>2018</b>
		<b>----(Rupees in '000)----</b>	
	Profits on:		
	- Bank balances	<b>247,673</b>	234,983
	- Term deposit musharika (TDM)	<b>24,842</b>	44,949
		<b>272,515</b>	<b>279,932</b>
<b>17</b>	<b>PROFIT / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE YIELD METHOD</b>		
	- GoP ijarah sukuks	-	40
	- Sukuk certificates	<b>11,803</b>	8,208
		<b>11,803</b>	<b>8,248</b>

**18 AUDITORS' REMUNERATION**

	2019	2018
	----(Rupees in '000)----	
Annual audit fee	214	174
Half yearly review fee	87	87
Fee for certifications and other services	41	81
	342	342
Sales tax	27	27
Out of pocket expenses	60	37
	87	64
	429	406

**19 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. Since, no distributable income has been earned by the Fund, therefore, no dividend has been distributed.

**20 CONTINGENCIES AND COMMITMENTS**

Except as stated in note 15.2, there are no contingencies and commitments as at 30 June 2019.

**21 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 2.95% which include 0.36% representing government levy, Workers' Welfare Fund and SECP fee.

**22 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	6,951	-	6,951
Receivable against issuance of units	895,046	-	895,046
Payable against redemption of units	-	3,581,313	(3,581,313)
	895,046	3,581,313	(2,686,267)
Amount received on issuance of units	(899,747)	-	(899,747)
Amount paid on redemption of units	-	(3,581,313)	3,581,313
	(899,747)	(3,581,313)	2,681,566
<b>Closing balance as at 30 June 2019</b>	<b>2,250</b>	<b>-</b>	<b>2,250</b>

**23 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:

### 23.1 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	-	-	-	-	796	-
Units redeemed	-	221,410	-	-	793	-
Profit on PLS saving accounts	-	149,263	-	-	-	-
Bank and other charges	-	185	-	-	-	-
Remuneration	96,163	-	6,181	-	-	-
Sales tax on remuneration	12,501	-	804	-	-	-
Allocation of expenses relating to the Fund	5,181	-	-	-	-	-
Central Depository Services Expenses	-	-	108	-	-	-
Selling and marketing expenses	20,724	-	-	-	-	-
Shariah advisory fee	350	-	-	-	-	-
	2018					
Units issued	-	-	-	-	4,006	59,234
Units redeemed	-	1,247	-	-	1	64,627
Profit on PLS saving accounts	-	176,929	-	-	-	-
Bank and other charges	-	264	-	-	-	-
Remuneration	87,881	-	9,918	-	-	-
Sales tax on remuneration	-	-	-	-	-	-
Allocation of expenses relating to the Fund	7,777	-	-	-	-	-
Central Depository Services Expenses	-	-	187	-	-	-
Selling and marketing expenses	31,110	-	-	-	-	-
Shariah advisory fee	324	-	-	-	-	-
Listing Fee	-	-	-	-	-	25

### 23.2 Balances outstanding as at year end

	2019					
	(Rupees in '000)					
Units held (in units '000)	-	-	-	-	1	-
Units held (in rupees)	-	-	-	-	101	-
Bank balances*	-	250,541	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	6,838	-	435	-	-	-
Sales load and other payables	2,107	4	-	-	-	-
Conversion and settlement charges	80	-	-	-	-	-
Selling and marketing expenses payable	3,908	-	-	-	-	-
Shariah fee	204	-	-	-	-	-
Payable against allocated expenses	303	-	-	-	-	-
Profit receivable	-	5,553	-	-	-	-
	2018					
Units held (in units '000)	-	1,883	-	-	34	50
Units held (in rupees)	-	220,681	-	-	3,985	5,861
Bank balances*	-	2,599,364	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	6,146	-	707	-	-	-
Sales load and other payables	1,468	463	-	-	-	-
Selling and marketing expenses payable	6,891	-	-	-	-	-
Shariah fee payable	25	-	-	-	-	-
Others	-	-	-	-	-	-
Payable against allocated expenses	1,120	-	-	-	-	-
Profit receivable	-	13,825	-	-	-	-

\* These carry profit rate ranging between 6.3% - 11.25% (30 June 2018: 5.5% - 6.2%) per annum.

\*\* These balances are inclusive of Sindh Sales Tax payable.

2019			
At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
<b>Financial Assets</b>			
Bank balances	1,519,465	-	1,519,465
Term deposit musharika	600,000	-	600,000
Equity securities - Quoted	-	1,398,436	1,398,436
Sukuk certificates	-	109,632	109,632
Dividend and profit receivable	27,414	-	27,414
Deposits and other receivables	7,685	-	7,685
	<u>2,154,564</u>	<u>1,508,068</u>	<u>3,662,632</u>

**Financial liabilities**

At amortised cost -- (Rupees in '000) --	Total
Payable to the Management Company	13,440
Payable to Central Depository Company of Pakistan Limited - Trustee	435
Accrued expenses and other payables	6,612
	<u>20,487</u>

2018			
Loans and receivables	Held for trading	Available-for- sale	Total
----- (Rupees in '000) -----			
<b>Financial Assets</b>			
Bank balances	3,646,368	-	3,646,368
Term deposit musharika	300,000	-	300,000
Equity securities - Quoted	-	1,691,162	2,441,611
Sukuk certificates	-	97,671	97,671
Dividend and profit receivable	32,825	-	32,825
Deposits and other receivables	10,442	-	10,442
	<u>3,989,635</u>	<u>750,449</u>	<u>6,528,917</u>

**Financial liabilities**

Other financial liabilities ----- (Rupees in '000) -----	Total
Payable to the Management Company	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	707
Accrued expenses and other liabilities	11,289
	<u>27,646</u>

## 25 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 year by the level in the fair value hierarchy into which the fair value measurement is categorised:

### On-balance sheet financial instruments

Note	2019					Fair value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)					(Rupees in '000)			
<b>Financial assets measured at fair value</b>									
Equity securities - Quoted	1,398,436	-	-	-	1,398,436	1,398,436	-	-	1,398,436
Sukuk certificates	109,632	-	-	-	109,632	-	109,632	-	109,632
	<u>1,508,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,508,068</u>				
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	1,519,465	1,519,465				
Term deposit musharika	-	-	-	600,000	600,000				
Profit receivable	-	-	-	27,414	27,414				
Deposits and other receivables	-	-	-	7,685	7,685				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,154,564</u>	<u>2,154,564</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	-	-	-	13,440	13,440				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	435	435				
Accrued expenses and other payables	-	-	-	6,612	6,612				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,487</u>	<u>20,487</u>				
	2018					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)					(Rupees in '000)			
<b>Financial assets measured at fair value</b>									
Equity securities - listed	1,691,162	750,449	-	-	2,441,611	2,441,611	-	-	2,441,611
Sukuk certificates	97,671	-	-	-	97,671	-	97,671	-	97,671
	<u>1,788,833</u>	<u>750,449</u>	<u>-</u>	<u>-</u>	<u>2,539,282</u>				
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	3,646,368	-	3,646,368				
Term deposit musharika	-	-	300,000	-	300,000				
Dividend and profits receivable	-	-	32,825	-	32,825				
Deposits and other receivables	-	-	10,442	-	10,442				
	<u>-</u>	<u>-</u>	<u>3,989,635</u>	<u>-</u>	<u>3,989,635</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	-	-	-	15,650	15,650				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	707	707				
Accrued expenses and other payables	-	-	-	11,289	11,289				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,646</u>	<u>27,646</u>				

During the year ended 30 June 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 25.1 Valuation techniques used in determination of fair values within level 2:

Investments in sukuk certificates, issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

25.2 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.

25.3 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.

## 26 FINANCIAL RISK MANAGEMENT

26.1 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.

## 26.2 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:

	2019	2018
	----(Rupees in '000)----	
<b>Financial assets exposed to credit risk</b>		
Sukuk Certificates	109,632	97,671
Bank balances	1,519,465	3,646,368
Dividend and profit receivable	27,414	32,825
Deposits and other receivable	7,685	10,442
	<u>1,656,511</u>	<u>3,776,864</u>

All deposits with banks, CDC and NCCPL are highly rated and risk of default is considered minimal.

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 analysis below summarizes the credit quality of the Fund's portfolio in total as on 30 June:

	Rating Agency	Rating	2019	2018
			----(Rupees in '000)----	
<b>Bank balances by rating category</b>				
MCB Islamic Bank Limited	PACRA	AAA	1,530	1,389
Allied Bank Limited	PACRA	AAA	10	10
National Bank of Pakistan	VIS	AAA	137	1,527
United Bank Limited	VIS	AAA	249,391	2,599,363
Habib Bank Limited	VIS	AAA	16	16
Habib Metropolitan Bank Limited	PACRA	AA+	21	87
Meezan Bank Limited	VIS	AA+	17	857
Faysal Bank Limited	PACRA	AA	10	22
Bank Alfalah Limited	VIS	AA-	29,307	24,954
Dubai Islamic Bank Limited	VIS	AA-	432,515	27
Soneri Bank Limited	PACRA	AA-	804,371	491,112
BankIslami Pakistan Limited	PACRA	A+	2,140	527,004
			<u>1,519,465</u>	<u>3,646,368</u>
<b>Sukuk certificates by rating category</b>				
AAA			-	5,223
AA+			5,025	5,423
AA			24,220	27,054
AA-			33,770	-
A			46,617	59,971
			<u>109,632</u>	<u>97,671</u>
<b>Investment in term deposit musharika</b>				
Soneri Bank Limited	PACRA	AA-	-	300,000
MCB Islamic Bank Limited	PACRA	AAA	310,000	-
BankIslami Pakistan Limited	PACRA	A+	290,000	-
			<u>600,000</u>	<u>300,000</u>
<b>Dividend and profit receivable</b>			<u>27,414</u>	<u>32,825</u>
<b>Deposits, prepayments and other receivables</b>			<u>7,685</u>	<u>10,442</u>



## Concentration of credit risk

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 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.

## 26.3 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 unit holder'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 equity securities, government securities, sukuk certificate 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 unit holders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2019:

30 June 2019

	2019				
	Maturity Up to			More	Total
	Three	Six	One	than one	
	months	months	year	year	
Financial Liabilities	----- (Rupees in '000) -----				
Payable to Management Company	13,440	-	-	-	13,440
Payable to Central Depository Company of Pakistan Limited - Trustee	435	-	-	-	435
Accrued expenses and other payables	6,612	-	-	-	6,612
	<u>20,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,487</u>
Unit holders' fund	<u>3,599,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,599,137</u>
30 June 2018					
	Maturity Up to			More than	Total
	One	Three	One	one year	
	month	months	year		
Financial Liabilities	----- (Rupees in '000) -----				
Payable to Management Company	15,650	-	-	-	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	707	-	-	-	707
Accrued expenses and other payables	11,289	-	-	-	11,289
	<u>27,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,646</u>
Unit holders' fund	6,455,833	-	-	-	6,455,833

## 26.4 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 is monitored on a quarterly basis by the board of directors.

**a) Sensitivity analysis for variable rate instruments**

As at 30 June 2019, the Fund hold Sukuk certificates which are classified as fair through profit or loss, exposing the Fund to cash flow profit rate risk and fair value profit rate risk. In case of 100 basis points increase / decrease in mark-up rates on 30 June 2019, with all other variables held constant, the impact on the net assets and total comprehensive income for the year is as follows:

	<b>Total Exposure</b>	
	<b>2019</b>	<b>2018</b>
	<b>----- (Rupees in '000) -----</b>	
Bank balances	<b>1,487,205</b>	3,621,497
Sukuk certificates - at fair value through profit or loss	<b>104,607</b>	-
Sukuk certificates - designated at fair value through profit or loss	-	92,248
	<b><u>1,591,812</u></b>	<b><u>3,713,745</u></b>

**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. 15.386 million (30 June 2018: Rs. 36.606 million), assuming all other variables held constant.

**Fair value sensitivity analysis for variable rate instrument**

A change in 100 basis points in profit rates at year end would have increased the net assets and net income by Rs. 2.439 million (30 June 2018: Rs. 2.035 million) and decreased the net assets and net income by Rs. 2.371 million (30 June 2018: Rs. 2.278 million). The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as measured at amortised cost

**b) Sensitivity analysis for fixed rate instruments**

As at 30 June 2019, the Fund hold fixed rate Sukuk certificates which are classified as fair through profit or loss, exposing the Fund to cash flow profit rate risk and fair value profit rate risk. In case of 100 basis points increase / decrease in mark-up rates on 30 June, 2019, with all other variables held constant, the impact on the net assets and total comprehensive income for the year is as follows:

	<b>Total Exposure</b>	
	<b>2019</b>	<b>2018</b>
	<b>----- (Rupees in '000) -----</b>	
Term deposit musharika	<b>600,000</b>	300,000
Sukuk certificate - at fair value through profit or loss	<b>5,025</b>	-
Sukuk certificate - designated at fair value through profit or loss	-	5,841
	<b><u>605,025</u></b>	<b><u>305,841</u></b>

**Fair value sensitivity analysis for fixed rate instrument**

An increase in 100 basis points in profit rates at year end would have increased the net assets and total comprehensive income by Rs. 0.289 million (30 June 2018: Rs. 0.083 million) and decrease would result in increase the net assets and total comprehensive income of current year by Rs. 0.292 million and decrease the net assets and total comprehensive income of prior year by Rs. 0.062 million. The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as measured at amortised cost.

	Profit rate (%)	2019				Not exposed to profit rate risk	Total
		Three months	Maturity Up to Six months	One year	More than one year		
----- (Rupees in '000) -----							
<b>On-balance sheet financial instruments</b>							
<b>Financial assets</b>							
Bank balances	6.30 - 12.25	1,487,205	-	-	-	32,260	1,519,465
Term deposit musharika	11.35-12.5	600,000	-	-	-	-	600,000
Investments classified as:							
At fair value through profit or loss'							
- Quoted Equity Securities		-	-	-	-	1,398,436	1,398,436
- Sukuk Certificates	KIBOR 3M-6M+ 1.00 - 13.5	-	-	-	109,632	-	109,632
Dividend and profit receivable		-	-	-	-	27,414	27,414
Deposit and other receivables		-	-	-	-	7,685	7,685
<b>Total financial assets</b>		<b>2,087,205</b>	<b>-</b>	<b>-</b>	<b>109,632</b>	<b>1,465,795</b>	<b>3,662,632</b>
<b>Financial liabilities</b>							
Payable to Management Company		-	-	-	-	13,440	13,440
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	435	435
Accrued expenses and other payables		-	-	-	-	6,612	6,612
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,487</b>	<b>20,487</b>
<b>On-balance sheet gap</b>		<b>2,087,205</b>	<b>-</b>	<b>-</b>	<b>109,632</b>	<b>1,445,308</b>	<b>3,642,145</b>

		2018					
	Profit rate (%)	Three months	Maturity Up to Six months	One year	More than one year	Not exposed to profit rate risk	Total
On-balance sheet financial instruments		(Rupees in '000)					
Financial assets							
Bank balances	3.90 - 6.40	3,621,497				24,871	3,646,368
Investments classified as:							
At fair value through profit or loss -							
held for trading							
- Quoted equity securities		-	-	-	-	1,691,162	1,691,162
- Sukuk certificate- designated upon initial recognition	KIBOR 3M-6M+ 1.00 -13.5						
		-	-	-	97,671	-	97,671
Available for sale		-	-	-	-	750,449	750,449
Term deposit musharika	5.80 - 7.16	300,000				-	300,000
Dividend and profit receivable		-	-	-	-	32,825	32,825
Deposit and other receivables		-	-	-	-	10,442	10,442
Total Financial Assets		<u>3,921,497</u>	<u>-</u>	<u>-</u>	<u>97,671</u>	<u>2,509,749</u>	<u>6,528,917</u>
Financial liabilities							
Payable to Management Company		-	-	-	-	15,650	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	707	707
Accrued expenses and other payables		-	-	-	-	11,289	11,289
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,646</u>	<u>27,646</u>
On-balance sheet gap		<u>3,921,497</u>	<u>-</u>	<u>-</u>	<u>97,671</u>	<u>2,482,103</u>	<u>6,501,271</u>

There is no off-balance sheet financial instrument that exist as at year ended 30 June 2019 and 30 June 2018.

## 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

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KMI- 30 index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities for which prices in the future are uncertain. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations.

The Fund manages the risk by limiting exposure to any single investee company to the extent of 15% of issued capital of that investee company and the net assets of the Fund with overall limit of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation.

Details of the Fund's investment in industrial / economic sector are given in note 7.

The following table illustrates the sensitivity of the income for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	2019	2018
	---(Rupees in '000)---	
Income statement	(156,518)	122,081
Unit holders' fund	(156,518)	122,081

## 26.5 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.

## 26.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risk arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective

## 27 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND

**Commission  
2019  
%**

### **Name of Broker**

	<b>12.13</b>
Topline Securities (Private) Limited	<b>7.35</b>
Taurus Securities Limited	<b>6.76</b>
Next Capital Limited	<b>6.00</b>
Foundation Securities (Private) Limited	<b>5.30</b>
Adam Securities (Private) Limited.	<b>4.64</b>
Alfalah Securities (Private) Limited	<b>4.20</b>
Aba Ali Habib Securities (Private) Limited	<b>3.97</b>
BIPL Securities Limited	<b>3.88</b>
DJM Securities (Private) Limited	<b>3.81</b>
Multiline Securities (Private) Limited	

**Commission  
2018  
%**

### **Name of Broker**

Topline Securities (Private) Limited	14.60
Taurus Securities Limited	14.50
Insight Securities (Private) Limited	12.50
Arif Habib Limited	10.10
Ismail Iqbal Securities (Private) Limited	8.80
IGI Finex Securities Limited	8.20
Alfalah Securities (Private) Limited	8.20
Foundation Securities (Private) Limited	7.20
Optimus Capital Management (Private) Limited	6.70
EFG Hermes Pakistan Limited (Formerly Invest and Finance Securities Limited)	6.60

## 28 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	15	MBA

\*\* Head of Risk - Non voting observer

\*Usama Bin Razi is Fund Manager of Al Ameen Asset Allocation Fund, Al Ameen Islamic Aggressive Income Fund, UBL Liquidity Plus Fund, UBL Government Securities Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Fund, UBL Retirement Savings Fund and UBL Capital Protected Fund - III

## 29 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. 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 Furrakh 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
<b>Name of Key Executives</b>								
Syed Muhammad Aly Osman	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Umair Ahmed	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes

\* Mr. Sharjeel Shahid, Mr. Zia Ijaz & Mirza Muhammad Sadeed Hassan Barlas resigned on 09 October 2018

\*\* Mr. Tauqeer Mazhar, Mr. Imran Sarwar & Ms. Sadia Saeed appointed as of 02 November 2018

## 30 PATTERN OF UNIT HOLDERS

Category	2019		
	Unit holders	Number of Units held	Percentage
Individuals	2,178	27,331,584	85.31
Associated companies and directors	1	901	-
Insurance companies	2	252,787	0.79
Retirement funds	26	2,737,844	8.55
Public limited companies	1	21	-
Others	17	1,714,441	5.35
	<b>2,225</b>	<b>32,037,578</b>	<b>100.00</b>
Category	2018		
	Unit holders	Number of Units held	Percentage
Individuals	2,800	45,836,959	83.22
Associated companies and directors	2	1,916,248	3.48
Insurance companies	2	258,421	0.47
Retirement funds	33	3,090,130	5.61
Others	31	3,975,536	7.22
	<b>2,868</b>	<b>55,077,294</b>	<b>100.00</b>

### **31 CREDIT RATING**

VIS Credit Rating Agency has assigned management quality rating of 'AM1' (30 June 2018: 'AM1') to the Management Company while the Fund is currently not rated.

### **32 GENERAL**

#### **32.1 Date of authorisation for issue**

These financials statements were authorised 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

Holding	Resolution	For	Against	Abstain*
604,761	<p>Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business: 1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</p> <p>2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date of the Extraordinary General Meeting i.e. November 17, 2015.</p> <p>The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors.</p> <p>The following Directors of the Bank will cease to hold office upon election of new Directors:</p> <ol style="list-style-type: none"> <li>1. Mr. Riyadh S.A.A. Edrees</li> <li>2. Mr. Faisal A.A.A. Al-Nassar</li> <li>3. Mr. Bader H.A.M.A. AlRabiah</li> <li>4. Mr. Alaa A. Al-Sarawi</li> <li>5. Mr. Saad Fazil Abbasi</li> <li>6. Mr. Mansur Khan</li> <li>7. Mr. Mohammad Zamig Rajab</li> <li>8. Mr. Mohammad Abdul Aleem</li> <li>9. Mr. Noorur Rahman</li> <li>10. Mr. Talal S. Shehab</li> <li>11. Mr. Ariful Islam</li> </ol> <p>The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director.</p> <p>3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each :</p>	✓		
	<p>"RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that:</p> <p>Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows:</p> <p>"The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion three hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares in the capital for the time being into several classes."</p> <p>"FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions."</p> <p>To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank;</p> <p>"RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows:</p> <p>Capitalization of Profits</p> <p>The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution.</p> <p>FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.</p>			

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

**Moreover, other than above no meeting were attended and no proxies were also given.**

# ASSF

## Al-Ameen Shariah Stock Fund

### INVESTMENT OBJECTIVE

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

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	Al-Baraka Islamic Banking Bank Alfalah Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited National Bank of Pakistan Limited Allied Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Shariah Stock Fund (ASSF)

- i) **Description of the Collective Investment Scheme category and type**  
Islamic Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
ASSF is an open-end Equity Fund, investing primarily in Shariah compliant equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.
- 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**  
KMI-30 Index
- 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
ASSF	0.40%	-0.10%	-1.37%	3.94%	-2.90%	-8.34%	8.54%	-1.71%	-2.80%	-5.60%	-2.85%	-6.29%	-18.45%
Benchmark	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-7.07%	-23.84%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

In FY19 the fund yielded a return of -18.45%. At the end of FY19, the Fund Manager maintained exposure at around 91% of total assets in local equities. Major exposure was maintained in Oil & Gas Exploration Companies (29%), Fertilizer (17%) and Power (12%).

- 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	89%	91%
Sukuks	0%	0%
GoP Ijarah Sukuks	0%	0%
Cash	9%	8%
Others	2%	1%
Leverage	Nil	Nil

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

FY'19 Return:	-18.45%
Standard Deviation (12m trailing):	18.71%
Sharpe Ratio (12m trailing):	(1.51)

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		%
5,376,708	6,879,144	(21.84)	109.5100	134.2800	(18.45)

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

**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:-**

During the year no distribution has been made.

**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
	ASSF
0.0001 - 9,999.9999	9,393
10,000.0000 - 49,999.9999	396
50,000.0000 - 99,999.9999	36
100,000.0000 - 499,999.9999	27
500,000.0000 & Above	10
<b>Total</b>	<b>9,862</b>

**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

### AI - Ameen Shariah Stock fund

	2019	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>5,376,708</b>	6,879,144	8,780,769
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>			
Class A Units - Offer	<b>112.61</b>	138.08	157.6000
- Redemption	<b>109.51</b>	134.28	153.2600
<b>RETURN OF THE FUND - %</b>			
One Year	<b>(18.45)</b>	(12.38)	29.19
Capital Growth (per unit)	<b>(18.45)</b>	(8.08)	12.59
Date of Income Distribution	-	-	26-Jun-17
Income Distribution	-	-	13.00
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
<b>AVERAGE ANNUAL RETURN - %</b>			
One Year	<b>(18.45)</b>	(12.38)	29.19
Second Year	<b>(15.42)</b>	8.41	21.83
Third Year	<b>(0.55)</b>	10.43	23.58
Fourth Year	<b>3.21</b>	14.59	26.27
Fifth Year	<b>7.98</b>	18.54	30.94
Sixth Year	<b>12.38</b>	23.72	28.74
Since inception	<b>18.44</b>	22.54	26.90
<b>OFFER / REPURCHASE DURING THE YEAR - Rupees *</b>			
Highest price per unit - Class A - Offer	<b>142.39</b>	159.83	190.73
Highest price per unit - Class A - Redemption	<b>138.47</b>	155.43	185.48
Lowest price per unit - Class A - Offer	<b>108.98</b>	128.59	132.20
Lowest price per unit - Class A - Redemption	<b>105.98</b>	125.05	128.56

\* Front-end load @2.5% is applicable

## PORTFOLIO COMPOSITION

Percentage of Net Assets as at 30 June

### PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	<b>8.00</b>	9.00	13.00
Sukuk certificates	-	-	-
Equity securities	<b>91.00</b>	89.00	86.00
Foreign Investments	-	-	-
others	<b>1.00</b>	2.00	1.00

### PORTFOLIO COMPOSITION BY MARKET - %

Equity market	<b>100.00</b>	100.00	100.00
Debt market	-	-	-

### Note:

- The Launch date of the Fund is 24 December 2006

### DISCLAIMER

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



**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



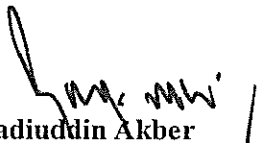
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN SHARIAH STOCK 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 Shariah Stock 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 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 ASSF in light of Shariah requirements. The following is a list of top equity investments of ASSF as on 30 June 2019 and their evaluation according to the screening criteria established by us.

ASSF			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	Meezan Bank Ltd	Commercial Bank	N/A	N/A	N/A	N/A	N/A	75.0
7	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1	353.0
8	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)	92.0
9	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8	64.5
10	Pakistan State Oil	Oil Marketing company	28%	2%	0%	24%	88.8	128.5

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on accounts of ASSF 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 ASSF 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 ASSF 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 a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.



During the year, an amount of PKR 4,814,727 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 Najeed Khan  
Member, Shariah Advisory Committee

KARACHI:

DATE: 16 August 2019

**UBL FUND MANAGERS LIMITED**

+92 21 111 825 262

info@ublfunds.com

4<sup>th</sup> Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

www.ublfunds.com





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

**NAME OF FUND:** Al Ameen Shariah Stock 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 Shariah Stock 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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✉ info@ublfunds.com

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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**

## TO THE UNITHOLDERS' OF AL-AMEEN SHARIAH STOCK 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 (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Shariah Stock 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 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 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, the Fund's 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 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.

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 June 30, 2019.

  
**Chartered Accountants**

**Date:** September 24, 2019

**Place:** Karachi



## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Al-Ameen Shariah Stock Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Al-Ameen Shariah Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows 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 give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with 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 *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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6 to the financial statements, investments amounted to Rs. 5,053.462 million as at June 30, 2019.</p> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities and there is a risk that appropriate quoted prices may not be used to determine fair value.</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2019 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2019 by independently matching the securities held by the Fund as per internal records with the securities appearing in the</p>



S. No.	Key audit matters	How the matters were addressed in our audit
	<p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>The disclosures regarding the investments are included in notes 4.1 and 6 to the financial statements.</p>	Central Depository Company (CDC) account and investigated any reconciling items

## Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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 Company and Board of Directors for the Financial Statements

Management Company 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 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are 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 Management Company.
- Conclude on the appropriateness of 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 to 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**

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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 auditor's report is  
Nadeem Yousuf Adil.

  
**Chartered Accountants**

**Date:** September 24, 2019  
**Place:** Karachi

**AL-AMEEN SHARIAH STOCK FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2019**

		2019	2018
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	420,587	645,299
Investments - net	6	5,053,462	6,315,913
Dividend and profit receivable	7	40,396	37,066
Security deposits and other receivables	8	15,226	49,761
Advance tax	9	3,233	3,218
<b>Total assets</b>		<b>5,532,904</b>	<b>7,051,257</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	10	17,466	22,742
Payable to Central Depository Company of Pakistan Limited - Trustee	12	614	762
Payable to Securities and Exchange Commission of Pakistan	13	6,546	7,235
Accrued expenses and other liabilities	14	131,570	141,374
<b>Total liabilities</b>		<b>156,196</b>	<b>172,113</b>
<b>Net Assets</b>		<b>5,376,708</b>	<b>6,879,144</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>5,376,708</b>	<b>6,879,144</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	29	----- (Number of units) -----	
<b>Number of Units in Issue</b>	15	<b>49,096,297</b>	<b>51,231,359</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>109.51</b>	<b>134.28</b>
<b>Face Value Per Unit</b>		<b>100</b>	<b>100</b>

The annexed notes 1 to 32 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 SHARIAH STOCK FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 ------(Rupees in '000)-----	2018
<b>INCOME</b>			
Loss on sale of investments - net		(215,975)	(480,642)
Financial income		58,911	59,999
Dividend income		306,362	330,749
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.1 & 6.2	(1,215,781)	(746,627)
		(1,066,483)	(836,521)
Impairment loss on equity securities classified as available for sale	6.3.2	-	(69,826)
<b>Total loss</b>		<b>(1,066,483)</b>	<b>(906,347)</b>
<b>EXPENSES</b>			
Remuneration of UBL Fund Managers Limited - Management Company	10.1	137,809	152,321
Sindh Sales Tax on remuneration of the Management Company	10.2	17,915	19,802
Allocated expenses	10.3	6,891	7,616
Allocated selling and marketing expenses	11	27,562	30,464
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	8,916	9,736
Annual fee - Securities and Exchange Commission of Pakistan	13.1	6,546	7,235
Auditor's remuneration	16	500	437
Bank charges		197	292
Brokerage and settlement charges		12,174	7,189
Listing fee		25	25
Legal and professional charges		208	155
Charity expense	14.1	4,810	4,063
Shariah advisor fee		350	332
Printing expenses		10	21
Other expenses		3	3
<b>Total expenses</b>		<b>223,916</b>	<b>239,691</b>
<b>Net operating loss for the year</b>		<b>(1,290,399)</b>	<b>(1,146,038)</b>
Provision for Sindh Workers' Welfare Fund	14.3	-	-
<b>Net loss for the year before taxation</b>		<b>(1,290,399)</b>	<b>(1,146,038)</b>
Taxation	17	-	-
<b>Net loss for the year after taxation</b>		<b>(1,290,399)</b>	<b>(1,146,038)</b>
<b>Allocation of net income for the year</b>			
- Net loss for the year after taxation		-	-
- Income already paid on units redeemed		-	-
<b>Net loss for the year after taxation</b>		<b>-</b>	<b>-</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-
<b>Earnings per unit</b>	18		

The annexed notes 1 to 32 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 SHARIAH STOCK FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>------(Rupees in '000)-----</b>	
Net loss for the year after taxation		<b>(1,290,399)</b>	(1,146,038)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to income statement</b>			
Unrealised loss on re-measurement of investments classified as 'available for sale - net'		-	(76,683)
Reclassification of loss to income statement on sale of investments classified as 'available for sale - net'		-	6,255
Reclassification of impairment loss to income statement on equity securities classified as 'available for sale'	6.3.2	-	69,826
		-	(602)
<b>Items that will not be reclassified subsequently to income statement</b>		-	-
<b>Total comprehensive loss for the year</b>		<b><u>(1,290,399)</u></b>	<b><u>(1,146,640)</u></b>

The annexed notes 1 to 32 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 SHARIAH STOCK FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year before taxation	(1,290,399)	(1,146,038)
<b>Adjustments for non-cash charges and other items:</b>		
Dividend income	(306,362)	(330,749)
Financial income	(58,911)	(59,999)
Loss on sale of investments - net	215,975	480,642
Impairment loss on equity securities classified as available for sale	-	69,826
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	1,215,781	746,627
	1,066,483	906,347
<b>(Increase) / decrease in assets</b>		
Investments	(169,305)	108,062
Security deposits and other receivables	34,535	(5,209)
	(134,770)	102,853
<b>Decrease in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(5,276)	(10,080)
Payable to Central Depository Company of Pakistan Limited - Trustee	(148)	(167)
Payable to Securities and Exchange Commission of Pakistan	(689)	628
Accrued expenses and other liabilities	(9,804)	(47,760)
	(15,917)	(57,379)
	(374,603)	(194,217)
Dividend income received	303,516	322,730
Financial income received	58,427	60,694
Tax paid	(15)	(26)
<b>Net cash (used in) / generated from operating activities</b>	(12,675)	189,181
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	3,777,033	5,226,755
Payments against redemption of units	(3,989,070)	(5,981,739)
<b>Net cash used in financing activities</b>	(212,037)	(754,984)
<b>Net decrease in cash and cash equivalents</b>	(224,712)	(565,803)
Cash and cash equivalents at the beginning of the year	645,299	1,211,102
<b>Cash and cash equivalents at the end of the year</b>	420,587	645,299

The annexed notes 1 to 32 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 SHARIAH STOCK FUND**  
**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019			2018	
	Capital value	Undistributed income	Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' net	Total	Total
<b>Note</b>	<b>(Rs. in '000)</b>				
<b>Net assets at the beginning of the year</b>	4,710,901	2,168,845	(602)	6,879,144	8,780,768
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	(602)	602	-
Amount received on issuance of 29,204,792 units (2018: 36,989,570 units)					
- Capital value	3,921,619	-	-	3,921,619	5,669,021
- Element of loss	(144,586)	-	-	(144,586)	(442,266)
<b>Total amount received on issuance of units</b>	<b>3,777,033</b>	<b>-</b>	<b>-</b>	<b>3,777,033</b>	<b>5,226,755</b>
Amount paid on redemption of 31,339,854 units (2018: 43,050,125 units)					
- Capital value	(4,208,315)	-	-	(4,208,315)	(6,597,862)
- Element of income	219,245	-	-	219,245	616,123
<b>Total amount paid on redemption of units</b>	<b>(3,989,070)</b>	<b>-</b>	<b>-</b>	<b>(3,989,070)</b>	<b>(5,981,739)</b>
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,290,399)</b>	<b>-</b>	<b>(1,290,399)</b>	<b>(1,146,640)</b>
Distribution for the year Rs. Nil per unit (2018: Rs. Nil per unit )	-	-	-	-	-
<b>Net loss for the year less distribution</b>	<b>-</b>	<b>(1,290,399)</b>	<b>-</b>	<b>(1,290,399)</b>	<b>(1,146,640)</b>
<b>Net assets at the end of the year</b>	<b>4,498,864</b>	<b>877,844</b>	<b>-</b>	<b>5,376,708</b>	<b>6,879,144</b>
Refund / adjustment on units as element of income	-	-	-	-	-
<b>Undistributed income brought forward comprising of:</b>					
- Realised	-	2,915,472	-	2,915,472	2,721,267
- Unrealised	-	(746,627)	(602)	(747,229)	593,616
	-	2,168,845	(602)	2,168,243	3,314,883
<b>Accounting income available for distribution</b>					
- Related to capital gain	-	-	-	-	-
- Excluding capital gain	-	-	-	-	-
Net loss for the year after taxation	-	-	-	-	-
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	(602)	602	-	(1,146,640)
Distribution during the year	-	-	-	-	-
<b>Undistributed income carried forward - net</b>	<b>-</b>	<b>877,844</b>	<b>-</b>	<b>877,844</b>	<b>2,168,243</b>
<b>Undistributed income carried forward comprising of:</b>					
- Realised	-	2,093,625	-	2,093,625	2,915,472
- Unrealised	-	(1,215,781)	-	(1,215,781)	(747,229)
	-	877,844	-	877,844	2,168,243
<b>------(Rupees)-----</b>					
Net assets value per unit at the beginning of the year				134.28	153.26
Net assets value per unit at the end of the year				109.51	134.28

The annexed notes 1 to 32 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 SHARIAH STOCK FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Al-Ameen Shariah Stock 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 September 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2006 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from November 16, 2006.

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 categorised as Shariah Compliant Equity Fund and is 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.

The investment objective of the fund is to achieve long term capital growth by investing primarily in shariah compliant equity securities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. The Fund invests in securities approved by the Shariah Advisory Board.

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company as on December 27, 2018.

Title to the assets of the Fund is 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), 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.

The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

## 2.3 Functional and presentation currency

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

## 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets (notes 4.1 and 6)

## 3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

### 3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements except as otherwise disclosed.

- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions
- IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9
- IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 4.1)
- IFRS 15 'Revenue from contract with customer' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date
- Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency

Certain annual improvements have also been made to a number of IFRSs.

### 3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

#### Effective from accounting period beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business

January 01, 2020

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities

January 01, 2019

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for the change in accounting policy as explained in note 4.1.

##### **4.1 Adoption of IFRS 9 - Financial Instruments**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard has been adopted locally by the SECP and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting, which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

## **Classification and measurement**

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

### **Financial assets at amortised cost**

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### **Financial assets at FVOCI**

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

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

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

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

### **Financial asset at FVTPL**

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

## **Recognition**

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Measurement

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

### Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

### Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

### FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

## Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
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----- Rupees in '000 -----

### Financial assets

Bank balances	LR	AC	645,299	645,299	-
Investments	HFT/AFS	FVTPL	6,315,913	6,315,913	-
Dividend and profit receivable	LR	AC	37,066	37,066	-
Security deposits and other receivables	LR	AC	49,761	49,761	-

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
--	---------------------------------------	----------------------------------	---	--	--

----- Rupees in '000 -----

#### Financial Liabilities

Payable to Management Company	OFL	AC	22,742	22,742	-
Payable to Trustee	OFL	AC	762	762	-
Accrued expenses and other liabilities	OFL	AC	14,728	14,728	-
Net assets attributable to redeemable units	OFL	AC	6,879,144	6,879,144	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

- The financial assets classified as 'loans and receivables' have been classified as amortised cost.

#### 4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

##### Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

#### 4.1.2 Impairment

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

#### 4.1.3 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### 4.1.4 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

#### **4.2 Offsetting of financial instruments**

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **4.3 Derivatives**

Derivative instruments are initially recognized 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. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

#### **4.4 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.

#### **4.5 Collaterals**

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

#### **4.6 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

#### **4.7 Distributions**

Dividend distribution to the Unit Holders is recognized in the period in which these are approved.

#### **4.8 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

#### **4.9 Element of income / (loss) included in prices of units issued less those in units redeemed**

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 shall be taken to unit holders'

#### **4.10 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 year end.

#### **4.11 Revenue recognition**

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank balances and term deposits is recognised on a time proportionate.
- Unrealised gains / (losses) arising on re-measurement 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.

#### **4.12 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 cost.

#### **4.13 Transition to IFRS 9 Financial Instruments**

Accounting policies applied to financial instruments prior to July 01, 2018.

##### **4.13.1 Classification**

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of Fund's financial assets at the time of initial recognition and re-evaluates this classification on regular basis.

Financial assets are classified as follows:

##### **a) Loans and receivables**

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

##### **b) Financial assets at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss.

##### **c) Available for sale**

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

##### **4.13.2 Measurement**

###### **Initial recognition and measurement**

All financial assets are initially recognised at cost, being the fair value of the consideration given, including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

###### **Subsequent measurement**

##### **a) Financial assets at 'fair value through profit or loss' and 'available for sale'**

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:



**- Basis of valuation of equity securities**

Equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date, the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

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

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

**b) Loans and receivables**

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

**4.13.3 Impairment**

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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income

For certain other financial assets, 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.

			2019	2018
	Note		-----Rupees in '000-----	
<b>5. BANK BALANCES</b>				
<b>In local currency:</b>				
- Profit and loss sharing accounts	5.1	<b>369,609</b>	599,718	
- Current accounts		<b>50,978</b>	45,581	
		<b>420,587</b>	645,299	
<b>5.1</b>	Profit rates on these profit and loss sharing accounts range between 6.2% to 12.25% (2018: 5.6% to 6.2%) per annum.			
			2019	2018
	Note		-----Rupees in '000-----	
<b>6. INVESTMENTS - NET</b>				
At fair value through profit or loss				
- equity securities	6.1	<b>5,053,462</b>	3,859,755	
- letter of rights	6.2	-	18,474	
Available-for-sale - equity securities	6.3	-	2,437,684	
		<b>5,053,462</b>	6,315,913	

## Equity Securities - At fair value through profit or loss

(Ordinary Shares of Rs. 10 each unless indicated otherwise)

Name of Investee Company		As at July 1, 2018	Transferred in during the year ( refer note 4.1)	Purchased / bonus received during the year	Sold during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Appreciation/ (diminution) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
Quoted investments		Note	-----Number of shares-----				-----Rupees in '000-----			-----Percentage-----		
OIL AND GAS MARKETING COMPANIES												
Attock Petroleum Limited		97,100	-	3,100	100,200	-	-	-	-	0.00	0.00	0.00
Pakistan State Oil Company Limited	6.1.2	367,312	325,800	1,103,742	638,800	1,158,054	273,748	196,441	(77,307)	3.65	3.89	0.30
Sui Northern Gas Pipelines Limited		242,300	229,000	-	471,300	-	-	-	-	0.00	0.00	0.00
							273,748	196,441	(77,307)	3.65	3.89	
OIL AND GAS EXPLORATION COMPANIES												
Oil & Gas Development Company Limited		1,906,600	1,251,900	1,318,221	599,700	3,877,021	594,228	509,789	(84,439)	9.48	10.09	0.09
Pakistan Petroleum Limited		1,398,100	745,400	1,218,179	1,093,300	2,268,379	411,111	327,622	(83,489)	6.09	6.48	0.05
Pakistan Oilfields Limited		9,900	398,300	580,670	258,500	730,370	380,332	296,450	(83,882)	5.51	5.87	0.26
Hascol Petroleum Limited		-	-	27,500	-	27,500	2,594	1,887	(707)	0.04	0.04	0.01
Mari Petroleum Company Limited		265,720	43,960	168,006	13,000	464,686	636,181	475,078	(161,103)	8.84	9.40	0.38
							2,024,446	1,610,826	(413,620)	29.96	31.88	
FERTILIZER												
Engro Corporation Limited		1,162,135	881,100	810,013	1,103,600	1,749,648	499,220	464,707	(34,513)	8.64	9.20	0.30
Engro Fertilizers Limited		2,896,000	1,105,500	764,620	1,760,000	3,006,120	225,933	192,301	(33,632)	3.58	3.81	0.23
Fauji Fertilizer Company Limited		-	847,000	3,036,500	916,000	2,967,500	291,998	258,766	(33,232)	4.81	5.12	0.23
							1,017,151	915,774	(101,377)	17.03	18.12	
CHEMICALS												
I.C.I Pakistan Limited		136,750	300	14,817	147,850	4,017	3,148	2,139	(1,009)	0.04	0.04	0.00
Engro Polymer & Chemicals Limited		3,076,000	1,097,000	7,341,522	5,148,550	6,365,972	199,437	171,627	(27,810)	3.19	3.40	0.70
Engro Polymer and Chemicals Limited (Right 1)		1,692,550	-	938,000	2,630,550	-	-	-	-	0.00	0.00	0.00
Lotte Chemicals Pakistan Limited		-	2,991,000	3,077,500	4,628,000	1,440,500	21,596	21,968	372	0.41	0.43	0.10
Sitara Chemical Industries Limited		-	-	91,900	-	91,900	32,793	28,109	(4,684)	0.52	0.56	0.43
							256,974	223,843	(33,131)	4.16	4.43	
CEMENT												
Cherat Cement Company Limited		694,200	514,700	1,084,700	1,177,700	1,115,900	49,759	34,548	(15,211)	0.64	0.68	0.63
D.G. Khan Cement Company Limited		39,207	541,700	698,200	1,279,107	-	-	-	-	0.00	0.00	0.00
Fauji Cement Company Limited		38,500	75,000	-	113,500	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited		1,002,707	889,400	1,547,102	121,300	3,317,909	310,275	174,290	(135,985)	3.24	3.45	1.65
Lucky Cement Limited	6.1.1	422,634	69,950	469,700	496,750	465,534	221,897	177,122	(44,775)	3.29	3.50	0.14
Attock Cement Pakistan Limited		-	304,900	-	304,900	-	-	-	-	0.00	0.00	0.00
Maple Leaf Cement Factory		-	110,000	1,054,500	206,500	958,000	24,138	22,887	(1,251)	0.43	0.45	0.16
Pioneer Cement Limited		1,003,356	411,500	1,366,500	2,552,500	228,856	5,827	5,184	(643)	0.10	0.10	0.10
							611,896	414,031	(197,865)	7.70	8.19	
AUTOMOBILE ASSEMBLER												
Honda Atlas Cars (Pakistan) Limited		307,500	44,500	134,700	486,700	-	-	-	-	0.00	0.00	0.00
Millat Tractors Limited		63,020	14,980	-	78,000	-	-	-	-	0.00	0.00	0.00
Pak Suzuki Motor Company Limited		6,050	-	67,500	73,550	-	-	-	-	0.00	0.00	0.00
							-	-	-	0.00	0.00	
PAPER AND BOARD												
Century Paper and Board Mills		1,062,000	3,500	935,562	285,000	1,716,062	108,827	53,455	(55,372)	0.99	1.06	1.17
Packages Limited		22,763	-	197,250	6,000	214,013	80,092	64,324	(15,768)	1.20	1.27	0.24
							188,919	117,779	(71,140)	2.19	2.33	

Name of Investee Company		As at July 1, 2018	Transferred in during the year ( refer note 4.1)	Purchased / bonus received during the year	Sold during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Appreciation/ (diminution) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company	
Quoted investments		Note	-----Number of shares-----				-----Rupees in '000-----			-----Percentage-----			
COMMERICAL BANKS													
Meezan Bank Limited		397,000	1,197,020	2,858,600	977,000	3,475,620	250,259	302,935	52,676	5.63	5.99	0.27	
							250,259	302,935	52,676	5.63	5.99		
TEXTILE COMPOSITE													
Nishat Mills Limited		1,563,000	413,000	1,073,322	698,200	2,351,122	328,035	219,453	(108,582)	4.08	4.34	0.67	
Kohinoor Textile Mills Limited		-	1,123,100	250,000	-	1,373,100	74,509	34,396	(40,113)	0.64	0.68	0.46	
							402,544	253,849	(148,695)	4.72	5.02		
POWER GENERATION AND DISTRIBUTION													
The Hub Power Company Limited		3,443,628	2,172,000	4,290,970	2,898,737	7,007,861	599,607	551,869	(47,738)	10.26	10.92	0.54	
Saif Power Limited		-	1,350,000	552,000	-	1,902,000	50,304	35,682	(14,622)	0.66	0.71	0.49	
Lalpir Power Limited		-	1,465,500	170,000	560,000	1,075,500	19,461	13,982	(5,479)	0.26	0.28	0.28	
PakGen Power Limited		-	2,104,000	354,000	560,000	1,898,000	35,382	26,914	(8,468)	0.50	0.53	0.51	
K-Electric Limited		8,804,236	3,800,000	6,334,500	9,969,000	8,969,736	50,455	39,377	(11,078)	0.73	0.78	0.03	
							755,209	667,824	(87,385)	12.42	13.22		
AUTOMOBILE PARTS AND ACCESSORIES													
Thal Limited (Face Value Rs. 5 per share)		370,050	7,500	111,300	214,200	274,650	125,230	99,989	(25,241)	1.86	1.98	0.34	
							125,230	99,989	(25,241)	1.86	1.98		
GLASS & CERAMICS													
Tariq Glass Industries Limited		1,383,900	300,000	-	1,615,200	68,700	7,361	5,264	(2,097)	0.10	0.10	0.09	
							7,361	5,264	(2,097)	0.10	0.10		
ENGINEERING													
Amreli Steels Limited		96,500	1,077,700	-	1,149,000	25,200	1,777	621	(1,156)	0.01	0.01	0.01	
International Steels Limited		972,000	592,200	346,063	1,909,600	663	67	26	(41)	0.00	0.00	0.00	
Ittefaq Iron Industries Limited		350,000	176,000	-	526,000	-	-	-	-	0.00	0.00	0.00	
Mughal Iron & Steel Industries Limited		191,000	-	-	191,000	-	-	-	-	0.00	0.00	0.00	
International Industries Limited		-	-	429,000	40,500	388,500	51,286	29,942	(21,344)	0.56	0.59	0.32	
							53,130	30,589	(22,541)	0.57	0.61		
FOOD AND PERSONAL CARE PRODUCTS													
Al Shaheer Corporation		2,133,000	265,000	1,680,000	1,241,500	2,836,500	75,195	35,393	(39,802)	0.66	0.70	1.98	
							75,195	35,393	(39,802)	0.66	0.70		
PHARMACEUTICALS													
The Searle Company Limited		6.1.2	96,929	-	332,789	45,000	384,718	79,663	56,384	(23,279)	1.05	1.12	0.18
Ferozsons Laboratories Limited		-	-	10,000	-	10,000	1,318	1,118	(200)	0.02	0.02	0.03	
Highnoon Laboratries Limited		-	-	300	-	300	79	76	(3)	0.00	0.00	0.00	
							81,060	57,578	(23,482)	1.07	1.14		
TECHNOLOGY & COMMUNCATION													
Systems Limited		-	-	982,190	27,000	955,190	97,516	91,670	(5,846)	1.70	1.81	0.77	
							97,516	91,670	(5,846)	1.70	1.81		
REFINERY													
National Refinery Limited		-	-	91,000	4,500	86,500	13,977	9,815	(4,162)	0.18	0.19	0.11	
							13,977	9,815	(4,162)	0.18	0.19		
MISCELLINIOUS													
Syntethic Products Enterprises Limited		-	514,500	4,500	75,000	444,000	22,554	9,852	(12,702)	0.18	0.19	0.52	
Pak Elektron Limited		-	-	500,000	-	500,000	12,074	10,010	(2,064)	0.19	0.20	0.10	
							34,628	19,862	(14,766)	0.37	0.39		
Total June 30, 2019							6,269,243	5,053,462	(1,215,781)				
Total June 30, 2018							4,621,407	3,859,755	(761,652)				

- 6.1.1** These equity securities include 0.24 million shares (June 30, 2018: 0.35 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 90.79 million (June 30, 2018: Rs. 139.73 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.2** This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by shareholders were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 10.107 million (2018: Rs. 19.74 million) at year end. Such shares have not been deposited in the CDC account of the department of Income tax. The Management Company is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

**6.2 Letter of rights - At fair value through profit or loss - Held for trading**

Name of Security	As at July 1, 2018	Entitlements during the year	Exercised during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain/ (loss) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
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----- Number of rights ----- Rupees '000 ----- Percentage -----

**CHEMICAL**

Engro Polymer and Chemicals Limited

- - - - - - - - - -

**Total-June 30, 2019**

- - -

Total-June 30, 2018

3,449 18,474 15,025

**6.3 Equity Securities - Available for sale**

(Ordinary Shares of Rs. 10 each unless indicated otherwise)

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
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**Quoted investments**

-----Number of shares----- -----Rupees in '000----- -----%-----

**OIL AND GAS MARKETING COMPANIES**

Pakistan State Oil Company Limited

325,800 - 325,800 -

Sui Northern Gas Pipelines Limited

229,000 - 229,000 -

- - - - -  
- - - - -  
- - - - -

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
Quoted investments	-----Number of shares-----				-----Rupees in '000-----			-----%-----		
OIL AND GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	1,251,900	-	1,251,900	-	-	-	-	-	-	-
Pakistan Petroleum Limited	745,400	-	745,400	-	-	-	-	-	-	-
Pakistan Oilfields Limited	398,300	-	398,300	-	-	-	-	-	-	-
Mari Petroleum Company Limited	43,960	-	43,960	-	-	-	-	-	-	-
					-	-	-	-	-	
FERTILIZER										
Engro Corporation Limited	881,100	-	881,100	-	-	-	-	-	-	-
Engro Fertilizers Limited	1,105,500	-	1,105,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	847,000	-	847,000	-	-	-	-	-	-	-
					-	-	-	-	-	
CHEMICALS										
I.C.I Pakistan Limited	300	-	300	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	2,991,000	-	2,991,000	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	1,097,000	-	1,097,000	-	-	-	-	-	-	-
					-	-	-	-	-	
CEMENT										
Cherat Cement Company Limited	514,700	-	514,700	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	541,700	-	541,700	-	-	-	-	-	-	-
Fauji Cement Company Limited	75,000	-	75,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	889,400	-	889,400	-	-	-	-	-	-	-
Lucky Cement Limited	69,950	-	69,950	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	110,000	-	110,000	-	-	-	-	-	-	-
Attock Cement (Pakistan) Limited	304,900	-	304,900	-	-	-	-	-	-	-
Pioneer Cement Limited	411,500	-	411,500	-	-	-	-	-	-	-
					-	-	-	-	-	
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Limited	44,500	-	44,500	-	-	-	-	-	-	-
Millat Tractors Limited	14,980	-	14,980	-	-	-	-	-	-	-
					-	-	-	-	-	
PAPER AND BOARD										
Century Paper and Board Mills	3,500	-	3,500	-	-	-	-	-	-	-
					-	-	-	-	-	
TEXTILE COMPOSITE										
Nishat Mills Limited	413,000	-	413,000	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,123,100	-	1,123,100	-	-	-	-	-	-	-
					-	-	-	-	-	
COMMERCIAL BANKS										
Meezan Bank Limited	1,197,020	-	1,197,020	-	-	-	-	-	-	-
					-	-	-	-	-	

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
<b>Quoted investments</b>										
		-----Number of shares-----				-----Rupees in '000-----		-----%-----		
<b>POWER GENERATION AND DISTRIBUTION</b>										
The Hub Power Company Limited	2,172,000	-	2,172,000	-	-	-	-	-	-	-
Saif Power Limited	1,350,000	-	1,350,000	-	-	-	-	-	-	-
Lalpir Power Limited	1,465,500	-	1,465,500	-	-	-	-	-	-	-
PAKGEN Power Limited	2,104,000	-	2,104,000	-	-	-	-	-	-	-
K-Electric Limited	3,800,000	-	3,800,000	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>										
Thal Limited (Face Value Rs. 5 per share)	7,500	-	7,500	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>GLASS AND CERAMICS</b>										
Tariq Glass Industries Limited	300,000	-	300,000	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>ENGINEERING</b>										
Amreli Steels Limited	1,077,700	-	1,077,700	-	-	-	-	-	-	-
International Steels Limited	592,200	-	592,200	-	-	-	-	-	-	-
Ittefaq Iron Industries Limited	176,000	-	176,000	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
Al Shaheer Corporation	265,000	-	265,000	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>MISCELLANEOUS</b>										
Synthetic Products Enterprises Limited	514,500	-	514,500	-	-	-	-	-	-	-
					-	-	-	-	-	
<b>Total June 30, 2019</b>					-	-	-			
Total June 30, 2018					2,508,112	2,437,684	(70,428)			

	Note	2019 -----Rupees in '000-----	2018
<b>6.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale</b>			
Market value of investment	6.3	-	2,437,684
Less: cost of investments	6.3	-	(2,508,112)
Unrealised loss on re-measurement of investments classified as available for sale - net		-	70,428
Impairment loss on equity securities classified as available for sale	6.3.2	-	(69,826)
		-	602

**6.3.2 Movement in provision for impairment loss against available for sale equity securities**

Opening balance	-	-
Add: charge for the year	-	69,826
Less: reversal of provision	-	-
Closing balance	-	69,826

**7. DIVIDEND AND PROFIT RECEIVABLE**

Dividend receivable	36,075	33,229
Profit receivable on profit and loss sharing accounts	4,321	3,837
	40,396	37,066

**8. SECURITY DEPOSITS AND OTHER RECEIVABLES**

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Receivable against sale of investments	7,397	41,403
Receivable against issuance of units	5,229	5,758
	15,226	49,761

**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 (FBR), 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150, 150A and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

	Note	2019 -----Rupees in '000-----	2018
<b>10. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY</b>			
Management fee (including Sindh Sales tax there against)	10.1 & 10.2	10,436	13,394
Allocated expenses	10.3	461	1,203
Sales load and conversion charges		473	839
Shariah advisor fee		204	25
Selling and marketing expense	11	5,892	7,281
		17,466	22,742

**10.1** As per the amended NBFC Regulations dated November 25, 2015, the Management Company is entitled to remuneration of an amount not exceeding 2% (2018: 2%) of average daily net assets of the Fund.

The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Fund.

- 10.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 10.3** As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% 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 the lower amount, to the Fund.

# **11. ALLOCATED SELLING AND MARKETING EXPENSES**

SECP vide Circular No. 40 of 2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, AMCs are allowed to charge selling and marketing expenses for an initial period of three years (from January 01, 2017 till December 31, 2019) 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 0.4% of daily net assets of the Fund from March 21, 2017, being the lower amount.

<b>12. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	<b>2019</b> -----Rupees in '000-----	<b>2018</b> -----Rupees in '000-----
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Trustee fee	12.1	<b>614</b>	<b>762</b>
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- 12.1** The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the 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:

On net assets:

Upto Rs.1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.
Over Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV.

<b>13. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>2019</b> -----Rupees in '000-----	<b>2018</b> -----Rupees in '000-----
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Annual fee	13.1	<b>6,546</b>	<b>7,235</b>
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- 13.1** Under the provisions of the NBFC Regulations a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund.

<b>14. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>2019</b> -----Rupees in '000-----	<b>2018</b> -----Rupees in '000-----
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Auditor's remuneration		<b>328</b>	286
Sales load payable		<b>188</b>	402
Tax deduction at source		-	137
Zakat deducted at source		<b>1,204</b>	2,675
Commission payable		<b>3,248</b>	2,822
Capital gain tax payable		<b>723</b>	848
Charity payable	14.1	<b>2,795</b>	4,117
Provision for indirect duties and taxes	14.2	<b>59,585</b>	59,585
Payable against purchase of investments		<b>96</b>	4,956
Sindh sales tax payable		-	68
Provision for Sindh Workers' Welfare Fund	14.3	<b>63,333</b>	63,333
Others		<b>70</b>	2,145
		<b>131,570</b>	141,374



**14.1** According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non shariah compliant avenues, such income / portion of the income earned on these non-shariah compliant avenues should be donated for charitable purposes directly by the Fund. An amount of Rs. 4.81 million (2018: Rs. 4.063 million) has been recognised by the Fund as charity expense in these financial statements.

**14.2** 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 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 since June 13, 2013.

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, no provision for FED has been recorded after June 30, 2016.

On 30 June 2016, the Honorable Sindh High Court of Pakistan 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 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. 59.585 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. 1.1 (June 30, 2018: Rs. 1.06) per unit.

#### **14.3 Sindh 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 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 Honorable Supreme Court of Pakistan (SCP). On 10 November 2016 the 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 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 during financial year ended June 30, 2017. 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), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs. Nil (2018: Rs. 63.33 million) for the year and Rs. 63.33 million (June 30, 2018: Rs. 63.33 million) in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 1.29 per unit (June 30, 2018: Rs. 1.24 per unit).

2019	2018
-----Number of units-----	

# 15. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	51,231,359	57,291,914
Units issued during the year	29,204,792	36,989,570
Units redeemed during the year	(31,339,854)	(43,050,125)
Total units in issue at the end of the year	49,096,297	51,231,359

15.1 The par value of each unit is Rs. 100. The Management Company has set a minimum investment of Rs. 500.

15.2 All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.

2019	2018
-----Rupees in '000-----	

# 16. AUDITOR'S REMUNERATION

Annual audit fee	199	188
Half yearly review	133	125
Review of compliance with the requirements of the Code of Corporate Governance	35	35
Other certifications	44	41
Out of pocket expenses and Sindh Sales Tax	89	48
	500	437

# 17. TAXATION

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2019, no provision for taxation has been made in these financial statements.

# 18. EARNINGS PER UNIT

Earnings per unit has not been disclosed as in the opinion of the Management Company, the determination of the cumulative weighted average number of outstanding units is not practicable.

# 19. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 3.25% (2018: 3.15%) as on June 30, 2019 and this includes 0.39% (2017: 0.37%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

## 20. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Particulars	-----As at June 30, 2019-----		
	At amortised cost	Financial assets at fair value through profit or loss	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Bank balances	420,587	-	420,587
Investments - net	-	5,053,462	5,053,462
Dividend and profit receivable	40,396	-	40,396
Security deposits and other receivables	15,226	-	15,226
	<b>476,209</b>	<b>5,053,462</b>	<b>5,529,671</b>

Particulars	-----As at June 30, 2019-----		
	Liabilities 'at fair value through profit or loss'	Amortized cost	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	17,466	17,466
Payable to Central Depository Company of Pakistan Limited - Trustee	-	614	614
Accrued expenses and other liabilities	-	6,725	6,725
Net assets attributable to redeemed units	-	5,376,708	5,376,708
	<b>-</b>	<b>5,401,513</b>	<b>5,401,513</b>

Particulars	-----As at June 30, 2018-----			
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
-----Rupees in '000-----				
<b>Financial assets</b>				
Bank balances	645,299	-	-	645,299
Investments - net	-	3,878,229	2,437,684	6,315,913
Dividend and profit receivable	37,066	-	-	37,066
Security deposits and other receivables	49,761	-	-	49,761
	<b>732,126</b>	<b>3,878,229</b>	<b>2,437,684</b>	<b>7,048,039</b>

Particulars	-----As at June 30, 2018-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	22,742	22,742
Payable to Central Depository Company of Pakistan Limited - Trustee	-	762	762
Accrued expenses and other liabilities	-	14,728	14,728
Net assets attributable to redeemed units	-	6,879,144	6,879,144
	<b>-</b>	<b>6,917,376</b>	<b>6,917,376</b>

## **21. FINANCIAL RISK MANAGEMENT**

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Fund primarily invests in a portfolio of equity securities of listed companies. The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

### **21.1 Market risk**

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

#### **21.1.1 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 currency exchange rates.

At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

#### **21.1.2 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.

##### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. During the year, the net income would have increased / (decreased) by Rs. 3.7 million (2018: Rs. 6.01 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

##### **b) Fair value interest rate risk**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

#### **21.1.3 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 rate 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 instruments traded in the market.

The Fund's equity securities are primarily exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities as 'financial assets at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Fund's constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit investment in individual equity securities to not more than 15% of its net assets, or 15% of the issued capital of the investee company and the sector exposure limit to 35% of net assets.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2019, net income for the year would increase / decrease by Rs. 252.673 million (2018: Rs. 193.911 million) and net assets of the Fund would increase / decrease by the same amount.

In case of 5% increase / decrease in the fair value of the Fund's equity securities held as available for sale on June 30, 2019, net assets of the Fund would increase / decrease by Rs. Nil (2018: Rs.121.884 million).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

## 21.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

### Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. 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 and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral 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'.

### 21.2.1 The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2019:

#### Bank balances by rating category

Name of bank	Balances held by the Fund as at June 30, 2019	Latest available published rating as at June 30, 2019	Rating Agency
	(Rupees in '000)		
AL Baraka Bank (Pakistan) Limited	48	A	PACRA
Bank Alfalah Limited	48,431	AA+	PACRA & JCR-VIS
Dubai Islamic Bank Pakistan Limited	65	AA	JCR-VIS
Meezan Bank Limited	24	AA+	JCR-VIS
United Bank Limited	371,113	AAA	JCR-VIS
Habib Metropolitan Bank Limited	39	AA+	PACRA
BankIslami Pakistan Limited	37	A+	PACRA
National Bank of Pakistan	35	AAA	PACRA
MCB Bank Limited	787	AAA	PACRA
Allied Bank Limited	8	AAA	PACRA
	<u>420,587</u>		

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with 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 mainly deals in equity securities which are primarily subject to price risk.

The Fund's major bank balance is held with one bank. Management believes that such bank is a reputed institution.

## 21.3 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 such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemption requests on a regular basis. Units are redeemable at the holders' 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 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

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 the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2019			
	Upto three months	More than three months and up to one year	More than one year	Total
Rupees in '000				

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	17,466	-	-	17,466
Payable to the Central Depository Company of Pakistan Limited - Trustee	614	-	-	614
Accrued expenses and other liabilities	6,725	-	-	6,725
Net assets attributable to redeemed units	5,376,708	-	-	5,376,708
	5,401,513	-	-	5,401,513

Particulars	As at June 30, 2018			
	Upto three months	More than three months and up to one year	More than one year	Total
Rupees in '000				

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	22,742	-	-	22,742
Payable to the Central Depository Company of Pakistan Limited - Trustee	762	-	-	762
Accrued expenses and other liabilities	14,728	-	-	14,728
Net assets attributable to redeemed units	6,879,144	-	-	6,879,144
	6,917,376	-	-	6,917,376

## **22. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing 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:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company 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.

## **23. 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 the market participants at the measurement date. Consequently, differences can arise between carrying value 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.

Fair value of investments classified as 'at fair value through profit or loss' which are tradable in an open market is based on 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.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets carried at fair values, by valuation methods.

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- Rupees in '000-----			
<b>ASSETS</b>			
Investment in securities - financial assets at fair value through profit or loss			
- Equity securities	5,053,462	-	5,053,462
- Letter of right	-	-	-
	<b>5,053,462</b>	<b>-</b>	<b>5,053,462</b>
As at June 30, 2018			
Level 1	Level 2	Level 3	Total
----- Rupees in '000-----			
<b>ASSETS</b>			
Investment in securities - financial assets at fair value through profit or loss - held for trading			
- Equity securities	3,859,755	-	3,859,755
- Letter of right	18,474	-	18,474
Available for sale			
- Equity securities	2,437,684	-	2,437,684
	<b>6,315,913</b>	<b>-</b>	<b>6,315,913</b>

There were no transfers between various levels of fair value hierarchy during the year.

#### 24. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGED

		June 30, 2019 (Percentage)
1	Foundation Securities (Private) Limited	8.16
2	Taurus Securities Limited	5.31
3	AFS Securities Limited	4.71
4	BMA Capital Management Limited	4.58
5	ADAM Securities Limited	4.44
6	Insight Securities (Private) Limited	4.36
7	Topline Securities (Private) Limited	4.26
8	DJM Securities (Private) Limited	4.20
9	Multiline Securities (Private) Limited	4.12
10	Habib Metropolitan Financial Services Ltd	4.04
		June 30, 2018 (Percentage)
1	Taurus Securities Limited	7.75
2	Arif Habib Limited	5.64
3	EFG Hermes Pakistan Limited	5.40
4	DJM Securities (Private) Limited	5.38
5	Topline Securities (Private) Limited	5.33
6	Optimus Capital Management (Private) Limited	4.86
7	Habib Metropolitan Financial Services Ltd	4.77
8	BMA Capital Management Limited	4.47
9	JS Global Capital Limited	4.29
10	Foundation Securities (Private) Limited	4.14



**25. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER**

Details of the members of the investment committee of the Fund as at June 30, 2019 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	18	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5	BBA
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance, Information Security and Quality Assurance	19	B.Com
5	Asim Wahab Khan	Head of Investment Strategy & Equities	14	MBA, CFA
6	Usama Bin Razi	Head of Fixed Income Funds	15	MBA
7	Mubashir Anis	Fund Manager Equity	7	BSC, CFA
8	Syed Shabbir Sardar Zaidi	Fund Manager and Senior Analyst	10	M.A.S, CFA
9	Syed Sheeraz Ali	Fund Manager and Senior Analyst	9	BS
10	Irfan Nepal	Chief Dealer and Fund Manager	25	EMBA

**25.1** Mr. Mubashir Anis is fund manager of the Fund. He is also fund manager of UBL Dedicated Equity Fund and UBL Financial Sector Fund.

**26. PATTERN OF UNIT HOLDERS**

Category	As at June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	9,773	18,003,915	36.67
Associated companies and directors	6	150,359	0.31
Insurance companies	5	3,288,984	6.70
Retirement funds	39	23,031,707	46.91
Public limited companies	9	2,439,670	4.97
Others	30	2,181,662	4.44
	<b>9,862</b>	<b>49,096,297</b>	<b>100.00</b>

Category	As at June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	10,240	22,215,192	43.36
Insurance companies	10	1,788,491	3.49
Retirement funds	60	19,410,868	37.89
Public limited companies	9	2,497,052	4.87
Others	47	5,319,756	10.38
	<b>10,366</b>	<b>51,231,359</b>	<b>100.00</b>

**27. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

**27.1** Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.

**27.2** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**27.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

**27.4** Details of transactions with related parties / connected persons and balances held with them as at the year end are as follows:

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties ***
----- Year ended June 30, 2019 -----						
----- (Units in '000) -----						
<b>Transactions during the year</b>						
Units issued	311	-	-	-	96	5,431
Units redeemed	311	-	-	-	123	-
----- (Rupees in '000) -----						
Profit on savings accounts	-	51,840	-	-	-	-
Bank charges and other charges	-	159	-	-	-	-
Value of units issued	40,000	-	-	-	12,072	700,000
Value of units redeemed	41,678	-	-	-	15,677	-
Remuneration (including sales tax)	155,724	-	8,916	-	-	-
Shariah advisor fee	350	-	-	-	-	-
Allocated expenses	6,891	-	-	-	-	-
Selling and marketing expenses	27,562	-	-	-	-	-
CDS expense	-	-	326	-	-	-
----- As at June 30, 2019 -----						
----- (Units in '000) -----						
<b>Balances held</b>						
Units held	-	1,525	-	-	150	14,660
----- (Rupees in '000) -----						
Value of units held	-	167,005	-	-	16,427	1,605,468
Bank balances	-	371,113	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	4,320	-	-	-	-
Remuneration payable (including sales tax)	10,418	-	614	-	-	-
Sales load payable	307	186	-	-	-	-
Allocated expenses payable	461	-	-	-	-	-
Shariah advisor fee payable	204	-	-	-	-	-
Selling and Marketing expenses payable	5,892	-	-	-	-	-
Other payable	(184)	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
----- Year ended June 30, 2018 -----						
----- (Units in '000) -----						
<b>Transactions during the year</b>						
Units issued	1,006	-	-	-	148	-
Units redeemed	3,415	12	-	-	135	-
----- (Rupees in '000) -----						
Profit on savings accounts	-	45,573	-	-	-	-
Bank charges	-	266	-	-	-	-
Value of units issued	141,000	-	-	-	20,525	-
Value of units redeemed	476,195	1,653	-	-	19,043	-
Remuneration (including sales tax)	172,123	-	9,736	-	-	-
Shariah advisor fee	332	-	-	-	-	-
Allocated expenses	7,616	-	-	-	-	-
Selling and marketing expenses	30,464	-	-	-	-	-
CDS expense	-	-	421	-	-	-
----- As at June 30, 2018 -----						
----- (Units in '000) -----						
<b>Balances held</b>						
Units held	-	1,525	-	-	184	9,229
----- (Rupees in '000) -----						
Value of units held	-	233,717	-	-	28,244	1,414,495
Bank balances	-	348,031	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	2,590	-	-	-	-
Remuneration payable	13,394	-	762	-	-	-
Sales load payable	706	393	-	-	-	-
Allocated expenses payable	1,203	-	-	-	-	-
Shariah Advisor fee payable	25	-	-	-	-	-
Selling and Marketing expenses payable	7,281	-	-	-	-	-
Other payable	71	-	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These include transactions and balance in relation to those directors and key executives that existed as at year end. However, it does not include the transactions and balances whereby director and key executive has resigned from the management company during the year.

\*\*\* This represents the persons having 10% or more holding in each year.

**28. 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:

August 28, 2018	October 26, 2018	November 08, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
--------------------	---------------------	----------------------	----------------------	----------------------	-------------------	-----------------	-------------------------------

**Directors:**

Azhar Hamid	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	-	-	-	-	-	1
Imran Sarwar**	-	-	✓	✓	x	✓	4
Tauqeer Mazhar**	-	-	✓	✓	x	✓	3
Yasir Qadri	✓	✓	✓	✓	✓	✓	7
Zia Ijaz*	x	-	-	-	-	-	0
Sharjeel Shahid*	✓	-	-	-	-	-	1
Naz Khan	✓	✓	✓	✓	✓	✓	7
Sadia Saeed**	-	-	✓	✓	✓	✓	5
Syed Furrukh Zaeem	✓	✓	✓	x	✓	✓	6

**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

**29. CONTINGENCIES AND COMMITMENTS**

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

**30. RECLASSIFICATION**

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is

**31. GENERAL**

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

**32. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 30-Aug-19 by the Board of Directors of the Management Company.

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

## Al-Ameen Shariah Stock Fund

<i>Holding</i>	<i>1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
3,695,382	<p>Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business:1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</p> <p>2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date of the Extraordinary General Meeting i.e. November 17, 2015.</p> <p>The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors.</p> <p>The following Directors of the Bank will cease to hold office upon election of new Directors:</p> <ol style="list-style-type: none"> <li>1. Mr. Riyadh S.A.A. Edrees</li> <li>2. Mr. Faisal A.A.A. Al-Nassar</li> <li>3. Mr. Bader H.A.M.A. AlRabiah</li> <li>4. Mr. Alaa A. Al-Sarawi</li> <li>5. Mr. Saad Fazil Abbasi</li> <li>6. Mr. Mansur Khan</li> <li>7. Mr. Mohammad Zamig Rajab</li> <li>8. Mr. Mohammad Abdul Aleem</li> <li>9. Mr. Noorur Rahman</li> <li>10. Mr. Talal S. Shehab</li> <li>11. Mr. Ariful Islam</li> </ol> <p>The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director.</p> <p>3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each :</p> <p>“RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that:</p> <p>Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows: “The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion three hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares in the capital for the time being into several classes.”</p> <p>“FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions.”</p> <p>To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank;</p> <p>“RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows:</p> <p>Capitalization of Profits</p> <p>The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution.</p> <p>FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.</p>	✓		

*The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.*

*Moreover, other than above no meeting were attended and no proxies were also given.*

# AIDEF

## Al-Ameen Islamic Dedicated Equity Fund

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	Bank Alfalah Limited Faysal Bank Limited Bank Islami Pakistan Limited Allied Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan United Bank Limited Dubai Islamic Bank
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Dedicated Equity Fund (AIDEF)

- i) **Description of the Collective Investment Scheme category and type**  
Islamic Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.
- 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**  
KMI-30 Index
- 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
AIDEF	0.54%	-0.05%	-1.70%	3.75%	-2.82%	-8.10%	8.24%	-1.55%	-2.64%	-4.97%	-2.29%	-6.06%	-17.18%
Benchmark	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-7.07%	-23.84%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund Manager maintained exposure at around 93% of total assets in local equities at the end of FY19. Moreover, the Fund Manager held major exposure in Oil & Gas exploration Companies (32%), Fertilizers (17%) and Cement (7%). The fund yielded a return of -17.18% during the period under review.

- 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	90%	93%
Sukuks	0%	0%
GoP Ijarah Sukuk	0%	0%
Cash	9%	6%
Others	1%	1%
Leverage	Nil	Nil

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

FY'19 Return:	-17.18%
Standard Deviation (12m trailing):	18.26%
Sharpe Ratio (12m trailing):	(1.48)

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		%
4,657,059	11,196,638	(58.41)	96.0227	115.9415	(17.18)

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

**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:-**

During the year no distribution has been made.

- 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
	AIDEF
0.0001 - 9,999.9999	1
10,000.0000 - 49,999.9999	1
50,000.0000 - 99,999.9999	-
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	9
<b>Total</b>	<b>12</b>

- 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

### AI - Ameen Islamic Dedicated Equity Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	4,657,059	11,196,638	11,735,472
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A Units - Offer	96.02	115.94	133.72
- Redemption	96.02	115.94	133.72
RETURN OF THE FUND - %			
One Year	(17.18)	(13.30)	26.83
Capital Growth (per unit)	(17.18)	(9.95)	20.50
Date of Income Distribution	-	-	30-Jun-17
Income Distribution	-	-	4.50
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
AVERAGE ANNUAL RETURN - %			
One Year	(17.18)	(13.30)	26.83
Second Year	(15.24)	6.77	18.41
Third Year	(1.22)	7.84	18.41
Since inception	1.58	7.84	18.41
OFFER / REPURCHASE DURING THE YEAR - Rupees *			
Highest price per unit - Class A - Offer	119.2419	135.2520	155.2830
Highest price per unit - Class A - Redemption	119.2419	135.2520	155.2830
Lowest price per unit - Class A - Offer	93.5137	108.2259	108.9321
Lowest price per unit - Class A - Redemption	93.5137	108.2259	108.9321

\* Front-end load @0% is applicable

### PORTFOLIO COMPOSITION

Percentage of Net Assets as at 30 June

#### PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	6.00	8.00	7.00
Equity securities	93.00	89.00	92.00
others	1.00	3.00	1.00

#### PORTFOLIO COMPOSITION BY MARKET - %

Equity market	100.00	100.00	100.00
Debt market			

#### Note:

- The Launch date of the Fund is 4 January 2016

#### DISCLAIMER

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

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



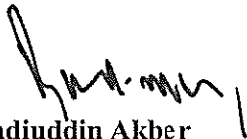
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN ISLAMIC DEDICATED EQUITY 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 Dedicated Equity 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 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 AIDEF in light of Shariah requirements. The following is a list of top equity investments of AIDEF as on 30 June 2019 and their evaluation according to the screening criteria established by us.

AIDEF			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	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	0%	9%	0%	17%	189.7	845.0
2	The Hub Power Co. Ltd.	Generator of Electricity	33%	10%	0%	36%	(18.2)	62.0
3	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	21%	0%	33%	83.9	109.9
4	Engro Corporation	Manufacturer of Chemicals	15%	29%	0%	58%	(76.5)	227.5
5	Meezan Bank Ltd	Commercial Bank	N/A	N/A	N/A	N/A	N/A	507.9
6	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	12%	0%	38%	51.2	110.7
7	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1	353.0
8	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)	92.0
9	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8	64.5
10	Kohat Cement Co. Ltd.	Manufacturer of Cement	19%	8%	0%	74%	(8.6)	41.5

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on accounts of AIDEF 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 AIDEF 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 AIDEF 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 a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.



During the year, an amount of PKR 5,668,925 has been recognized as charity.

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



Mufti Muhammad Hassaan Kaleem  
Member, Shariah Advisory Committee



Mufti Muhammad Najeeb Khan  
Member, Shariah Advisory Committee

KARACHI:  
DATE: 16 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 Dedicated Equity 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 Dedicated Equity 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

📍 4<sup>th</sup> 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 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**

## TO THE UNITHOLDERS' OF AL-AMEEN ISLAMIC DEDICATED EQUITY 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 (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Islamic Dedicated Equity 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 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 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, the Fund's 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 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.

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 June 30, 2019.

  
**Chartered Accountants**

**Date:** September 24, 2019  
**Place:** Karachi



## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Al-Ameen Islamic Dedicated Equity Fund

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Al-Ameen Islamic Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows 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 give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with 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 *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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6 to the financial statements, investments amounted to Rs. 4,437.957 million as at June 30, 2019.</p> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2019 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2019 by independently matching the securities held by the Fund as per internal</p>

S. No.	Key audit matters	How the matters were addressed in our audit
	<p>and there is a risk that appropriate quoted prices may not be used to determine fair value.</p> <p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>The disclosure regarding the investments are included in notes 4.1 and 6 to the financial statements.</p>	<p>records with the securities appearing in the Central Depository Company (CDC) account and investigated any reconciling items.</p>

## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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 Company and Board of Directors for the Financial Statements**

Management Company 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 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are 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 Management Company.
- Conclude on the appropriateness of 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 to 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**

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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 auditor's report is Nadeem Yousuf Adil.

  
**Chartered Accountants**

**Date:** September 24, 2019

**Place:** Karachi

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

	Note	2019 ------(Rs. in '000)-----	2018
<b>ASSETS</b>			
Bank balances	5	292,902	979,428
Investments - net	6	4,437,957	10,265,243
Dividend and profit receivable	7	18,666	46,533
Security deposits and other receivables	8	10,779	66,441
Advance tax	9	2,168	2,168
Preliminary expenses and floatation costs	10	334	553
<b>Total assets</b>		<b>4,762,806</b>	<b>11,360,366</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	11	15,598	35,278
Payable to Central Depository Company of Pakistan Limited - Trustee	13	552	1,174
Payable to Securities and Exchange Commission of Pakistan	14	7,720	11,292
Payable against purchase of investment		-	29,336
Accrued expenses and other liabilities	15	81,877	86,647
<b>Total liabilities</b>		<b>105,747</b>	<b>163,727</b>
<b>Net Assets</b>		<b>4,657,059</b>	<b>11,196,639</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>4,657,059</b>	<b>11,196,639</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	30	----- (Number of units) -----	
<b>Number of Units in Issue</b>	16	<b>48,499,585</b>	<b>96,571,467</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>96.02</b>	<b>115.94</b>
<b>Face Value Per Unit</b>		<b>100</b>	<b>100</b>

The annexed notes 1 to 32 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 DEDICATED EQUITY FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 ------(Rs. in '000)-----	2018
<b>INCOME</b>			
Loss on sale of investments - net		(294,349)	(652,253)
Profit on bank deposits		73,238	91,914
Dividend income		365,486	524,366
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.1 & 6.2	(1,076,130)	(1,088,574)
		(931,755)	(1,124,547)
Impairment loss on equity securities classified as available for sale	6.3.2	-	(185,603)
<b>Total loss</b>		<b>(931,755)</b>	<b>(1,310,150)</b>
<b>EXPENSES</b>			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	162,532	237,724
Sindh Sales Tax on remuneration to the Management Company	11.2	21,129	30,904
Allocated expenses	11.3	8,127	11,886
Allocated selling and marketing expenses	12	32,506	47,545
Shariah advisor fee		350	335
Remuneration of Central Depository Company of Pakistan Limited - Trustee	13.1	10,313	14,561
Annual fee - Securities and Exchange Commission of Pakistan	14.1	7,720	11,292
Listing fee		28	28
Auditor's remuneration	17	331	283
Bank charges		34	57
Brokerage and settlement charges		17,579	9,231
Legal and professional charges		208	155
Charity expense	15.1	5,669	6,421
Amortization of preliminary and floatation cost		220	220
Other expenses		10	18
<b>Total expenses</b>		<b>266,756</b>	<b>370,660</b>
<b>Net operating loss for the year</b>		<b>(1,198,511)</b>	<b>(1,680,810)</b>
Provision for Sindh Workers' Welfare Fund	15.3	-	-
<b>Net loss for the year before taxation</b>		<b>(1,198,511)</b>	<b>(1,680,810)</b>
Taxation	18	-	-
<b>Net loss for the year after taxation</b>		<b>(1,198,511)</b>	<b>(1,680,810)</b>
<b>Allocation of net income for the year</b>			
- Net loss for the year after taxation		-	-
- Income already paid on units redeemed		-	-
<b>Net loss for the year after taxation</b>		<b>-</b>	<b>-</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-
<b>Earnings per unit</b>	19		

The annexed notes 1 to 32 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 DEDICATED EQUITY FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>------(Rs. in '000)-----</b>	
Net loss for the year after taxation		<b>(1,198,511)</b>	(1,680,810)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to income statement</b>			
Unrealised loss on re-measurement of investments classified as 'available for sale - net'		-	(139,620)
Reclassification to income statement of gain on sale of investments classified as 'available for sale - net'		-	(23,789)
Reclassification to income statement of impairment loss on equity securities classified as 'available for sale'	6.3.2	-	185,603
	6.3.1	-	22,194
<b>Items that will not be reclassified subsequently to income statement</b>		-	-
<b>Total comprehensive loss for the year</b>		<b><u>(1,198,511)</u></b>	<b><u>(1,658,616)</u></b>

The annexed notes 1 to 32 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 DEDICATED EQUITY FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019			2018	
	(Rs. in '000)				
	Capital value	Undistributed income	Unrealised gain on re-measurement of investments classified as 'available for sale' - net	Total	Total
Net assets at the beginning of the year	10,097,362	1,077,083	22,194	11,196,639	11,735,475
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	22,194	(22,194)	-
Amount received on issuance of 37,960,076 units (2018: 127,399,357 units)					
- Capital value	4,401,148	-	-	4,401,148	17,036,148
- Element of income / (loss)					
- relating to other comprehensive income for the year	-	-	-	-	(77,430)
- relating to net loss for the year after taxation	(278,026)	-	-	(278,026)	(1,805,297)
Total amount received on issuance of units	4,123,122	-	-	4,123,122	15,153,421
Amount paid on redemption of 86,031,958 units (2018: 118,587,822 units)					
- Capital value	(9,974,674)	-	-	(9,974,674)	(15,857,848)
- Element of income / (loss)					
- relating to other comprehensive income for the year	-	-	-	-	66,166
- relating to net loss for the year after taxation	510,483	-	-	510,483	1,758,041
Total amount paid on redemption of units	(9,464,191)	-	-	(9,464,191)	(14,033,641)
Total comprehensive income for the year	-	(1,198,511)	-	(1,198,511)	(1,658,616)
Distribution for the year Rs. Nil per unit (2018: Rs Nil)	-	-	-	-	-
Net loss for the year less distribution	-	(1,198,511)	-	(1,198,511)	(1,658,616)
Net assets at the end of the year	4,756,293	(99,234)	-	4,657,059	11,196,639
Refund / adjustment on units as element of income	-	-	-	-	-
Undistributed income brought forward comprising of:					
- Realised	-	2,165,657	-	2,165,657	1,880,241
- Unrealised	-	(1,088,574)	22,194	(1,066,380)	877,652
	-	1,077,083	22,194	1,099,277	2,757,893
Accounting income available for distribution					
- Related to capital gain	-	-	-	-	-
- Excluding capital gain	-	-	-	-	-
	-	-	-	-	-
Net loss for the year after taxation	-	(1,198,511)	-	(1,198,511)	(1,658,616)
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	22,194	(22,194)	-
Distribution during the year	-	-	-	-	-
Undistributed income carried forward - net	-	(99,234)	-	(99,234)	1,099,277
Undistributed income carried forward comprising of:					
- Realised	-	976,896	-	976,896	2,165,657
- Unrealised	-	(1,076,130)	-	(1,076,130)	(1,066,380)
	-	(99,234)	-	(99,234)	1,099,277
	------(Rupees)-----				
Net assets value per unit at the beginning of the year				115.94	133.72
Net assets value per unit at the end of the year				96.02	115.94

The annexed notes 1 to 32 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 DEDICATED EQUITY FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
	----- (Rs. in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year before taxation	(1,198,511)	(1,680,810)
<b>Adjustments for non-cash charges and other items</b>		
Dividend income	(365,486)	(524,366)
Profit on bank deposits	(73,238)	(91,914)
Loss on sale of investments - net	294,349	652,253
Impairment loss on equity securities classified as available for sale	-	185,602
Amortization of preliminary and floatation cost	219	220
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	1,076,130	1,088,574
	931,974	1,310,369
<b>Decrease / (increase) in assets</b>		
Investments	4,456,807	(439,069)
Security deposits, advances and other receivables	55,662	(51,564)
	4,512,469	(490,633)
<b>Decrease in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(19,680)	(7,014)
Payable to Central Depository Company of Pakistan Limited - Trustee	(622)	(158)
Payable to Securities and Exchange Commission of Pakistan	(3,572)	1,278
Payable against purchase of investment	(29,336)	(2,264)
Accrued expenses and other liabilities	(4,770)	(16,720)
	(57,980)	(24,878)
	4,187,952	(885,952)
Dividend income received	391,422	528,346
Advance tax refund	-	592
Profit on bank deposits received	75,169	96,943
<b>Net cash generated from / (used in) operating activities</b>	4,654,543	(260,071)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	4,123,122	15,153,421
Payments against redemption of units	(9,464,191)	(14,798,738)
<b>Net cash (used in) / generated from financing activities</b>	(5,341,069)	354,683
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	(686,526)	94,612
Cash and cash equivalents at the beginning of the year	979,428	884,816
<b>Cash and cash equivalents at the end of the year</b>	292,902	979,428

The annexed notes 1 to 32 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 DEDICATED EQUITY FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Al-Ameen Islamic Dedicated Equity 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 October 10, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 20, 2015 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from January 5, 2016.

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 categorised as Shariah Compliant Equity Fund and is 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.

The investment objective of the fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah Compliant Equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering superior risk adjusted returns. The Fund invests in securities approved by the Shariah Advisory Board.

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the management company as on December 27, 2018.

Title to the assets of the Fund is 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), 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.

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. The Fund does not hold any debt instruments and therefore will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investments are measured at

## 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the fund's functional and presentation

## 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets (notes 4.1 and 6); and
- (ii) impairment of financial assets (notes 4.1 and 6.3.2)

## 3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

### 3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30,

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements except as otherwise disclosed.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9

IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 4.1)

IFRS 15 'Revenue from contract with customer' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency

Certain annual improvements have also been made to a number of IFRSs.

### 3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

#### Effective from accounting periods beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
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Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
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**Effective from accounting periods  
beginning on or after:**

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for the change in accounting policy as explained in note 4.1.

##### **4.1 Adoption of IFRS 9 - Financial Instruments**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard has been adopted locally by the SECP and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting, which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

### **Classification and measurement**

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

#### **Financial assets at amortised cost**

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

#### **Financial assets at FVOCI**

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

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

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

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

#### **Financial assets at FVTPL**

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

### **Recognition**

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Measurement

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business
- 3) FVTPL business model

### Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

### Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

### FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

## Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
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----- Rupees in '000 -----

### Financial assets

Bank balances	LR	AC	979,428	979,428	-
Investments	HFT/AFS	FVTPL	10,265,243	10,265,243	-
Dividend and profit receivable	LR	AC	46,533	46,533	-
Security deposits and other receivables	LR	AC	66,441	66,441	-

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
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----- Rupees in '000 -----

#### Financial Liabilities

Payable to Management Company	OFL	AC	35,278	35,278	-
Payable to Trustee	OFL	AC	1,174	1,174	-
Payable against purchase of investment	OFL	AC	29,336	29,336	-
Net assets attributable to redeemable units	OFL	AC	11,196,639	11,196,639	-
Accrued expenses and other liabilities	OFL	AC	11,860	11,860	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

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

#### 4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

##### Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

#### 4.1.2 Impairment

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information

#### 4.1.3 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### 4.1.4 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

#### **4.2 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchange and other expenses. These cost are amortised over a period of five years starting from the end of initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

#### **4.3 Offsetting of financial instruments**

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 recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

#### **4.4 Derivatives**

Derivative instruments are initially recognized 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. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

#### **4.5 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

#### **4.6 Collaterals**

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided

#### **4.7 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

#### **4.8 Distributions**

Dividend distribution to the Unit Holders is recognized in the period in which these are approved.

#### **4.10 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.



Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

#### **4.11 Element of income / (loss) included in prices of units issued less those in units redeemed**

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 shall be taken to unit holders' fund.

#### **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 year end.

#### **4.13 Revenue recognition**

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank balances and term deposits is recognised on a time proportionate.
- Unrealised gains / (losses) arising on re-measurement 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.

#### **4.14 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 cost.

#### **4.15 Transition to IFRS 9 Financial Instruments**

Accounting policies applied to financial instruments prior to July 01, 2018.

##### **4.14.1 Classification**

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of Fund's financial assets at the time of initial recognition and re-evaluates this

Financial assets are classified as follows:

##### **a) Loans and receivables**

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

##### **b) Financial assets at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss.

##### **c) Available for sale**

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

##### **4.14.2 Measurement**

##### **Initial recognition and measurement**

All financial assets are initially recognised at cost, being the fair value of the consideration given, including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

## Subsequent measurement

### a) Financial assets at 'fair value through profit or loss' and 'available for sale'

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued

#### - Basis of valuation of equity securities

Equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date, the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

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

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

### b) Loans and receivables

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

## 4.14.3 Impairment

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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

For certain other financial assets, 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.

	Note	2019 ------(Rs. in '000)-----	2018
<b>5. BANK BALANCES</b>			
<b>In local currency:</b>			
- Profit and loss sharing accounts	5.1	285,581	886,012
- Current account		7,321	93,416
		<u>292,902</u>	<u>979,428</u>
<b>5.1</b>	Profit rates on these profit and loss sharing accounts range between 8.2% to 11.25% (2018: 4% to 6.2%) per annum.		
		2019	2018
		------(Rs. in '000)-----	
<b>6. INVESTMENTS - NET</b>			
At fair value through profit or loss			
- equity securities	6.1	4,437,957	6,047,618
- letter of rights	6.2	-	21,440
Available-for-sale - equity securities	6.3	-	4,196,185
		<u>4,437,957</u>	<u>10,265,243</u>

## 6.1 Equity securities - At fair value through profit or loss

### (Ordinary Shares of Rs. 10 each unless indicated otherwise)

Name of Investee Company		As at July 1, 2018	Transferred in during the year (4.1)	Purchased / bonus received during the year	Sold during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain (loss) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of investee company
<b>Quoted investments</b>	<b>Note</b>											
<b>OIL AND GAS MARKETING COMPANIES</b>												
Pakistan State Oil Company Limited	6.1.2	556,247	438,900	844,062	1,071,434	767,775	188,566	130,238	(58,328)	2.80	2.93	0.20
Sui Northern Gas Pipelines Limited		601,100	430,000	-	1,031,100	-	-	-	-	-	-	0.00
							188,566	130,238	(58,328)	2.80	2.93	
<b>OIL AND GAS EXPLORATION COMPANIES</b>												
Oil and Gas Development Company Limited		3,033,500	2,528,100	827,000	2,789,441	3,599,159	553,515	473,253	(80,262)	10.16	10.66	0.08
Pakistan Oilfields Limited		24,650	619,600	663,110	647,350	660,010	340,807	267,891	(72,916)	5.75	6.04	0.23
Pakistan Petroleum Limited		2,591,400	686,800	1,276,825	2,694,095	1,860,930	337,461	268,774	(68,687)	5.77	6.06	0.08
Attock Petroleum Limited		176,000	2,050	7,020	185,070	-	-	-	-	-	0.00	0.00
Mari Petroleum Company Limited		424,331	91,580	93,799	111,195	498,515	680,393	503,166	(177,227)	10.80	11.34	0.41
							1,912,176	1,513,084	(399,092)	32.48	34.10	
<b>ENGINEERING</b>												
Amreli Steels Limited		789,000	1,007,600	-	1,796,510	90	6	2	(4)	0.00	0.00	0.00
International Industries Limited		-	-	341,800	319,900	21,900	3,055	1,688	(1,367)	0.04	0.04	0.02
International Steels Limited		1,511,900	1,152,700	138,000	2,799,025	3,575	362	142	(220)	0.00	0.00	0.00
Ittefaq Iron Industries Limited		-	1,444,000	-	1,444,000	-	-	-	-	0.00	0.00	0.00
Mughal Iron and Steel Industries Limited		577,942	-	-	577,900	42	3	1	(2)	0.00	0.00	0.00
							3,426	1,833	(1,593)	0.04	0.04	
<b>REFINERY</b>												
National Refinery Limited		-	-	37,000	32,000	5,000	800	567	(233)	0	0	0.01
							800	567	(233)	0	0	
<b>FERTILIZER</b>												
Engro Corporation Limited		1,648,765	1,698,000	1,006,256	2,748,800	1,604,221	452,823	426,081	(26,742)	9.15	9.60	0.28
Engro Fertilizers Limited		4,692,000	1,307,500	985,500	4,408,239	2,576,761	191,917	164,835	(27,082)	3.54	3.71	0.19
Fauji Fertilizer Company Limited		-	1,570,500	3,153,000	2,052,500	2,671,000	259,968	232,911	(27,057)	5.00	5.25	0.21
							904,708	823,827	(80,881)	17.69	18.56	
<b>CHEMICALS</b>												
Engro Polymer and Chemicals Limited		1,133,500	5,437,000	5,118,798	5,828,844	5,860,454	188,238	157,998	(30,240)	3.39	3.56	0.64
I.C.I Pakistan Limited		190,616	25,400	17,000	232,906	110	85	59	(26)	0.00	0.00	0.00
Lotte Chemical Pakistan Limited		-	-	600,000	50,000	550,000	8,377	8,388	11	0.18	0.19	0.04
Stara Chemical Industries Limited		-	114,750	44,000	114,000	44,750	14,356	13,688	(668)	0.29	0.31	0.21
							211,056	180,133	(30,923)	3.86	4.06	
<b>CEMENT</b>												
Attock Cement (Pakistan) Limited		37,100	467,400	-	504,500	-	-	-	-	0.00	0.00	0.00
Cherat Cement Company Limited		1,376,158	751,200	11,000	2,020,900	117,458	11,310	3,636	(7,674)	0.08	0.08	0.07
DG Khan Cement Company Limited		44,893	859,200	481,100	1,385,193	-	-	-	-	0.00	0.00	0.00
Fauji Cement Company Limited		665,000	150,000	-	815,000	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited		1,360,693	1,578,000	1,462,757	1,056,500	3,344,950	312,686	175,710	(136,976)	3.77	3.96	1.67
Lucky Cement Limited		741,716	78,800	431,000	903,306	348,210	168,046	132,483	(35,563)	2.84	2.99	0.11
Maple Leaf Cement Factory Limited		-	175,000	525,000	200,000	500,000	11,650	11,945	295	0.26	0.27	0.08
Pioneer Cement Limited		1,013,744	1,423,200	100,000	2,534,000	2,944	136	67	(69)	0.00	0.00	0.00
							503,828	323,841	(179,987)	6.95	7.30	
<b>PAPER AND BOARD</b>												
Century Paper & Board Mills Limited		979,200	499,800	951,300	948,645	1,481,655	90,988	46,154	(44,834)	0.99	1.04	1.01
Cherat Packaging Limited		178,100	32,841	-	210,941	-	-	-	-	0.00	0.00	0.00
Packages Limited		55,487	-	94,850	55,150	95,187	36,726	28,609	(8,117)	0.61	0.64	0.11
							127,714	74,763	(52,951)	1.60	1.68	
<b>AUTOMOBILE ACCESSORIES</b>												
Honda Atlas Cars (Pakistan) Limited		305,050	251,100	142,300	698,450	-	-	-	-	0.00	0.00	0.00
Thal Limited		627,000	1,600	10,000	382,734	255,866	121,613	93,151	(28,462)	2.00	2.10	0.32
							121,613	93,151	(28,462)	2.00	2.10	
<b>TEXTILE COMPOSITE</b>												
Kohinoor Textile Mills Limited		-	1,898,900	367,000	557,000	1,708,900	86,778	42,808	(43,970)	0.92	0.96	0.57
Nishat Mills Limited		2,319,300	880,800	1,276,000	2,339,943	2,136,157	298,229	199,389	(98,840)	4.28	4.49	0.61
							385,007	242,197	(142,810)	5.20	5.45	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>												
Al-Shaheer Corporation		2,599,500	1,938,000	614,000	2,368,743	2,782,757	73,910	35,063	(38,847)	0.75	0.79	1.96
							73,910	35,063	(38,847)	0.75	0.79	
<b>POWER GENERATION AND DISTRIBUTION</b>												
K-Electric Limited (Face value of Rs. 3.5 per share)		14,876,264	6,415,000	3,121,500	15,866,000	8,546,764	48,033	37,520	(10,513)	0.81	0.85	0.09
Lalpur Power Limited		-	2,671,500	40,000	-	2,711,500	51,952	35,250	(16,702)	0.76	0.79	0.71
PAKGEN Power Limited		-	3,374,500	40,000	131,500	3,283,000	63,231	46,553	(16,678)	1.00	1.05	0.88
Saif Power Limited		-	2,229,000	380,000	514,000	2,095,000	55,497	39,302	(16,195)	0.84	0.89	0.54
The Hub Power Company Limited	6.1.1	5,551,772	3,671,300	2,260,890	5,277,177	6,206,785	533,411	488,784	(44,627)	10.50	11.01	0.19
							752,124	647,409	(104,715)	13.91	14.59	
<b>TECHNOLOGY AND COMMUNICATION</b>												
Systems Limited		-	12,000	1,113,040	174,700	950,340	93,228	91,204	(2,024)	1.96	2.06	0.77
							93,228	91,204	(2,024)	1.96	2.06	
<b>CABLE &amp; ELECTRICAL GOODS</b>												
Pak Elektron Limited		900	-	-	-	900	32	18	(14)	0.00	0.00	0.00
							32	18	(14)	0.00	0.00	
<b>GLASS AND CERAMICS</b>												
Tariq Glass Industries Limited		2,307,924	78,000	-	2,348,500	37,424	4,010	2,868	(1,142)	0.06	0.06	0.05
							4,010	2,868	(1,142)	0.06	0.06	
<b>COMMERCIAL BANKS</b>												
Meezan Bank Limited		565,000	1,822,000	2,830,373	2,056,646	3,160,727	227,319	275,489	48,170	5.92	6.21	0.25
							227,319	275,489	48,170	5.92	6.21	
<b>PHARMACEUTICALS</b>												
The Searle Company Limited	6.1.2	103,479	-	2,021	90,000	15,500	4,570	2,272	(2,298)	0.05	0.05	0.01
							4,570	2,272	(2,298)	0.05	0.05	
<b>Total June 30, 2019</b>							<b>5,514,087</b>	<b>4,437,957</b>	<b>(1,076,130)</b>			
Total June 30, 2018							7,157,632	6,047,618	(1,110,014)			

**6.1.1** The above equity securities include 2.1 million (2018: 1.57 million) shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 163.375 million (2018: Rs. 146.254 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

**6.1.2** This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by shareholders were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 4.121 million (2018: Rs. 7.439 million) at year end. Such shares have not been deposited in the CDC account of the department of Income tax. The Management Company is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

## 6.2 Letter of rights - At fair value through profit or loss - Held for trading

Name of Investee Company	As at July 1, 2018	Entitlement during the year	Exercised during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain/ (loss) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total Investments	Investment as a percentage of paid-up capital of investee company
<div>-----Number of rights-----<div>Rupees in '000-----</div>-----%-----</div>										
CHEMICAL										
Engro Polymer & Chemicals Limited	2,430,798	-	2,430,798	-	-	-	-	0.00	0.00	0.00
Total June 30, 2019					-	-	-			
Total June 30, 2018					-	21,440	21,440			

## 6.3 Equity securities - Available for sale

### (Ordinary Shares of Rs. 10 each unless indicated otherwise)

Ordinary Shares of Rs. 10 each unless indicated otherwise											
Name of Investee Company		As at July 1, 2018	Purchased / bonus received during the year	Transferred out during the year (Refer Note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total Investments	Investment as a percentage of paid-up capital of investee company
Quoted investments	Note	-----Number of shares-----				-----Rupees in '000-----			-----%-----		
<b>OIL AND GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited	6.1.2	438,900	-	438,900	-	-	-	-	0.00	0.00	0.00
Sui Northern Gas Pipelines Limited		430,000	-	430,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	-	-	
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil and Gas Development Company Limited		2,528,100	-	2,528,100	-	-	-	-	0.00	0.00	0.00
Pakistan Oilfields Limited		619,600	-	619,600	-	-	-	-	0.00	0.00	0.00
Pakistan Petroleum Limited		686,800	-	686,800	-	-	-	-	0.00	0.00	0.00
Attock Petroleum Limited		2,050	-	2,050	-	-	-	-	0.00	0.00	0.00
Mari Petroleum Company Limited		91,580	-	91,580	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>ENGINEERING</b>											
Amreli Steels Limited		1,007,600	-	1,007,600	-	-	-	-	0.00	0.00	0.00
Ittefaq Iron Industries Limited		1,444,000	-	1,444,000	-	-	-	-	0.00	0.00	0.00
International Steels Limited		1,152,700	-	1,152,700	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>FERTILIZER</b>											
Engro Corporation Limited		1,698,000	-	1,698,000	-	-	-	-	0.00	0.00	0.00
Fauji Fertilizer Company Limited		1,570,500	-	1,570,500	-	-	-	-	0.00	0.00	0.00
Engro Fertilizers Limited		1,307,500	-	1,307,500	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>CHEMICALS</b>											
I.C.I Pakistan Limited		25,400	-	25,400	-	-	-	-	0.00	0.00	0.00
Sitara Chemical Industries Limited		114,750	-	114,750	-	-	-	-	0.00	0.00	0.00
Engro Polymer and Chemicals Limited		5,437,000	-	5,437,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	-	-	
<b>CEMENT</b>											
Cherat Cement Company Limited		751,200	-	751,200	-	-	-	-	0.00	0.00	0.00
Attock Cement (Pakistan) Limited		467,400	-	467,400	-	-	-	-	0.00	0.00	0.00
DG Khan Cement Company Limited	6.1.1	859,200	-	859,200	-	-	-	-	0.00	0.00	0.00
Fauji Cement Company Limited		150,000	-	150,000	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited		1,578,000	-	1,578,000	-	-	-	-	0.00	0.00	0.00
Lucky Cement Limited		78,800	-	78,800	-	-	-	-	0.00	0.00	0.00
Maple Leaf Cement Factory Limited		175,000	-	175,000	-	-	-	-	0.00	0.00	0.00
Pioneer Cement Limited		1,423,200	-	1,423,200	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>PAPER AND BOARD</b>											
Cherat Packaging Limited		32,841	-	32,841	-	-	-	-	0.00	0.00	0.00
Century Paper and Board Mills Limited		499,800	-	499,800	-	-	-	-	0.00	0.00	0.00
						-	-	-	-	-	
<b>AUTOMOBILE ACCESSORIES</b>											
Honda Atlas Cars (Pakistan) Limited		251,100	-	251,100	-	-	-	-	0.00	0.00	0.00
Milat Tractors Limited		29,440	-	29,440	-	-	-	-	0.00	0.00	0.00
Pak Suzuki Motor Company Limited		-	-	-	-	-	-	-	0.00	0.00	0.00
Thal Limited		1,600	-	1,600	-	-	-	-	0.00	0.00	0.00
						-	-	-	-	-	
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited		880,800	-	880,800	-	-	-	-	0.00	0.00	0.00
Kohinoor Textile Mills Limited		1,898,900	-	1,898,900	-	-	-	-	0.00	0.00	0.00
						-	-	-	-	-	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al-Shaheer Corporation		1,938,000	-	1,938,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>POWER GENERATION AND DISTRIBUTION</b>											
The Hub Power Company Limited	6.1.1	3,671,300	-	3,671,300	-	-	-	-	0.00	0.00	0.00
Lalpur Power Limited		2,671,500	-	2,671,500	-	-	-	-	0.00	0.00	0.00
PAKGEN Power Limited		3,374,500	-	3,374,500	-	-	-	-	0.00	0.00	0.00
Saif Power Limited		2,229,000	-	2,229,000	-	-	-	-	0.00	0.00	0.00
K-Electric Limited (Face value of Rs. 3.5 per share)		6,415,000	-	6,415,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>GLASS AND CERAMICS</b>											
Tariq Glass Industries Limited		78,000	-	78,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited		1,822,000	-	1,822,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>TECHNOLOGY AND COMMUNICATION</b>											
Systems Limited		12,000	-	12,000	-	-	-	-	0.00	0.00	0.00
						-	-	-	0.00	0.00	
<b>Total June 30, 2019</b>						<b>-</b>					
<b>Total June 30, 2018</b>						<b>4,359,594</b>	<b>4,196,185</b>	<b>(163,409)</b>			

	Note	2019 ------(Rs. in '000)-----	2018
<b>6.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale</b>			
Market value of investm	6.3	-	4,196,185
Less: cost of investmen	6.3	-	(4,359,594)
Unrealised loss on re-measurement of investments classified as available for sale - net		-	(163,409)
Impairment loss on equity securities classified as available for sa	6.3.2	-	185,603
		-	22,194

**6.3.2 Movement in provision for impairment loss against available for sale equity securities**

Opening balance	-	-
Add: charge for	-	185,603
Less: reversal of provision	-	-
Closing balance	-	185,603

**7. DIVIDEND AND PROFIT RECEIVABLE**

Dividend receivable	15,075	41,011
Profit receivable on profit and loss sharing accounts	3,591	5,522
	18,666	46,533

**8. SECURITY DEPOSITS AND OTHER RECEIVABLES**

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	100	100
Receivable against sale of investments - net	8,179	63,841
	10,779	66,441

**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, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), 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 financial year ended June 30, 2016, prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150 and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

	Note	2019 ------(Rs. in '000)-----	2018
<b>10. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Opening		553	773
Amortisation during the year	10.1	(219)	(220)
		334	553

**10.1** The provisions of the Trust Deed and NBFC regulations require the amortisation of the preliminary expenses and floatation costs up to one percent of the pre-IPO capital of the fund. As there was no public offering, the Management Company sought approval from SECP to amortise the preliminary expenses and floatation costs.

	Note	2019 ------(Rs. in '000)-----	2018
<b>11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY</b>			
Management fee (including Sindh Sales Tax thereagainst)	11.1 & 11.2	9,181	21,268
Allocated expenses	11.3	409	1,942
Other payable		17	16
Shariah advisor fee		204	28
Selling and marketing expense	12	5,787	11,664
		<u>15,598</u>	<u>35,278</u>

- 11.1** As per the amended NBFC Regulations dated November 25, 2015, the Management Company is entitled to remuneration of an amount not exceeding 2% of average daily net assets of the Fund.

The Management Company has charged remuneration at the rate of 2% (2018: 2%) of average annual net assets of the Fund.

- 11.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

- 11.3** As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% 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 the lower amount, to the Fund.

**12. ALLOCATED SELLING AND MARKETING EXPENSES**

SECP vide Circular No. 40 of 2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (from January 01, 2017 till December 31, 2019) 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 0.4% of daily net assets of the Fund, being the lower amount.

	Note	2019 ------(Rs. in '000)-----	2018
<b>13. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee	13.1	<u>552</u>	<u>1,174</u>

- 13.1** The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the 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 period June 30, 2019 is as follows:

On net assets:

Upto Rs.1,000 million  
Over Rs. 1,000 million

Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.  
Rs. 2.0 million plus 0.10% p.a. of NAV.

	Note	2019 ------(Rs. in '000)-----	2018
<b>14. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee	14.1	<u>7,720</u>	<u>11,292</u>

- 14.1** Under the provisions of the NBFC Regulations, a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund.

	Note	2019 ------(Rs. in '000)-----	2018
<b>15. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditor's remuneration		232	201
Commission payable		3,968	5,129
Charity payable	15.1	2,818	6,421
Provision for indirect duties and taxes	15.2	10,650	10,650
Provision for Sindh Workers' Welfare Fund	15.3	64,137	64,137
Other payables		72	109
		<u>81,877</u>	<u>86,647</u>

- 15.1** According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non-shariah compliant avenues, should be donated for charitable purposes directly by the Fund. An amount of Rs. 5.669 million (2017: Rs. 6.421 million) has been recognised by the Fund as charity expense in these financial statements.

- 15.2** 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 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 since June 13, 2013.

On 30 June 2016, the Honorable Sindh High Court of Pakistan 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 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. 10.650 million (2018: 10.650 million) until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2019 would have been higher by Rs. 0.22 (June 30, 2018: Rs. 0.11) 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.

**15.3 Sindh 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 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 Honorable Supreme Court of Pakistan (SCP). On 10 November 2016 the 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 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 during financial year ended June 30, 2017. 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), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs. Nil (June 2018: Rs. Nil) for the year and Rs. 64.137 million (June 2018: Rs. 64.137 million) in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 1.32 per unit (30 June 2018: Rs. 0.66 per unit).

		2019	2018
		-----Number of units-----	
<b>16.</b>	<b>NUMBER OF UNITS IN ISSUE</b>		
	Total units in issue at the beginning of the year	96,571,467	87,759,932
	Units issued during the year	37,960,076	127,399,357
	Units redeemed during the year	(86,031,958)	(118,587,822)
	Total units in issue at the end of the year	48,499,585	96,571,467
<b>16.1</b>	The par value of each unit is Rs. 100. The Management Company has set a minimum investment of Rs. 500.		
<b>16.2</b>	All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.		
		2019	2018
		----- (Rs. in '000) -----	
<b>17.</b>	<b>AUDITOR'S REMUNERATION</b>		
	Annual audit fee	165	155
	Review of Condensed Interim Financial Information	66	62
	Review of compliance with the requirements of the Code of Corporate Governance	38	15
	Other certifications	16	15
	Out of pocket expenses and Sindh Sales Tax	46	36
		331	283
<b>18.</b>	<b>TAXATION</b>		
	According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2019, no provision for taxation has been made in these financial statements.		
<b>19.</b>	<b>EARNINGS PER UNIT</b>		
	Earnings per unit (EPU) has not been disclosed as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.		
<b>20.</b>	<b>TOTAL EXPENSE RATIO</b>		
	As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 3.28% (2018: 3.12%) as on June 30, 2018 and this includes 0.36% (2018: 0.37%) representing government levy and SECP fee.		



## 21. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Particulars	As at June 30, 2019		
	At amortized cost	Financial assets at fair value through profit or loss	Total

-----Rupees in '000-----

### Financial assets

Bank balances	292,902	-	292,902
Investments - net	-	4,437,957	4,437,957
Dividend and profit receivable	18,666	-	18,666
Security deposits and other receivables	10,779	-	10,779
	<b>322,347</b>	<b>4,437,957</b>	<b>4,760,304</b>

Particulars	As at June 30, 2019		
	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	-	15,598	15,598
Payable to Central Depository Company of Pakistan Limited - Trustee	-	552	552
Accrued expenses and other liabilities	-	7,090	7,090
Payable against purchase of investments	-	-	-
Net assets attributable to redeemable units	-	4,657,059	4,657,059
	<b>-</b>	<b>4,680,299</b>	<b>4,680,299</b>

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total

-----Rupees in '000-----

### Financial assets

Bank balances	979,428	-	-	979,428
Investments	-	6,069,058	4,196,185	10,265,243
Dividend and profit receivable	46,533	-	-	46,533
Security deposits and other receivables	66,441	-	-	66,441
	<b>1,092,402</b>	<b>6,069,058</b>	<b>4,196,185</b>	<b>11,357,645</b>

Particulars	As at June 30, 2018		
	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	-	35,278	35,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	1,174	1,174
Accrued expenses and other liabilities	-	11,860	11,860
Payable against purchase of investments	-	29,336	29,336
Net assets attributable to redeemable units	-	11,196,639	11,196,639
		<b>11,274,287</b>	<b>11,274,287</b>

## 22. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Fund primarily invests in a portfolio of equity securities of listed companies. The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

## **22.1 Market risk**

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **22.1.1 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 currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2019 as there are no financial assets or financial liabilities denominated in foreign currencies.

### **22.1.2 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.

#### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the period would have increased / (decreased) by Rs. 2.856 million (2018: Rs. 8.860 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

### **22.1.3 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 rate 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 instruments traded in the market.

The Fund's equity securities are primarily exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities as 'financial assets at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Fund's constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit investment in individual equity securities to not more than 15% of its net assets, or 15% of the issued capital of the investee company and the sector exposure limit to 35% of net assets.

In case of 5% increase / decrease in the fair value of the Fund's equity securities and letter of rights at fair value through profit or loss on June 30, 2019, net income for the year would increase / decrease by Rs. 221.898 million (2018: Rs. 303.453 million) and net assets of the Fund would increase / decrease by the same amount.

In case of 5% increase / decrease in the fair value of the Fund's equity securities held as available for sale on June 30, 2019, net assets of the Fund would increase / decrease by Rs. Nil (2018: Rs. 121.884 million).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

## 22.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

### Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. 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 and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral 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'.

- 22.2.1** The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2019:

### Bank balances by rating category

Name of bank	Balances held by the Fund as at June 30, 2019	Latest available published ratings at June 30, 2019	Rating agency
(Rupees in '000)			
Faysal Bank Limited	12	AA	PACRA
Bank Alfalah Limited	7,270	AA+	PACRA
United Bank Limited	285,433	AAA	JCR - VIS
Habib Metropolitan Bank	10	AA+	PACRA
Dubai Islamic Bank	126	AA	JCR - VIS
BankIslami Pakistan Limited	8	A+	PACRA
Allied Bank Limited	9	AAA	PACRA
National Bank of Pakistan	34	AAA	PACRA
	<u>292,902</u>		

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with 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 mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The Fund's major bank balance is held with one bank. Management believes that such bank is a reputed institution.

## 22.3 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 such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemption requests on a regular basis. Units are redeemable at the holders' 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 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

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 the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2019			
	Upto three months	More than three months and up to one year	More than one year	Total
Rupees in '000				

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	15,598	-	-	15,598
Payable to the Central Depository Company of Pakistan Limited - Trustee	552	-	-	552
Accrued expenses and other liabilities	7,090	-	-	7,090
Payable against purchase of investment	-	-	-	-
Net assets attributable to redeemable units	4,657,059			4,657,059
	4,680,299	-	-	4,680,299

Particulars	As at June 30, 2018			
	Upto three months	More than three months and up to one year	More than one year	Total
Rupees in '000				

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	35,278	-	-	35,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,174	-	-	1,174
Accrued expenses and other liabilities	11,860	-	-	11,860
Payable against purchase of investment	29,336	-	-	29,336
Net assets attributable to redeemable units	11,196,639	-	-	11,196,639
	11,274,287	-	-	11,274,287

## 23. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing 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:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company 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.

## 24. 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 the market participants at the measurement date. Consequently, differences can arise between carrying value 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.

Fair value of investments classified as 'at fair value through profit or loss' which are tradable in an open market is based on 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.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets carried at fair values, by valuation methods.

As at June 30, 2019				
ASSETS	Level 1	Level 2	Level 3	Total
----- Rupees in '000-----				
Investment in securities - financial assets at fair value through profit or loss				
- Equity securities	4,437,957	-	-	4,437,957
- Letter of rights	-	-	-	-
	4,437,957	-	-	4,437,957
As at June 30, 2018				
ASSETS	Level 1	Level 2	Level 3	Total
----- Rupees in '000-----				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	6,047,618	-	-	6,047,618
- Letter of rights	21,440	-	-	21,440
Available for sale				
- Equity securities	4,196,185	-	-	4,196,185
	10,265,243	-	-	10,265,243

There were no transfers between various levels of fair value hierarchy during the year.

**25. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGED**

	<b>2019 (Percentage)</b>
1. Foundation Securities (Private) Limited	5.82
2. Inter Market Securities Limited	5.67
3. Taurus Securities Limited	5.54
4. Habib Metropolitan Financial Services	5.45
5. Al Falah Securities (Private) Limited	5.27
6. DJM Securities (Private) Limited	5.03
7. JS Global Limited	4.50
8. ABA Ali Habib Securities (Private) Limited	4.43
9. Adam Securities Limited	4.24
10. ELIXIR Securities (Private) Limited	4.13
	<b>2018 (Percentage)</b>
1. Taurus Securities Limited	6.72
2. Topline Securities (Private) Limited	6.34
3. DJM Securities (Private) Limited	5.77
4. Arif Habib Limited	5.74
5. BMA Capital Management Limited	5.58
6. Inter Market Securities Limited	5.21
7. Insight Securities (Private) Limited	4.50
8. Foundation Securities (Private) Limited	4.18
9. Next Capital Limited	4.14
10. Habib Metropolitan Financial Services	3.98

**26. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER**

Details of the members of the investment committee of the Fund as at June 30, 2019 are as follows:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Experience in years</b>	<b>Qualification</b>
1	Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	CFA, MBA
3	Muhammad Waseem	Acting Head of Research	5	BBA
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance, Information Security and Quality Assurance	19	B.Com
5	Asim Wahab Khan	Head of Investment Strategy and Equity	14	CFA, MBA
6	Usman Bin Razi	Head of Fixed Income	15	MBA
7	Mubashir Anis	Fund Manager Equity	7	CFA, BSC
8	Syed Shabbir Sardar Zaidi	Fund Manager & Senior Analyst	7	MAS & CFA
9	Syed Sheeraz Ali	Fund Manager & Senior Analyst	9	BS
10	Irfan Nepal	Chief Dealer and Fund Manager	25	EMBA

- 26.1** Mr. Shabbir Sardar Zaidi is Fund Manager of the Fund and He is also Fund Manager of Al-Ameen Islamic Retirement Savings Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Active Allocation Plan VII, Al-Ameen Islamic Active Allocation Plan VIII, Al-Ameen Islamic Active Allocation Plan IX, Al-Ameen Islamic Active Allocation Plan X, Al-Ameen Islamic Active Principal Preservation Plan I and Al-Ameen Islamic Active Principal Preservation Plan II.

**27. PATTERN OF UNIT HOLDERS**

Category	As at June 30, 2019	
	Number of units held	Percentage of units held %
NBFCs	48,481,738	99.96
Retirement funds	17,847	0.04
	<b>48,499,585</b>	<b>100</b>

Category	As at June 30, 2018	
	Number of units held	Percentage of units held %
NBFCs	96,571,467	100

**28. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

- 28.1** Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.
- 28.2** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 28.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

**28.4** Details of transactions with related parties / connected persons and balances held with them as at the year end are as follows:

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
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-----For the year ended June 30, 2019 -----  
 ----- (Units in '000) -----

**Transactions during the year**

Units issued	-	-	-	37,942	-	-
Units redeemed	-	-	-	78,500	-	-

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

Profit on savings accounts	-	73,237	-	-	-	-
Bank and other charges	-	35	-	-	-	-
Value of units issued	-	-	-	4,121,432	-	-
Value of units redeemed	-	-	-	8,596,368	-	-
Remuneration (including Sindh Sales Tax)	183,661	-	10,313	-	-	-
Allocated expenses	8,127	-	-	-	-	-
Shariah Advisor fee	350	-	-	-	-	-
CDS expenses	-	-	488	-	-	-
Selling and marketing expense	32,506	-	-	-	-	-

----- As at June 30, 2019 -----  
 ----- (Units in '000) -----

**Balances held**

Units held	-	-	-	48,482	-	-
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----- (Rupees in '000) -----

Value of units held	-	-	-	4,655,242	-	-
Bank balances	-	285,433	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	9,181	-	552	-	-	-
Profit receivable	-	3,591	-	-	-	-
Allocated expenses payable	409	-	-	-	-	-
Other payable	17	-	-	-	-	-
Shariah advisor fee payable	204	-	-	-	-	-
Selling and marketing expense	5,787	-	-	-	-	-



Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
-------------	--------------------	----------------------------------	---------	-------------------------------	--------------------------------	--

-----For the year ended June 30, 2018 -----  
 ----- (Units in '000) -----

Transactions during the year

Units issued	-	-	-	127,399	-	-
Units redeemed	-	-	-	118,588	-	-

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

Profit on savings accounts	-	91,946	-	-	-	-
Bank charges	-	17	-	-	-	28
Value of units issued	-	-	-	15,153,421	-	-
Value of units redeemed	-	-	-	14,033,641	-	-
Dividend paid	-	-	-	-	-	-
Remuneration (including Sindh Sale)	268,628	-	14,561	-	-	-
Allocated expenses	11,886	-	-	-	-	-
Shariah Advisor fee	335	-	-	-	-	-
CDS expenses	-	-	618	-	-	-
Selling and marketing expense	47,545	-	-	-	-	-

----- As at June 30, 2018 -----  
 ----- (Units in '000) -----

Balances held

Units held	-	-	-	96,571	-	-
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----- (Rupees in '000) -----

Value of units held	-	-	-	11,196,639	-	-
Bank balances	-	884,952	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	21,628	-	1,174	-	-	-
Profit receivable	-	5,522	-	-	-	-
Allocated expenses payable	1,942	-	-	-	-	-
Other payable	16	-	-	-	-	-
Shariah advisor fee payable	28	-	-	-	-	-
Selling and marketing expense	11,664	-	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These include transactions and balance in relation to those directors and key executives that existed as at year end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management company during the year.

\*\*\* These include transactions and balances in relation to the entities where common directorship exists as at year end.

**29. 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:

August 28, 2018	October 26, 2018	November 8, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
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**Directors:**

Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	-	-	-	-	-	1
Mr. Imran Sarwar**	-	-	✓	✓	x	✓	4
Mr. Tauqeer Mazhar**	-	-	✓	✓	x	✓	3
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	7
Mr. Zia Ijaz*	x	-	-	-	-	-	0
Mr. Sharjeel Shahid*	✓	-	-	-	-	-	1
Ms. Naz Khan	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed**	-	-	✓	✓	✓	✓	5
Syed Furrukh Zaeem	✓	✓	✓	x	✓	✓	6

**Key Executives:**

Umair Ahmed	✓	✓	✓	✓	✓	✓	7
S.M. Aly Osman	✓	✓	✓	✓	✓	✓	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

**30. CONTINGENCIES AND COMMITMENTS**

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

**31. GENERAL**

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

**32. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 30-Aug-19 by the Board of Directors of the Management Company.

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

## Al-Ameen Dedicated Equity Fund

Holding	Resolution	For	Against	Abstain*
3,583,389	<p>Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business: 1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</p> <p>2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date of the Extraordinary General Meeting i.e. November 17, 2015.</p> <p>The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors.</p> <p>The following Directors of the Bank will cease to hold office upon election of new Directors:</p> <p>1. Mr. Riyadh S.A.A. Edrees  2. Mr. Faisal A.A.A. Al-Nassar  3. Mr. Bader H.A.M.A. AlRabiah  4. Mr. Alaa A. Al-Sarawi  5. Mr. Saad Fazil Abbasi  6. Mr. Mansur Khan  7. Mr. Mohammad Zamig Rajab  8. Mr. Mohammad Abdul Aleem  9. Mr. Noorur Rahman  10. Mr. Talal S. Shehab  11. Mr. Ariful Islam</p> <p>The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director.</p> <p>3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each :</p> <p>“RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that:</p> <p>Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows:  “The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion three hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares in the capital for the time being into several classes.”</p> <p>“FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions.”</p> <p>To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank;  “RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows:  Capitalization of Profits  The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution.  FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.</p>	✓		

***The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.***

***Moreover, other than above no meeting were attended and no proxies were also given.***

<i>Holding</i>	<i>1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
44,750	<p>ORDINARY BUSINESS:</p> <p>1. To confirm the minutes of Annual General Meeting of the Company held on Saturday, October 27, 2018.</p> <p>2. To elect Seven (07) Directors of the Company as fixed by the Board of Directors of the Company under Section 159 of the Companies Act, 2017 for the term of three (03) years</p> <ul style="list-style-type: none"> <li>• Pursuant to Section 159 (1) and 2(a) of the Companies Act 2017, the Directors through a resolution passed in the Board of Directors meeting held on April 23, 2019 have fixed the number of Directors as seven (07)</li> <li>• Pursuant to section 159(2)(b) of the Companies Act, 2017 name of the retiring Directors are:</li> </ul> <ol style="list-style-type: none"> <li>1. Mr. Muhammad Adrees</li> <li>2. Mr Haseeb Ahmad</li> <li>3. Mr. Muhammad Khalil</li> <li>4. Mr. Muneeb ul Haq</li> <li>5. Mr. Waheed Akhter Sher</li> <li>6. Mr. Abdul Awal</li> <li>7. Mr. Ahmad Nawaz</li> </ol> <p>3. To transact any other business with the permission of the Chair.</p>	✓		

***The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.***

***Moreover, other than above no meeting were attended and no proxies were also given.***

# AIFPF

**Al-Ameen Islamic Financial Planning Fund**  
Al-Ameen Islamic Active Allocation Plan - V - VI

## INVESTMENT OBJECTIVE

AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	United Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

**Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-V (AIActAP-V)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-V	-0.55%	0.28%	-	-	-	-	-	-	-	-	-	-	-0.28%
Benchmark	-0.22%	0.38%	-	-	-	-	-	-	-	-	-	-	0.12%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**  
  
The fund manager successfully managed to earn a potentially high return through active asset allocation between Islamic Equities and Islamic Income based on outlook on the asset classes. The fund matured on 14 Aug' 2018 and posted a return of 2.89% since inception
- 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
Equity Funds	50%	0%
Money Market Funds	0%	99%
Income Funds	49%	0%
Others	0%	0%
Cash	0%	1%

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

FY'19 Return:	-0.29%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

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-18	14-Aug-18	Change	30-Jun-18	14-Aug-18	Change
Rupees (000)		%	Rupees		%
1,749,387	1,743,347	(0.35)	103.87	103.59	(0.27)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-V are equity and money-market CIS and the market reviews are as follows:

**Debt Market Review – FY18**

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 – FY18**

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:-**

During the year no distribution has been made.

**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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIActAP-V
0.0001 - 9,999.9999	559
10,000.0000 - 49,999.9999	207
50,000.0000 - 99,999.9999	21
100,000.0000 - 499,999.9999	20
500,000.0000 & Above	5
<b>Total</b>	<b>812</b>

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

There were no unit splits during the period.



- xv) **Disclosure of circumstances that materially affect any interests of unit holders**  
Investment are subject to credit and 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.

**Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-VI (AICTAP-VI)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIACTAP-VI	0.18%	0.07%	-1.08%	2.94%	-0.82%	-4.89%	5.53%	-0.87%	-1.56%	-3.09%	-0.96%	-3.88%	-8.83%
Benchmark	1.23%	-1.31%	-1.42%	2.72%	-1.61%	-6.51%	7.77%	-2.59%	-2.06%	-4.07%	-0.32%	-4.53%	-12.65%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 21-Nov-16. During FY19, AIACTAP-VI generated a return of -8.53%. The Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at Jun'19 stood at 65%. 31% were invested in Al-Ameen Islamic Sovereign Fund and 4% in Cash. The net assets of the Fund were PKR 0.379 million as at June 30, 2019 representing the net asset value of PKR 87.3138 per unit.

**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
Equity Funds	77%	65%
Money Market Funds	0%	0%
Income Funds	23%	31%

Others	0%	0%
Cash	0%	4%
Leverage	Nil	Nil

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

FY'19 Return:	-8.53%
Standard Deviation (12m trailing):	12.48%
Sharpe Ratio (12m trailing):	(1.47)

**viii) 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		%
379,065	2,066,428	(81.66)	87.3138	95.4602	(8.53)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-VI are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AICTAP-VI
0.0001 - 9,999.9999	118
10,000.0000 - 49,999.9999	61
50,000.0000 - 99,999.9999	11
100,000.0000 - 499,999.9999	7
500,000.0000 & Above	-

<b>Total</b>	<b>197</b>
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- xiii) Disclosure on unit split (if any), comprising:-**  
There were no unit splits during the period.
- xiv) Disclosure of circumstances that materially affect any interests of unit holders**  
Investment are subject to credit and market risk.
- xv) 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 Active Allocation Plan-V**

	<b>**</b>	<b>2019</b>	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>		<b>1,743,347</b>	1,749,387	2,255,482
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>				
Class A units - Offer		<b>103.5900</b>	103.8718	113.0591
- Redemption		<b>103.5900</b>	101.7944	108.5367
<b>RETURN OF THE FUND - %</b>				
Total Return of the Fund		<b>(0.28)</b>	(8.13)	15.54
Capital Growth (per unit)		<b>(0.28)</b>	(8.13)	13.04
Date of Income Distribution		-	-	30-Jun-17
Income Distribution		-	-	2.50
<b>AVERAGE ANNUAL RETURN - %</b>				
One Year		<b>(0.28)</b>	(8.13)	15.54
Second Year		<b>(4.21)</b>	3.71	15.54
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>				
Highest price per unit - Class A units - Offer		<b>103.8710</b>	114.0520	130.9959
Highest price per unit - Class A units - Redemption		<b>103.8710</b>	111.7710	125.7561
Lowest price per unit - Class A units - Offer		<b>100.2030</b>	96.4312	101.7131
Lowest price per unit - Class A units - Redemption		<b>100.2030</b>	94.5026	97.6446
<b>PORTFOLIO COMPOSITION - %</b>				
Percentage of Net Assets as at 30 June				
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>				
Bank Balances		<b>1.00</b>	1.00	-
Income Funds		-	49.00	18.00
Money Market Funds		<b>99.00</b>	-	-
Equity Funds		-	50.00	82.00
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>				
Mutual Funds		<b>100</b>	100	100

Note:

- The Launch date of Fund is 15 Aug 2016.

\*\* The Fund was matured on 14 August 2018

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-VI

	2019	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>379,065</b>	2,066,428	2,427,354
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Class A units - Offer	<b>87.31</b>	95.4602	105.5173
- Redemption	<b>87.31</b>	93.5510	101.2966
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(8.53)</b>	(9.53)	7.90
Capital Growth (per unit)	<b>(8.53)</b>	(9.53)	5.50
Date of Income Distribution	-	-	30-Jun-17
Income Distribution	-	-	2.40
<b>AVERAGE ANNUAL RETURN - %</b>			
One Year	<b>(8.53)</b>	(9.53)	7.90
Second Year	<b>(9.03)</b>	(0.82)	-
Third Year	<b>(3.39)</b>	-	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>			
Highest price per unit - Class A units - Offer	<b>98.1869</b>	106.4106	118.1280
Highest price per unit - Class A units - Redemption	<b>98.1869</b>	104.2824	113.4029
Lowest price per unit - Class A units - Offer	<b>85.4735</b>	89.9964	100.0000
Lowest price per unit - Class A units - Redemption	<b>85.4735</b>	88.1965	96.0000
<b>PORTFOLIO COMPOSITION - %</b>			
Percentage of Net Assets as at 30 June			
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>			
Income funds	<b>31</b>	23	20
Equity Funds	<b>65</b>	77	80
Bank Balances	<b>4</b>		
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>			
Mutual Funds	<b>100</b>	100	100

Note:

- The Launch date of Fund is 21 NOV 2016.

## **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**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING 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 Financial Planning 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 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 AIFPF- AIACTAP-V in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF- AIACTAP-V 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 AIFPF- AIACTAP-V for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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 Najeed Khan  
Member, Shariah Advisory Committee

KARACHI:

DATE: 08 August 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 AIFPF- AIACTAP-VI in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF- AIACTAP-VI 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 AIFPF- AIACTAP-VI for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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: 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 Financial Planning 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 Financial Planning 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

📍 4<sup>th</sup> 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 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:
  - 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**

## TO THE UNITHOLDERS' OF AL-AMEEN ISLAMIC FINANCIAL PLANNING 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 (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Islamic Financial Planning 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 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 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, the Fund's 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 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.

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 June 30, 2019.



**Chartered Accountants**

**Date:** September 24, 2019

**Place:** Karachi



## **INDEPENDENT AUDITOR'S REPORT**

### **To The Unit Holders of Al-Ameen Islamic Financial Planning Fund**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Al-Ameen Islamic Financial Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows 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 give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with 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 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.

##### **Emphasis of Matter – Maturity of plans**

We draw attention to note 1.3 to the financial statements, which states that the Fund was launched with an intention whereby different plans would be offered to investors from time to time. The life of the Fund is perpetual in nature, whilst the plans, as per their constitutive documents approved by the SECP have a finite life of two years. Consequently, as per note 1.5 all plans under the Fund have matured as at June 30, 2019 except Al-Ameen Islamic Active Allocation Plan-VI (AIACTAP-VI), which will mature on November 20, 2019. Accordingly, the financial statements of the Fund have been prepared on a basis other than going concern since the management does not intend to launch any other plan and may revoke the Fund as per the constitutive document of the Fund. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled. Our conclusion is not qualified in respect of this matter.

##### **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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6 to the financial statements, investment amounted to:</p> <ul style="list-style-type: none"> <li>Rs. 1,728.451 million as at August 14, 2018 for AIACTAP – V; and</li> <li>Rs. 369.826 million as at on June 30, 2019 for AIACTAP – VI.</li> </ul> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in units of mutual funds and there is a risk that appropriate Net Asset Value (NAV) may not be used to determine fair value.</p> <p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>The disclosure regarding the investments are included in notes 4.1 and 6 to the financial statements.</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2019 by verifying the prices from MUFAP website, and (2) we performed existence testing of sample of investments held as at June 30, 2019 by matching the units held by the Fund as per portfolio report with the units appearing in the statement of account and investigated any reconciling items.</p>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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 Company and Board of Directors for the Financial Statements**

Management Company 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 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are 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 Management Company.
- Conclude on the appropriateness of 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 to 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**

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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 auditor's report is Nadeem Yousuf Adil.

  
**Chartered Accountants**

**Date:** September 24, 2019

**Place:** Karachi

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT AUGUST 14, 2018 AND JUNE 30, 2019**

		August, 14, 2018	June 30, 2019	
		AIACTAP- V	AIACTAP- VI	Total
Note		----- (Rupees in '000) -----		
<b>ASSETS</b>				
Bank balances	5	24,556	14,512	39,068
Investments	6	1,728,451	369,825	2,098,276
Profit receivable on bank deposits		73	130	203
Other receivables		-	78	78
<b>Total assets</b>		<b>1,753,080</b>	<b>384,545</b>	<b>2,137,625</b>
<b>LIABILITIES</b>				
Payable to UBL Fund Managers Limited - Management Company	7	396	241	637
Payable to Central Depository Company of Pakistan Limited - Trustee	8	61	37	98
Payable to Securities and Exchange Commission of Pakistan	9	1,589	865	2,454
Accrued expenses and other liabilities	10	7,687	4,337	12,024
<b>Total liabilities</b>		<b>9,733</b>	<b>5,480</b>	<b>15,213</b>
<b>Net Assets</b>		<b>1,743,347</b>	<b>379,065</b>	<b>2,122,412</b>
<b>Unit holders' fund</b> (as per statement attached)		<b>1,743,347</b>	<b>379,065</b>	<b>2,122,412</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				
	24	----- (Number of units) -----		
<b>Number of units in issue</b>	11	<b>16,829,955</b>	<b>4,341,409</b>	
		----- (Rupees) -----		
<b>Net Asset Value Per Unit</b>		<b>103.59</b>	<b>87.31</b>	
<b>Face Value Per Unit</b>		<b>100</b>	<b>100</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT AUGUST 14, 2018 AND JUNE 30, 2019**

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
		AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
Note -----(Rupees in '000)-----							
<b>ASSETS</b>							
Bank balances	5	46,943	3,940	12,259	24,654	14,213	102,009
Investments	6	2,577,152	1,559,268	1,412,034	1,734,065	2,058,213	9,340,732
Profit receivable on bank deposits		191	15	55	126	69	456
Other receivables		-	-	-	-	724	724
<b>Total assets</b>		2,624,286	1,563,223	1,424,348	1,758,845	2,073,219	9,443,921
<b>LIABILITIES</b>							
Payable to UBL Fund Managers Limited - Management Company	7	657	98	350	312	370	1,787
Payable to Central Depository Company of Pakistan Limited Trustee	8	183	96	97	134	160	670
Payable to Securities and Exchange Commission of Pakistan	9	484	580	793	1,430	1,657	4,944
Accrued expenses and other liabilities	10	47,642	22,409	20,398	7,582	4,604	102,635
<b>Total liabilities</b>		48,966	23,183	21,638	9,458	6,791	110,036
<b>Net Assets</b>		2,575,320	1,540,040	1,402,710	1,749,387	2,066,428	9,333,885
<b>Unit holders' fund</b> (as per statement attached)		2,575,320	1,540,040	1,402,710	1,749,387	2,066,428	9,333,885
<b>CONTINGENCIES AND COMMITMENTS</b>							
	24	----- (Number of units) -----					
<b>Number of units in issue</b>	11	25,738,255	15,188,422	13,799,302	16,841,789	21,647,012	
----- (Rupees) -----							
<b>Net Asset Value Per Unit</b>		100.06	101.40	101.65	103.87	95.46	
<b>Face Value Per Unit</b>		100	100	100	100	100	

The annexed notes 1 to 27 form an integral part of these financial statements.

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

**SD**  
**Chief Executive Officer**

**SD**  
**Chief Financial Officer**

**SD**  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

		For the period ended August 14, 2018	For the year ended June 30, 2019	For the period / year ended June 30, 2019
		AIACTAP- V	AIACTAP- VI	Total
Note -----(Rupees in '000)-----				
<b>INCOME</b>				
Profit on bank deposits		201	1,320	1,521
(Loss) / gain on sale of investments - net		(5,171)	26,755	21,584
Dividend income		297	164	461
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.1	591	(46,120)	(45,529)
Back end load income		24	417	441
<b>Total loss</b>		<b>(4,058)</b>	<b>(17,464)</b>	<b>(21,522)</b>
<b>EXPENSES</b>				
Allocated expenses	7.1	212	1,153	1,365
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	195	1,170	1,365
Annual fee to Securities and Exchange Commission of Pakistan	9.1	159	865	1,024
Auditor's remuneration	12	47	322	369
Bank charges		50	28	78
Listing fee		14	14	28
Legal and professional charges		70	151	221
Shariah advisory fee		25	323	348
Printing expenses		-	-	-
<b>Total expenses</b>		<b>772</b>	<b>4,026</b>	<b>4,798</b>
<b>Net operating loss</b>		<b>(4,830)</b>	<b>(21,490)</b>	<b>(26,320)</b>
Provision for Sindh Workers' Welfare Fund	10.2	-	-	-
<b>Net loss for the period / year before taxation</b>		<b>(4,830)</b>	<b>(21,490)</b>	<b>(26,320)</b>
Taxation	13	-	-	-
<b>Net loss for the period / year after taxation</b>		<b>(4,830)</b>	<b>(21,490)</b>	<b>(26,320)</b>
<b>Allocation of net income for the period / year</b>				
Net income for the period / year after taxation		-	-	-
Income already paid on units redeemed		-	-	-
		-	-	-
<b>Accounting income available for distribution</b>				
- Relating to capital gains		-	-	-
- Excluding capital gains		-	-	-
		-	-	-
Earnings per unit	14			

The annexed notes 1 to 27 form an integral part of these financial statements.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

		For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the year / period ended June 30, 2018
		AICTAP- II	AICTAP- III	AICTAP- IV	AICTAP- V	AICTAP- VI
						Total
Note		----- (Rupees in '000) -----				
<b>INCOME</b>						
Profit on bank deposits		649	127	590	1,517	912
(Loss) / gain on sale of investments - net		(180,227)	(193,153)	(125,587)	(134,712)	(68,909)
Dividend income		-	-	-	-	-
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		12,545	5,843	5,999	(53,993)	(164,484)
Back end load income		605	297	584	7,557	4,460
<b>Total loss</b>		(166,428)	(186,886)	(118,414)	(179,631)	(228,021)
<b>EXPENSES</b>						
Allocated expenses	7.1	646	774	1,057	1,906	2,210
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	616	791	1,074	1,830	2,096
Annual fee to Securities and Exchange Commission of Pakistan	9.1	484	580	794	1,430	1,657
Auditor's remuneration	12	59	49	72	110	110
Bank charges		1	51	51	17	26
Listing fee		5	5	5	5	6
Legal and professional charges		-	34	52	56	56
Shariah advisory fee		11	38	64	105	106
Printing expenses		-	4	1	1	1
<b>Total expenses</b>		1,822	2,326	3,170	5,460	6,268
<b>Net operating loss</b>		(168,250)	(189,212)	(121,584)	(185,091)	(234,289)
Provision for Sindh Workers' Welfare Fund	10.2	-	-	-	-	-
<b>Net loss for the period / year before taxation</b>		(168,250)	(189,212)	(121,584)	(185,091)	(234,289)
Taxation	13	-	-	-	-	-
<b>Net loss for the period / year after taxation</b>		(168,250)	(189,212)	(121,584)	(185,091)	(234,289)
<b>Allocation of net income for the period / year</b>						
Net income for the period / year after taxation		-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-
<b>Accounting income available for distribution</b>		-	-	-	-	-
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		-	-	-	-	-
Earnings per unit	14					

The annexed notes 1 to 27 form an integral part of these financial statements.

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

**SD**  
**Chief Executive Officer**

**SD**  
**Chief Financial Officer**

**SD**  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended August 14, 2018	For the year ended June 30, 2019	For the period / year ended June 30, 2019
	AICTAP- V	AICTAP- VI	Total
Net loss for the period / year after taxation	(4,830)	(21,490)	(26,320)
<b>Other comprehensive income for the period / year</b>			
Items that may be reclassified subsequently to income statement	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-
<b>Total comprehensive loss for the period / year</b>	<b>(4,830)</b>	<b>(21,490)</b>	<b>(26,320)</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the period / year ended June 30, 2018
	AlACTAP- II	AlACTAP- III	AlACTAP- IV	AlACTAP- V	AlACTAP- VI
					Total
Net loss for the period / year after taxation	(168,250)	(189,212)	(121,584)	(185,091)	(234,289)
<b>Other comprehensive income for the period / year</b>					
Items that may be reclassified subsequently to income statement	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-
<b>Total comprehensive loss for the period / year</b>	<b>(168,250)</b>	<b>(189,212)</b>	<b>(121,584)</b>	<b>(185,091)</b>	<b>(234,289)</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**



**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended August 14, 2018			For the year ended June 30, 2019			
	AIACTAP-V			AIACTAP-VI			Total
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period / year	1,673,955	75,432	1,749,387	2,173,796	(107,368)	2,066,428	3,815,815
<b>Amount received on issue of units:</b>							
- AIACTAP-V : 9,861							
- AIACTAP-VI : 371,994							
Capital value of units	1,024	-	1,024	35,510	-	35,510	36,534
Element of income/ (loss)	(5)	-	(5)	466	-	466	461
<b>Total amount received on issuance of units</b>	1,019	-	1,019	35,976	-	35,976	36,995
<b>Amount paid on redemption of units:</b>							
- AIACTAP-V : 21,695							
- AIACTAP-VI : 17,677,596							
Capital value of units	(2,253)	-	(2,253)	(1,687,507)	-	(1,687,507)	(1,689,760)
Element of income/(loss)	24	-	24	(14,342)	-	(14,342)	(14,318)
<b>Total amount paid on redemption of units</b>	(2,229)	-	(2,229)	(1,701,849)	-	(1,701,849)	(1,704,078)
Total comprehensive income for the period / year	-	(4,830)	(4,830)	-	(21,490)	(21,490)	(26,320)
Cash distribution during the period / year	-	-	-	-	-	-	-
Net income / (loss) for the period / year less distribution	-	(4,830)	(4,830)	-	(21,490)	(21,490)	(26,320)
<b>Net assets at the end of the period / year</b>	<b>1,672,745</b>	<b>70,602</b>	<b>1,743,347</b>	<b>507,923</b>	<b>(128,858)</b>	<b>379,065</b>	<b>2,122,412</b>
Refund / adjustment on units as element of income	-	-	-	-	-	-	-
Undistributed income brought forward comprising of:							
- Realised gain	-	129,425	129,425	-	57,116	57,116	186,541
- Unrealised loss	-	(53,993)	(53,993)	-	(164,484)	(164,484)	(218,477)
<b>Undistributed income brought forward - Net</b>	-	75,432	75,432	-	(107,368)	(107,368)	(31,936)
Accounting loss for the period available for distribution							
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-
Net loss for the period / year after taxation	-	(4,830)	(4,830)	-	(21,490)	(21,490)	(26,320)
Distribution during the period / year	-	-	-	-	-	-	-
Undistributed income / (loss) carried forward - net	-	70,602	70,602	-	(128,858)	(128,858)	(58,256)
Undistributed income carried forward - net comprising of:							
- Realised gain / (loss)	-	70,011	70,011	-	(82,738)	(82,738)	(12,727)
- Unrealised (loss) / gain	-	591	591	-	(46,120)	(46,120)	(45,529)
	-	70,602	70,602	-	(128,858)	(128,858)	(58,256)
	<b>(Rupees)</b>			<b>(Rupees)</b>			
<b>Net assets value per unit at beginning of the period / year</b>			103.87			95.46	
<b>Net assets value per unit at end of the period / year</b>			103.59			87.31	

The annexed notes 1 to 27 form an integral part of these financial statements.

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

**SD**  
**Chief Executive Officer**

**SD**  
**Chief Financial Officer**

**SD**  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended September 27, 2017			For the period ended December 22, 2017			For the period ended March 29, 2018			For the year ended June 30, 2018			For the year ended June 30, 2018			
	AIACTAP-II			AIACTAP-III			AIACTAP-IV			AIACTAP-V			AIACTAP-VI			Total
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	(Rupees in '000)															
Net assets at beginning of the period / year	2,069,460	722,585	2,792,045	1,351,953	381,436	1,733,389	1,217,635	322,635	1,540,270	1,994,959	260,523	2,255,482	2,300,433	126,921	2,427,354	10,748,540
<b>Amount received on issue of units:</b>																
- AIACTAP-II : 838,436 ( Bonus units: 4,387,809)																
- AIACTAP-III : 354,099 ( Bonus units: 1,470,596)																
- AIACTAP-IV : 388,471 ( Bonus units: 1,620,723)																
- AIACTAP-V : 394,899																
- AIACTAP-VI : 568,925																
Capital value of units	696,029	-	696,029	233,031	-	233,031	253,336	-	253,336	44,647	-	44,647	60,031	-	60,031	1,287,074
Element of (loss)	(611,235)	-	(611,235)	(193,142)	-	(193,142)	(207,470)	-	(207,470)	(51)	-	(51)	(1,420)	-	(1,420)	(1,013,318)
<b>Total amount received on issuance of units</b>	84,794	-	84,794	39,889	-	39,889	45,866	-	45,866	44,596	-	44,596	58,611	-	58,611	273,756
<b>Amount paid on redemption of units:</b>																
- AIACTAP-II : 452,496																
- AIACTAP-III : 209,164																
- AIACTAP-IV : 425,667																
- AIACTAP-V : 3,502,692																
- AIACTAP-VI : 1,926,253																
Capital value of units	(60,263)	-	(60,263)	(26,712)	-	(26,712)	(53,672)	-	(53,672)	(396,011)	-	(396,011)	(203,253)	-	(203,253)	(739,911)
Element of income	8,082	-	8,082	2,984	-	2,984	4,490	-	4,490	30,411	-	30,411	18,005	-	18,005	63,972
<b>Total amount paid on redemption of units</b>	(52,181)	-	(52,181)	(23,728)	-	(23,728)	(49,182)	-	(49,182)	(365,600)	-	(365,600)	(185,248)	-	(185,248)	(675,939)
Total comprehensive income for the period / year	-	(168,250)	(168,250)	-	(189,212)	(189,212)	-	(121,584)	(121,584)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(898,426)
<b>Cash distribution during the period / year</b>																
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 25.0428 per unit declared on September 25, 2017	-	(81,088)	(81,088)	-	-	-	-	-	-	-	-	-	-	-	-	(81,088)
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 12.4695 per unit declared on December 21, 2017	-	-	-	-	(20,298)	(20,298)	-	-	-	-	-	-	-	-	-	(20,298)
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 14.6270 per unit declared on March 27, 2018	-	-	-	-	-	-	(12,660)	(12,660)	-	-	-	-	-	-	-	(12,660)
Net income / (loss) for the period / year less distribution	-	(249,338)	(249,338)	-	(209,510)	(209,510)	-	(134,244)	(134,244)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(1,012,472)
<b>Net assets at end of the period / year</b>	2,102,073	473,247	2,575,320	1,368,114	171,926	1,540,040	1,214,319	188,391	1,402,710	1,673,955	75,432	1,749,387	2,173,796	(107,368)	2,066,428	9,333,885
Refund / adjustment on units as element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income brought forward comprising of:																
- Realised gain / (loss)	-	324,639	324,639	-	128,161	128,161	-	98,377	98,377	-	31,708	31,708	-	28,948	28,948	611,833
- Unrealised gain	-	397,946	397,946	-	253,275	253,275	-	224,258	224,258	-	228,815	228,815	-	97,973	97,973	1,202,267
<b>Undistributed income brought forward - Net</b>	-	722,585	722,585	-	381,436	381,436	-	322,635	322,635	-	260,523	260,523	-	126,921	126,921	1,814,100
Net (loss) / income for the period / year after taxation	-	(168,250)	(168,250)	-	(189,212)	(189,212)	-	(121,584)	(121,584)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(898,426)
Accounting loss for the period available for distribution																
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions during the period / year:																
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 25.0428 per unit declared on September 25, 2017																
- Cash	-	(81,088)	(81,088)	-	-	-	-	-	-	-	-	-	-	-	-	(81,088)
- Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 12.4695 per unit declared on December 21, 2017																
- Cash	-	-	-	-	(20,298)	(20,298)	-	-	-	-	-	-	-	-	-	(20,298)
- Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 14.6270 per unit declared on March 27, 2018																
- Cash	-	-	-	-	-	-	(12,660)	(12,660)	-	-	-	-	-	-	-	(12,660)
- Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward - net	-	473,247	473,247	-	171,926	171,926	-	188,391	188,391	-	75,432	75,432	-	(107,368)	(107,368)	801,628
Undistributed income carried forward - net comprising of:																
- Realised gain	-	460,702	460,702	-	166,083	166,083	-	182,392	182,392	-	129,425	129,425	-	57,116	57,116	995,718
- Unrealised (loss) / gain	-	12,545	12,545	-	5,843	5,843	-	5,999	5,999	-	(53,993)	(53,993)	-	(164,484)	(164,484)	(194,090)
	-	473,247	473,247	-	171,926	171,926	-	188,391	188,391	-	75,432	75,432	-	(107,368)	(107,368)	801,628
	(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)			
<b>Net assets value per unit at beginning of the period / year</b>			133.18			127.71			126.09			113.06			105.52	
<b>Net assets value per unit at end of the period / year</b>			100.06			101.40			101.65			103.87			95.46	

The annexed notes 1 to 27 form an integral part of these financial statements.

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

**SD**  
**Chief Executive Officer**

**SD**  
**Chief Financial Officer**

**SD**  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended August 14, 2018	For the year ended June 30, 2019	For the period / year ended June 30, 2019
	AICTAP- V	AICTAP- VI	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the period / year before taxation	(4,830)	(21,490)	(26,320)
<b>Adjustments for non-cash items:</b>			
Dividend income	(297)	(164)	(461)
Loss / (gain) on sale of investments - net	5,171	(26,755)	(21,584)
Profit on bank deposits	(201)	(1,320)	(1,521)
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(591)	46,120	45,529
	(748)	(3,609)	(4,357)
<b>Decrease / (Increase) in assets:</b>			
Investments	1,034	1,669,023	1,670,057
Other receivables	-	646	646
	1,034	1,669,669	1,670,703
<b>Increase / (decrease) in liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	84	(129)	(45)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(73)	(123)	(196)
Payable to the Securities and Exchange Commission of Pakistan	159	(792)	(633)
Accrued expenses and other liabilities	105	(267)	(162)
	275	(1,311)	(1,036)
Dividend income received	561	1,664,749	1,665,310
Profit on bank deposits received	297	164	461
	254	1,259	1,513
<b>Net cash generated from operating activities</b>	<b>1,112</b>	<b>1,666,172</b>	<b>1,667,284</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units	1,019	35,976	36,995
Payments against redemption of units	(2,229)	(1,701,849)	(1,704,078)
<b>Net cash used in financing activities</b>	<b>(1,210)</b>	<b>(1,665,873)</b>	<b>(1,667,083)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period / year</b>	<b>(98)</b>	<b>299</b>	<b>201</b>
Cash and cash equivalents at the beginning of the period / year	24,654	14,213	38,867
<b>Cash and cash equivalents at the end of the period / year</b>	<b>24,556</b>	<b>14,512</b>	<b>39,068</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

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

**SD**  
**Chief Executive Officer**

**SD**  
**Chief Financial Officer**

**SD**  
**Director**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018		For the period / year ended June 30, 2018
	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net loss for the period / year before taxation	(168,250)	(189,212)	(121,584)	(185,091)	(234,289)	(898,426)
<b>Adjustments for non-cash charges and other items:</b>						
Dividend income	-	-	-	-	-	-
Loss on sale of investments - net	180,227	193,153	125,587	134,712	68,909	702,588
Profit on bank deposits	(649)	(127)	(590)	(1,517)	(912)	(3,795)
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(12,545)	(5,843)	(5,999)	53,993	164,484	194,090
	(1,217)	(2,029)	(2,586)	2,097	(1,808)	(5,543)
<b>(Increase) / decrease in investments</b>						
Investments	30,426	18,793	29,604	364,493	178,310	621,626
Other receivables	-	-	-	-	(724)	(724)
	30,426	18,793	29,604	364,493	177,586	620,902
<b>Increase / (decrease) in liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	143	(212)	59	(103)	(76)	(189)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(44)	(53)	(38)	(54)	(41)	(230)
Payable to the Securities and Exchange Commission of Pakistan	(1,693)	(727)	(369)	(82)	474	(2,397)
Accrued expenses and other liabilities	17,740	(14,822)	(16,813)	(49,750)	(54,356)	(118,001)
	16,146	(15,814)	(17,161)	(49,989)	(53,999)	(120,817)
	45,355	950	9,857	316,601	121,779	494,542
Dividend income received	-	-	-	-	-	-
Profit on bank deposits received	980	150	614	1,502	933	4,179
<b>Net cash generated from operating activities</b>	46,335	1,100	10,471	318,103	122,712	498,721
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts from issuance of units	84,794	39,889	45,866	44,596	58,611	273,756
Payments against redemption of units	(52,181)	(23,728)	(49,182)	(365,600)	(185,248)	(675,939)
Cash dividend paid	(81,088)	(20,298)	(12,660)	-	-	(114,046)
<b>Net cash used in financing activities</b>	(48,475)	(4,137)	(15,976)	(321,004)	(126,637)	(516,229)
<b>Net decrease in cash and cash equivalents during the year / period</b>						
	(2,140)	(3,037)	(5,505)	(2,901)	(3,925)	(17,508)
Cash and cash equivalents at the beginning of the year / period	49,083	6,977	17,764	27,555	18,138	119,517
<b>Cash and cash equivalents at the end of the year / period</b>	46,943	3,940	12,259	24,654	14,213	102,009

The annexed notes 1 to 27 form an integral part of these financial statements.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AUGUST 14, 2018 AND YEAR ENDED JUNE 30, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Al-Ameen Islamic Financial Planning 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 December 16, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2014 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from June 24, 2015.
- 1.2** 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.
- 1.3** The Fund is an open ended shariah compliant fund of fund scheme and listed on Pakistan Stock Exchange Limited. The units of the allocation plans of the Fund were initially offered to public (IPO). Subsequent to the IPO, the offer of Units of the Allocation Plans at the Initial Offer Price discontinued. The Units of the Allocation Plans could then be purchased at their Offer price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund consists of multiple plans and aims to generate return for investors in line with their risk tolerance level. The duration of the Fund is perpetual, however, the allocation plans have a standard timeframe of two years. Each Allocation Plan announces separate NAVs which rank pari passu inter se according to its number of Units. Units are offered for public subscription on a continuous basis.
- 1.4** The Fund mainly makes investments in designated authorised investments approved by the Shariah Advisory Board and offers Shariah Compliant returns to the investors. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund is categorised as a Shariah Compliant Fund of Funds.
- 1.5** The Fund has six plans out of which five have matured. The details of the commencement and maturity dates are given below:

	<b>Commencement Date</b>	<b>Maturity Date</b>
Al-Ameen Islamic Active Allocation Plan - I (AICTAP-I)	23-Jun-15	22-Jun-17
Al-Ameen Islamic Active Allocation Plan - II (AICTAP-II)	28-Sep-15	26-Sep-17
Al-Ameen Islamic Active Allocation Plan - III (AICTAP-III)	23-Dec-15	21-Dec-17
Al-Ameen Islamic Active Allocation Plan - IV (AICTAP-IV)	29-Mar-16	28-Mar-18
Al-Ameen Islamic Active Allocation Plan - V (AICTAP-V)	15-Aug-16	14-Aug-18
Al-Ameen Islamic Active Allocation Plan - VI (AICTAP-VI)	21-Nov-16	20-Nov-19

- 1.6** During the year, Al-Ameen Islamic Active Allocation Plan - V (AICTAP-V) has matured on August 14, 2018. Therefore, the financial statements of AICTAP-V have not been prepared on a going concern basis. However, no adjustments are required in these financial statements as the assets and liabilities are stated at values at which they are expected to be realised or settled. Subsequent to the maturity, maturity proceeds have been paid by the Management Company based on net asset value as at August 20, 2018.

Further, the duration of the Al-Ameen Islamic Active Allocation Plan-VI (AICTAP-VI) was twenty four months starting from the first day of subscription period, i.e. November 22, 2016 and the plan shall was due to mature on November 20, 2018. However, before its maturity, on October 17, 2018 Management Company has extended the maturity of AICTAP-VI for further 12 months beginning from November 21, 2018 till November 20, 2019 with the approval of SECP. Accordingly, the financial statements of said the plan and the Fund is prepared on a basis other than going concern. However, no adjustments are required in these financial statements as the assets and liabilities are stated at values at which they are expected to be realised or settled.

- 1.7** All existing Islamic allocation plans have an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic income and Islamic money market schemes. The un-invested amounts or funds, if any, shall be kept in cash and / or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.
- 1.8** Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.9** JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company on December 27, 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 in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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, the provisions of, 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.

The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. The Fund does not hold any debt instruments. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

### **2.3 Functional and presentation currency**

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

### **2.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and valuation of financial assets (notes 4.1 and 6)

### 3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

#### 3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements except as otherwise disclosed.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9

IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 4.1)

IFRS 15 'Revenue from contract with customer' - This standard has superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency

Certain annual improvements have also been made to a number of IFRSs.

#### 3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting periods beginning on or after:</b>
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied	January 01, 2019

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'

January 01, 2019

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for the change in accounting policy as explained in note 4.1.

##### **4.1 Adoption of IFRS 9 - Financial Instruments**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard has been adopted locally by the SECP and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting, which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

##### **Classification and measurement**

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

##### **Financial assets at amortised cost**

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

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



The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### **Financial Asset at FVOCI**

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

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

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

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

### **Financial asset at FVTPL**

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

### **Recognition**

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Measurement**

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

#### Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

#### Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

#### FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

#### Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
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----- Rupees in '000 -----

#### Financial assets

Bank balances	LR	AC	38,867	38,867	-
Investments	HFT	FVTPL	3,792,278	3,792,278	-
Dividend and profit receivable	LR	AC	195	195	-
Security deposits and other receivables	LR	AC	724	724	-

#### Financial Liabilities

Payable to Management Company	OFL	AC	682	682	-
Payable to Trustee	OFL	AC	294	294	-
Accrued expenses and other liabilities	OFL	AC	1,261	1,261	-
Net assets attributable to redeemable units	OFL	AC	3,815,815	3,815,815	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

- The financial assets classified as 'loans and receivables' have been classified as amortised cost.

#### 4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

### **Basis of valuation of equity securities:**

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

#### **4.1.2 Impairment**

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

#### **4.1.3 Derecognition**

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### **4.1.4 Regular way contracts**

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

### **4.2 Offsetting of financial assets and financial 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.

### **4.3 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. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

### **4.4 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.

### **4.5 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

#### **4.6 Distributions**

Dividend distribution to the Unit Holders is recognized in the periods in which these are approved.

#### **4.7 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

#### **4.8 Element of income / (loss) included in prices of units issued less those in units redeemed**

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 shall be taken to unit holders' fund.

#### **4.9 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 year end.

#### **4.10 Revenue recognition**

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank balances and term deposits is recognised on a time proportionate.
- Unrealised gains / (losses) arising on re-measurement 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.
- Back end load is recognised in the income statement at the time of redemption of units.

#### **4.11 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 cost.

#### **4.12 Collaterals**

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

#### **4.13 Transition to IFRS 9 Financial Instruments**

Accounting policies applied to financial instruments prior to July 01, 2018.

#### 4.13.1 Classification

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of Fund's financial assets at the time of initial recognition and re-evaluates this classification on regular basis.

Financial assets are classified as follows:

**a) Loans and receivables**

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

**b) Financial assets at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss.

**c) Available for sale**

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

#### 4.13.2 Measurement

##### Initial recognition and measurement

All financial assets are initially recognised at cost, being the fair value of the consideration given, including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

##### Subsequent measurement

**a) Financial assets at 'fair value through profit or loss' and 'available for sale'**

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:

**- Basis of valuation of Units of Mutual Funds**

The investment of the Fund in Mutual Funds is valued on the basis of closing Net Asset Value (NAV) of the underlying mutual funds at the reporting date without any deduction for estimated future selling costs.

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

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

**b) Loans and receivables**

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

#### 4.13.3 Impairment

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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

For certain other financial assets, 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.

		August, 14, 2018	June 30, 2019		
		AICTAP- V	AICTAP- VI	Total	
		----- (Rupees in '000) -----			
<b>5. BANK BALANCES</b>	<b>Note</b>				
<b>In local currency</b>					
- Profit and loss sharing accounts	5.1	24,553	13,468	38,021	
- Current accounts		3	1,044	1,047	
		24,556	14,512	39,068	
		September 27, 2017	December 22, 2017	March 29, 2018	----- June 30, 2018 -----
		AICTAP- II	AICTAP- III	AICTAP- IV	AICTAP- V
					AICTAP- VI
					Total
		----- (Rupees in '000) -----			
<b>Note</b>					
<b>In local currency</b>					
- Profit and loss sharing accounts	5.1	46,943	3,930	12,252	24,651
- Current accounts		-	10	7	3
		46,943	3,940	12,259	24,654
					14,213
					102,009

5.1 Profit rates on these profit and loss sharing accounts is 11.25% (June 30, 2018 : 6.2%) per annum.

		August, 14, 2018		June 30, 2019		
		AIACTAP- V		AIACTAP- VI		Total
		----- (Rupees in '000) -----				
Note						
6. INVESTMENTS						
At fair value through profit or loss						
Unit of mutual funds	6.1	1,728,451		369,825		2,098,276
		September 27, 2017	December 22, 2017	March 29, 2018	----- June 30, 2018 -----	
		AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI
		Total				
Note		----- (Rupees in '000) -----				
At fair value through profit or loss - Held-for-trading						
Units of mutual funds	6.1	2,577,152	1,559,268	1,412,034	1,734,065	2,058,213
		9,340,732				

## 6.1 Units of Mutual Funds

Name of Investee Funds	As at July 01, 2018	Purchased during the year	Redemptions during the year	Holding as at	Total carrying value	Total market value	Unrealised gain / loss	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)
				August 14, 2018 and June 30, 2019					
----- Number of units -----				----- (Rupees in '000) -----				----- % -----	

### Al-Ameen Islamic Active Allocation Plan - V

Al-Ameen Islamic Cash Fund	-	17,236,812	-	17,236,812	1,727,859	1,728,451	591	99.15	100.00
Al-Ameen Islamic Sovereign Fund	8,284,793	8,874,959	17,159,752	-	-	-	-	-	-
Al-Ameen Islamic Dedicated Equity Fund	7,531,683	-	7,531,683	-	-	-	-	-	-
					<b>1,727,859</b>	<b>1,728,451</b>	<b>591</b>	<b>99.15</b>	<b>100.00</b>

### Al-Ameen Islamic Active Allocation Plan - VI

Al-Ameen Islamic Sovereign Fund	4,570,538	39,531,273	42,934,325	1,167,486	117,819	117,971	152	31.12	31.90
Al-Ameen Islamic Dedicated Equity Fund	13,654,331	21,974,496	33,005,962	2,622,865	298,126	251,854	(46,272)	66.44	68.10
					<b>415,945</b>	<b>369,825</b>	<b>(46,120)</b>	<b>97.56</b>	<b>100.00</b>

### Total investments in units of mutual funds

Al-Ameen Islamic Cash Fund	-	17,236,812	-	17,236,812	1,727,859	1,728,451	591	81.44	82.37
Al-Ameen Islamic Sovereign Fund	12,855,331	48,406,232	60,094,077	1,167,486	117,819	117,971	152	5.56	5.63
Al-Ameen Islamic Dedicated Equity Fund	21,186,014	21,974,496	40,537,645	2,622,865	298,126	251,854	(46,272)	11.87	12.00
					<b>2,143,804</b>	<b>2,098,276</b>	<b>(45,529)</b>	<b>98.86</b>	<b>100.00</b>

August, 14,  
2018

June 30,  
2019

Al-Ameen Islamic  
Active Allocation Plan -  
V

Al-Ameen Islamic  
Active Allocation Plan -  
VI

Total

Note

(Rupees in '000)

## 7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

Sales load and conversion charges		1	3	4
Allocated expenses	7.1	358	33	391
Shariah Advisor fee		37	205	242
Other payable		-	-	-
		<b>396</b>	<b>241</b>	<b>637</b>

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
		AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total
Note		----- (Rupees in '000) -----					
Sales load and conversion charges		-	-	-	-	1	1
Allocated expenses	7.1	646	93	336	299	356	1,730
Shariah Advisor fee		11	1	9	13	13	47
Other payable		-	4	5	-	-	9
		657	98	350	312	370	1,787

- 7.1 As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% 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 the lower amount, to the Fund.

			August, 14, 2018	June 30, 2019	
			AIACTAP- V	AIACTAP- VI	Total
Note			----- (Rupees in '000) -----		
8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE					
Trustee fee	8.1		<u>61</u>	<u>37</u>	<u>98</u>

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
		AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
Note		(Rupees in '000)					
Trustee fee	8.1	183	96	97	134	160	670

- 8.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the 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 is as follows:

On net assets:

Up to Rs.1,000 million	0.10% per annum of NAV
Over Rs. 1,000 million	Rs.1.0 million plus 0.075% p.a. of NAV



## 9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		August, 14, 2018		June 30, 2019		Total
		AICTAP-V		AICTAP-VI		
Note		----- (Rupees in '000) -----				
Annual fee	9.1			1,589	865	2,454

	September 27, 2017	December 22, 2017	March 29, 2018	----- June 30, 2018 -----			
	AICTAP-II	AICTAP-III	AICTAP-IV	AICTAP-V	AICTAP-VI	Total	
Note	----- (Rupees in '000) -----						
Annual fee	9.1	484	580	793	1,430	1,657	4,944

- 9.1 Under the provisions of the NBFC Regulations, a collective investment scheme classified as Fund of Funds scheme is required to pay annual fee to the SECP, equivalent to 0.075% of the average annual net assets of the Fund.

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration					172	227	399
Provision for indirect taxes and duties	10.1				1,047	-	1,047
Provision for Sindh Workers' Welfare Fund	10.2				6,208	3,643	9,851
Capital gain tax payable					1	-	1
Others					259	467	726
					7,687	4,337	12,024

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
		AICTAP -II	AICTAP-I III	AICTAP- IV	AICTAP- V	AICTAP- VI	Total
Note		----- (Rupees in '000) -----					
Auditor's remuneration		98	54	76	101	101	430
Tax deducted at source		21,818	6,884	7,310	-	-	36,012
Provision for indirect taxes and dutie:	10.1	10,286	6,670	5,352	1,047	-	23,355
Provision for Sindh Workers' Welfare Fund	10.2	15,357	8,588	7,364	6,208	3,643	41,160
Capital gain tax payable		32	1	57	27	-	117
Others		51	212	239	199	860	1,561
		47,642	22,409	20,398	7,582	4,604	102,635

## 10.1 PROVISION FOR INDIRECT TAXES AND DUTIES

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the sales load of the Management Company was applied with effect from 13 June 2013. The Management Company is of the view that since the sales load 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.

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, no provision for FED has been recorded after June 30, 2016.

On 30 June 2016, the Honorable Sindh High Court of Pakistan 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 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. 1.047 million and Rs. Nil of AIACTAP-V and AIACTAP-VI, respectively 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. 0.06 and Rs. Nil (30 June 2018: Rs. 0.06 and Rs. Nil) per unit of AIACTAP-V and AIACTAP-VI respectively. Provisions related to FED for matured plans are kept in a separate bank account of each plan and will be applied accordingly once the matter is decided.

## 10.2 Provision for Sindh Workers' Welfare Fund (SWWF) and Workers' Welfare Fund (WWF)

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 and ultimately in the Supreme Court of Pakistan. On 10 November 2016, the 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 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 during financial year ended June 30, 2017. 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), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, AIACTAP-V and AIACTAP-VI has recorded provision of Rs. 6.208 million and Rs. 3.643 million for the year and (June 2018: Rs. 6.208 million and Rs. 3.643 million), respectively in aggregate in respect of SWWF. Provisions related to WWF for matured plans are kept in a separate bank account of each plan and will be applied accordingly once the matter is decided.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 0.37 and Rs. 0.84 per unit (30 June 2018: Rs. 0.37 and Rs. 0.17 per unit) of AIACTAP-V and AIACTAP-VI, respectively.

	For the period ended August 14, 2018	For the year ended June 30, 2019
	AIACTAP- V	AIACTAP- VI
	----- (Number of units) -----	
<b>11. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	16,841,789	21,647,012
Units issued during the period / year	9,861	371,993
Units redeemed during the year / period	(21,695)	(17,677,596)
Total units in issue at the end of the year / period	16,829,955	4,341,409

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the year ended June 30, 2018
	AICTAP-II	AICTAP-III	AICTAP-IV	AICTAP-V	AICTAP-VI
Total units in issue at the beginning of the year	20,964,506	13,572,891	12,215,775	19,949,582	23,004,340
Units issued during the year / period	838,436	354,099	388,471	394,899	568,925
Bonus	4,387,809	1,470,596	1,620,723	-	-
Units redeemed during the year / period	(452,496)	(209,164)	(425,667)	(3,502,692)	(1,926,253)
Total units in issue at the end of the year / period	25,738,255	15,188,422	13,799,302	16,841,789	21,647,012

**11.1** The par value of each unit is Rs. 100. The management of the Management Company has set a minimum investment of Rs. 10,000.

**11.2** All units carry equal rights and are entitled to dividend and share in the net asset value of the respective plans.

	For the period ended August 14, 2018	For the year ended June 30, 2019	For the year / period ended June 30, 2019
	AICTAP-V	AICTAP-VI	Total
------(Rupees in '000)-----			
<b>12. AUDITOR'S REMUNERATION</b>			
Annual audit fee	21	147	168
Review of Interim Financial Information	8	59	67
Review of compliance with the requirements of the Code of Corporate Governance	2	15	17
Other certifications	2	15	17
Out of pocket expenses	14	86	100
	47	322	369

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the year ended June 30, 2018	For the year ended June 30, 2018
	AICTAP-II	AICTAP-III	AICTAP-IV	AICTAP-V	AICTAP-VI	Total
------(Rupees in '000)-----						
Annual audit fee	-	-	-	84	84	168
Review of interim financial information	13	13	13	10	10	59
Review of compliance with the requirements of the Code of Corporate Governance	-	-	-	8	8	16
Other certifications	-	-	-	8	8	16
Out of pocket expenses	46	36	59	-	-	141
	59	49	72	110	110	400

### 13. TAXATION

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2018, no provision for taxation has been made in these financial statements.

#### 14. EARNINGS PER UNIT

Earnings per unit (EPU) for respective plans have not been disclosed as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

#### 15. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of each plans are as follows:

	For the period ended August 14, 2018	For the year ended June 30, 2019
	AICTAP-V	AICTAP-VI
Total expense ratio	0.04%	0.35%
Government levy, SWWF and SECP fee	0.01%	0.08%

#### 16. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

	2019			2018		
	At amortized cost	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
------(Rupees in '000)-----						
<b>Al-Ameen Islamic Active Allocation Plan - V</b>						
<b>Financial assets</b>						
Balances with banks	24,556	-	24,556	24,654	-	24,654
Investments	-	1,728,451	1,728,451	-	1,734,065	1,734,065
Profit receivable on bank deposits	73	-	73	126	-	126
	<b>24,629</b>	<b>1,728,451</b>	<b>1,753,080</b>	<b>24,780</b>	<b>1,734,065</b>	<b>1,758,845</b>
-----						
	2019			2018		
	Liabilities at fair value through profit or loss	Amortized cost	Total	Liabilities at fair value through profit or loss	Other financial liabilities	Total
------(Rupees in '000)-----						
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	-	396	396	-	312	312
Payable to Central Depository Company of Pakistan Limited - Trustee	-	61	61	-	134	134
Accrued expenses and other liabilities	-	431	431	-	300	300
Net assets attributable to redeemable units	-	1,743,347	1,743,347	-	1,749,387	1,749,387
	<b>-</b>	<b>1,744,235</b>	<b>1,744,235</b>	<b>-</b>	<b>1,750,133</b>	<b>1,750,133</b>

2019			2018		
At amortized cost	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
------(Rupees in '000)-----					

#### Al-Ameen Islamic Active Allocation Plan - VI

##### Financial assets

Balances with banks	14,512	-	14,512	14,213	-	14,213
Investments	-	369,825	369,825	-	2,058,213	2,058,213
Profit receivable on bank deposits	130	-	130	69	-	69
Other receivable	78	-	78	724	-	724
	<b>14,720</b>	<b>369,825</b>	<b>384,545</b>	<b>15,006</b>	<b>2,058,213</b>	<b>2,073,219</b>

2019			2018		
Liabilities at fair value through profit or loss	Amortized cost	Total	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	-	241	241	-	370	370
Payable to Central Depository Company of Pakistan Limited - Trustee	-	37	37	-	160	160
Accrued expenses and other liabilities	-	694	694	-	961	961
Net assets attributable to redeemable units	-	379,065	379,065	-	2,066,428	2,066,428
	<b>-</b>	<b>380,037</b>	<b>380,037</b>	<b>-</b>	<b>2,067,919</b>	<b>2,067,919</b>

## 17. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Plans under the Fund primarily invest in shariah compliant equity, income and money market schemes within the prescribed limits. The investment activities expose the Fund to a variety of financial risks: market risk, credit risk and liquidity risk.

### 17.1 Market risk

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

### **17.1.1 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 currency exchange rates.

At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

### **17.1.2 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.

#### **a) Cash flow interest rate risk**

Presently, the Fund does not hold any variable rate instrument except for balances in savings accounts the interest rate of which is 11.25% (2018: 6.20%) per annum. The net income would have increased by Rs. 0.13 million (2018: 0.14 million) in AIACTAP-VI, had the interest rates on savings accounts with bank increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

The Fund currently does not have any fixed rate instruments that are impacted by market interest rates.

### **17.1.3 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 rate 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 instruments traded in the market.

The Fund's exposure to price risk is limited to the fair value of the respective funds in which it invests. The Fund manages its exposure to price risk by investing in Shariah Compliant Mutual Funds as per the respective Allocation Plan in line with the risk tolerance of the investor and benchmarking the sector weighting to that of average daily return of KMI 30 index and 6m deposit rate of AA- rated (and above) Islamic Banks, based on actual proportion of investment in Equity and Income/ Money Market.

In case of 5% increase / decrease in the fair value of the Fund's investments on June 30, 2019, net income for the year would increase / decrease by Rs. 18.491 million (2018: Rs 102.911 million) in AIACTAP-VI and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on the investments at fair value through profit or loss.

### **17.2 Credit risk**

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (If any) on units of mutual funds.

#### **Management of credit risk**

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protections. Further, all transactions in Fund are executed only in underlying funds, thus the risk of default is considered to be minimal. 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 and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral 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.

**17.2.1** The analysis below summarises the credit quality of the Bank with which the Fund's financial assets are kept in deposit accounts as at June 30, 2019:

**Balances with banks by rating category**

Name of bank	Latest available published rating as at June 30, 2019	Rating agency
United Bank Limited	AAA	JCR-VIS

2019		
Al-Ameen Islamic Active Allocation Plan-V	Al-Ameen Islamic Active Allocation Plan-VI	Total
----- (Rupees in '000) -----		
24,556	14,512	39,068

**Concentration of credit risk**

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with 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 mainly deals in equity securities which are primarily subject to price risk.

The Fund's major bank balance is held with one bank. Management believes that such bank is a reputed institution.

**17.3 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 such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemption requests on a regular basis. Units are redeemable at the option of unit holders 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 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

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 the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2019	As at June 30, 2018
	Up to three months	Up to three months
----- Rupees in '000 -----		
<b>Liabilities</b>	<b>Al-Ameen Islamic Active Allocation Plan - V</b>	
Payable to UBL Fund Managers Limited - Management Company	396	312
Payable to Central Depository Company of Pakistan Limited - Trustee	61	134
Accrued expenses and other liabilities	431	300
Net assets attributable to redeemable units	1,743,347	1,749,387
	1,744,235	1,750,133
<b>Liabilities</b>	<b>Al-Ameen Islamic Active Allocation Plan - VI</b>	
Payable to UBL Fund Managers Limited - Management Company	241	370
Payable to Central Depository Company of Pakistan Limited - Trustee	37	160
Accrued expenses and other liabilities	694	961
Net assets attributable to redeemable units	379,065	2,066,428
	380,037	2,067,919

## 18. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing 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:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; 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.

## 19. 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.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets re-measured and carried at fair values, by valuation methods.

	As at June 30, 2019				As at June 30, 2018
	Level 1	Level 2	Level 3	Total	Total
	----- Rupees in '000-----				
<b>Al-Ameen Islamic Active Allocation Plan - V</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	1,728,451	-	-	1,728,451	1,734,065
<b>Al-Ameen Islamic Active Allocation Plan - VI</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	369,825	-	-	369,825	2,058,213

There were no transfers between various levels of fair value hierarchy during the year.



## 20. 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	18	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5	BBA
4	Hadi Hassan Muki	Head of Risk Management, Compliance, Information Security and Quality Assurance	19	Bcom
5	Asim Wahab Khan	Head of Investment Strategy & Equity	14	MBA, CFA
6	Usama Bin Razi	Head of Fixed Income Funds	15	MBA
7	Mubashir Anis	Fund Manager Equity	7	BSC, CFA
8	Syed Shabbir Sardar Zaidi	Fund Manager and Senior Analyst	7	M.A.S, CFA
9	Syed Sheeraz Ali	Fund Manager and Senior Analyst	9	BS
10	Irfan Nepal	Chief Dealer and Fund Manager	25	EMBA

- 20.1** Mr. Shabbir Sardar Zaidi is Fund Manager of the Fund. He is also Fund Manager of Al-Ameen Islamic Retirement Savings Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Active Allocation Plan VII, Al-Ameen Islamic Active Allocation Plan VIII, Al-Ameen Islamic Active Allocation Plan IX, Al-Ameen Islamic Active Allocation Plan X, Al-Ameen Islamic Active Principal Preservation Plan I and Al-Ameen Islamic Active Principal Preservation Plan II.

## 21. PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2019 -----			----- As at June 30, 2018 -----		
	Number of unit holders	Number of units held	Percentage of units held	Number of unit holders	Number of units held	Percentage of units held
<b>----- As at August 14, 2018 -----</b>						
<b>----- As at June 30, 2018 -----</b>						
<b>Al-Ameen Islamic Active Allocation Plan - V</b>						
Individuals	782	11,156,453	66.29	787	11,168,286	66.31
Associated companies and directors	1	1,022,687	6.08	1	1,022,687	6.07
Retirement funds	19	3,103,062	18.44	19	3,103,062	18.42
Public limited companies	-	-	-	-	-	-
Others	10	1,547,753	9.20	10	1,547,754	9.19
	<b>812</b>	<b>16,829,955</b>	<b>100.00</b>	<b>817</b>	<b>16,841,789</b>	<b>100.00</b>
<b>----- As at June 30, 2019 -----</b>						
<b>----- As at June 30, 2018 -----</b>						
<b>Al-Ameen Islamic Active Allocation Plan - VI</b>						
Individuals	187	3,915,903	90.20	1,125	16,961,930	78.36
Associated companies and directors	-	-	-	1	1,023,267	4.73
Insurance companies	-	-	-	2	330,508	1.53
Retirement funds	6	310,102	7.14	18	1,291,875	5.97
Public limited companies	-	-	-	1	443,966	2.05
Others	4	115,404	2.66	13	1,595,466	7.37
	<b>197</b>	<b>4,341,409</b>	<b>100.00</b>	<b>1,160</b>	<b>21,647,012</b>	<b>100.00</b>

## 22. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

- 22.1** Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.
- 22.2** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 22.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 22.4** Details of transactions with related parties / connected persons and balances held with them including transactions and balances involving related parties at the year / period end are as follows:

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
<b>Al-Ameen Islamic Active Allocation Plan - V</b>					
<b>Transactions during the period</b>					
----- Period ended August 14, 2018 -----					
----- (Units in '000) -----					
Units issued	-	-	-	-	-
Units redeemed	-	1,023	-	-	-
----- (Rupees in '000) -----					
Value of units redeemed	-	105,936	-	-	-
Profit on savings accounts	-	201	-	-	-
Dividend Received	-	-	-	297	-
Bank charges	-	50	-	-	-
Allocated expenses	212	-	-	-	-
Shariah advisor fees	25	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	2,595,606	-
Investment in mutual funds - redemption of units	-	-	-	2,596,667	-
Remuneration	-	-	195	-	-
<b>Balances held - unsecured</b>					
----- Period ended August 14, 2018 -----					
----- (Units in '000) -----					
Units held	-	-	-	-	-
----- (Rupees in '000) -----					
Value of units held	-	-	-	-	-
Bank balances	-	24,556	-	-	-
Investment in mutual funds - Units held	-	-	-	1,728,451	-
Profit receivable	-	73	-	-	-
Remuneration payable	-	-	61	-	-
Allocated expense payable	358	-	-	-	-
Shariah Advisor fee payable	37	-	-	-	-
Other payable	1	-	-	-	-
<b>Transactions during the year</b>					
----- Year ended June 30, 2018 -----					
----- (Units in '000) -----					
Units issued	-	22	-	-	-
Units redeemed	-	-	-	-	-
----- (Rupees in '000) -----					
Profit on savings accounts	-	1,517	-	-	-
Bank charges	-	17	-	-	-
Allocated expenses	1,906	-	-	-	-
Shariah advisor fees	105	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	3,235,485	-
Investment in mutual funds - redemption of units	-	-	-	3,599,978	-
Remuneration	-	-	1,830	-	-
Listing fee	-	5	-	-	-
<b>Balances held - unsecured</b>					
----- As at June 30, 2018 -----					
----- (Units in '000) -----					
Units held	-	1,023	-	-	-
----- (Rupees in '000) -----					
Value of units held	-	108,259	-	-	-
Bank balances	-	24,654	-	-	-
Investment in mutual funds - Units held	-	-	-	1,734,065	-
Remuneration payable	-	-	134	-	-
Allocated expenses payable	299	-	-	-	-
Shariah Advisor fee payable	13	-	-	-	-
Profit receivable	-	126	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
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**Al-Ameen Islamic Active Allocation Plan - VI**

**Transactions during the period**

	-----Year ended June 30, 2019 -----				
	----- (Units in '000) -----				
Units issued	-	-	-	-	-
Units redeemed	-	1,023	-	-	8
	----- (Rupees in '000) -----				
Value of units of redeemed		99,273			792
Profit on savings accounts	-	1,320	-	-	-
Dividend Received	-	-	-	164	-
Bank charges	-	28	-	-	-
Allocated expenses	1,153	-	-	-	-
Shariah advisor fees	323	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	2,094,826	-
Investment in mutual funds - redemption of units	-	-	-	2,550,328	-
Remuneration	-	-	1,170	-	-
Listing fee	-	14	-	-	-

**Balances held - unsecured**

	----- As at June 30, 2019 -----				
	----- (Units in '000) -----				
Units held	-	-	-	-	-
	----- (Rupees in '000) -----				
Value of units held	-	-	-	-	-
Bank balances	-	14,512	-	-	-
Investment in mutual funds - Units held	-	-	-	369,825	-
Profit receivable	-	130	-	-	-
Remuneration payable	-	-	37	-	-
Allocated expense payable	33	-	-	-	-
Shariah Advisor fee payable	205	-	-	-	-
Other payable	3	-	-	-	-

**Transactions during the year**

	-----Year ended June 30, 2018 -----				
	----- (Units in '000) -----				
Units issued	-	23	-	-	-
Units redeemed	-	-	-	-	-
	----- (Rupees in '000) -----				
Profit on savings accounts	-	912	-	-	-
Bank charges	-	26	-	-	-
Allocated expenses	2,210	-	-	-	-
Shariah advisor fees	106	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	2,174,749	-
Investment in mutual funds - redemption of units	-	-	-	2,352,951	-
Remuneration	-	-	2,096	-	-
Listing fee	-	6	-	-	-

**Balances held - unsecured**

	-----As at June 30, 2018 -----				
	----- (Units in '000) -----				
Units held	-	1,023	-	-	-
	----- (Rupees in '000) -----				
Value of units held	-	97,656	-	-	-
Bank balances	-	14,213	-	-	-
Investment in mutual funds - Units held	-	-	-	2,058,213	-
Profit receivable	-	69	-	-	-
Remuneration payable	-	-	160	-	-
Allocated expenses payable	356	-	-	-	-
Shariah Advisor fee payable	13	-	-	-	-
Other payable	1	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These includes transactions and balance in relation to those directors and key executives that existed as at year end. However, it does not include the transaction and balances whereby director and key executive has resigned from the management company during the year

## 23. 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:

	August 28, 2018	October 26, 2018	November 08, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 6, 2019	Total meetings attended
<b>Directors:</b>								
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	-	-	-	-	-	-	1
Mr. Imran Sarwar**	-	-	✓	✓	x	✓	✓	4
Mr. Tauqeer Mazhar**	-	-	✓	✓	x	x	✓	3
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Mr. Zia Ijaz*	x	-	-	-	-	-	-	0
Mr. Sharjeel Shahid*	✓	-	-	-	-	-	-	1
Ms. Naz Khan	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed**	-	-	✓	✓	✓	✓	✓	5
Syed Furrukh Zaeem	✓	✓	✓	x	✓	✓	✓	6
<b>Key Executives:</b>								
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

## 24. CONTINGENCIES AND COMMITMENTS

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

## 25. GENERAL

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

## 26. RECLASSIFICATION

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is not material.

## 27. DATE OF AUTHORISATION FOR ISSUE

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

For UBL Fund Manager Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

# AIFPF-II

**Al-Ameen Islamic Financial Planning Fund**  
Al-Ameen Islamic Active Allocation Plan - VII - X  
Al-Ameen Islamic Active Principal Preservation Plan-I

## INVESTMENT OBJECTIVE

AIFPF-II is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	BDO Ebrahim & Co
<b>Bankers</b>	United Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-VII (AIActAP-VII)

i) **Description of the Collective Investment Scheme category and type**

Shariah Compliant Fund of Funds Scheme/ Open-end

i) **Statement of Collective Investment Scheme's investment objective**

AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

ii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**

The fund achieved its stated objective.

iii) **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan

iv) **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
AIActAP-VII	0.20%	0.06%	-1.08%	2.78%	-1.60%	-5.16%	5.73%	-0.23%	-1.31%	-2.65%	-0.83%	-3.37%	-7.62%
Benchmark	1.32%	-1.32%	-1.38%	2.63%	-2.71%	-6.75%	8.00%	-1.93%	-1.76%	-3.56%	-0.14%	-3.98%	-11.66%

v) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 21-Feb-17. During FY19, AIActAP-VII generated a return of -7.62%. In line with the equity strategy, the Fund Manager maintained exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'19 stood at 59%. 39% were invested in Al-Ameen Islamic Sovereign Fund and 2% in Others. The net assets of the Fund were PKR 0.419 million as at June 30, 2019 representing the net asset value of PKR 83.271 per unit.

**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
Equity Funds	75%	59%
Money Market Funds	0%	0%
Income Funds	24%	39%
Others	0%	2%

Cash	1%	0%
Leverage	Nil	Nil

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

FY'19 Return:	-7.62%
Standard Deviation (12m trailing):	11.91%
Sharpe Ratio (12m trailing):	(1.46)

**vii) 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		%
418,741	1,651,162	(74.64)	83.2710	90.1436	(7.62)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIACTAP-VII are equity and money-market CIS and the market reviews are as follows:

**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.

- ix) **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 -----	
-	-	-	-	-	-

- x) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	208
10,000.0000 - 49,999.9999	59
50,000.0000 - 99,999.9999	18
100,000.0000 - 499,999.9999	7
500,000.0000 & Above	-



<b>Total</b>	<b>292</b>
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- xii) **Disclosure on unit split (if any), comprising:-**  
There were no unit splits during the period.
- xiii) **Disclosure of circumstances that materially affect any interests of unit holders**  
Investment are subject to credit and market risk.
- xiv) **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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-VIII (AIActAP-VIII)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-VIII	0.24%	0.06%	-1.12%	2.90%	-1.64%	-5.31%	5.93%	-0.95%	-1.75%	-2.95%	-2.59%	-3.03%	-10.17%
Benchmark	1.40%	-1.37%	-1.44%	2.69%	-2.79%	-6.97%	8.24%	-2.82%	-2.26%	-3.88%	-2.84%	-3.16%	-14.88%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 30-May-17. During FY19, AIActAP-VIII generated a return of -10.17% against the benchmark return of -14.88%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'19 stood at 64%. 35% were invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund) and 1% in Cash. The net assets of the Fund were PKR 0.54 million as at June 30, 2019 representing the net asset value of PKR 80.9322 per unit.

**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
Equity Funds	76%	64%
Money Market Funds	0%	0%

Income Funds	24%	35%
Others	0%	0%
Cash	0%	1%
Leverage	Nil	Nil

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

FY'19 Return:	-10.17%
Standard Deviation (12m trailing):	11.42%
Sharpe Ratio (12m trailing):	(1.75)

**viii) 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		%
540,002	4,325,796	(87.52)	80.9322	90.0985	(10.17)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AI ACTAP-VIII are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	179
10,000.0000 - 49,999.9999	90

50,000.0000 - 99,999.9999	18
100,000.0000 - 499,999.9999	13
500,000.0000 & Above	-
<b>Total</b>	<b>300</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

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

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIACTAP-IX	0.23%	0.07%	-1.08%	2.85%	-1.62%	-5.25%	5.93%	-0.94%	-1.73%	-3.35%	-0.98%	-4.31%	-10.17%
Benchmark	1.37%	-1.34%	-1.40%	2.69%	-2.77%	-6.91%	8.18%	-2.80%	-2.24%	-4.45%	-0.33%	-5.06%	-14.81%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 31-Aug-17. During FY19, AIACTAP-IX generated a return of -10.17%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'19 stood at 73%. The remaining 27% funds were invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 2.808 million as at June 30, 2019 representing the net asset value of PKR 89.0261 per unit.

**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
Equity Funds	75%	73%
Money Market Funds	0%	0%
Income Funds	25%	27%
Others	0%	0%
Cash	0%	0%

Leverage	Nil	Nil
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vii) **Analysis of the Collective Investment Scheme's performance**

FY'19 Return:	-10.17%
Standard Deviation (12m trailing):	13.02%
Sharpe Ratio (12m trailing):	(1.53)

viii) **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		%
2,807,981	3,610,270	(22.22)	89.0261	99.1053	(10.17)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AI ACTAP-IX are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AICTAP-IX
0.0001 - 9,999.9999	1,259
10,000.0000 - 49,999.9999	490



50,000.0000 - 99,999.9999	65
100,000.0000 - 499,999.9999	30
500,000.0000 & Above	3
<b>Total</b>	<b>1,847</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-X (AIActAP-X)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-X	0.26%	0.08%	-1.06%	2.84%	-1.63%	-5.18%	5.69%	-0.86%	-1.62%	-3.14%	-0.94%	-3.93%	-9.53%
Benchmark	1.51%	-1.35%	-1.42%	2.69%	-2.79%	-6.81%	7.89%	-2.67%	-2.13%	-4.23%	-0.29%	-4.78%	-14.18%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 15-Dec-17. Since inception, AIActAP-X generated a return of -9.53%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'19 stood at 69% while 30% was invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 1.251 million as at June 30, 2019 representing the net asset value of PKR 91.937 per unit.

**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
Equity Funds	72%	69%
Money Market Funds	4%	0%
Income Funds	23%	30%

Others	0%	0%
Cash	0%	1%
Leverage	Nil	Nil

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

FY'19 Return:	-9.53%
Standard Deviation (12m trailing):	12.71%
Sharpe Ratio (12m trailing):	(1.52)

viii) **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		%
1,250,940	1,718,622	(27.21)	91.9370	101.6568	(9.56)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AI ACTAP-X are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
02-Jul-18	-	-	0.0368	101.6568	0.0368

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AICTAP-X
0.0001 - 9,999.9999	697
10,000.0000 - 49,999.9999	187
50,000.0000 - 99,999.9999	36

100,000.0000 - 499,999.9999	15
500,000.0000 & Above	2
<b>Total</b>	<b>937</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

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

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan
- 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
AIAPPP-I	0.54%	0.36%	0.24%	0.71%	0.21%	-0.08%	1.48%	0.27%	0.13%	-0.13%	0.59%	-0.76%	3.61%
Benchmark	0.52%	0.32%	0.33%	0.91%	0.20%	-0.32%	1.79%	-0.46%	-0.11%	-0.56%	0.99%	-1.24%	2.37%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 20-Mar-18. AIAPPP-I generated a return of 3.61% on YTD basis. The plan's exposure to local equities (through Al-Ameen Islamic Dedicated Equity Fund) as at June-19 stood at 23% while the remaining 77% was invested in Al-Ameen Islamic Money market (through Al-Ameen Islamic Cash Fund). The net assets of the Fund were PKR 1,813 million as at June 30, 2019 representing the net asset value of PKR 104.0633 per unit.

**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
Equity Funds	9%	23%
Money Market Funds	91%	0%
Income Funds	0%	77%
Others	0%	0%

Cash	0%	0%
Leverage	Nil	Nil

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

FY'19 Return:	3.61%
Standard Deviation (12m trailing):	2.66%
Sharpe Ratio (12m trailing):	(2.33)

**viii) 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		%
1,812,804	2,149,930	(15.68)	104.0633	100.4416	3.61

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIAPPP-I are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	632
10,000.0000 - 49,999.9999	215
50,000.0000 - 99,999.9999	34
100,000.0000 - 499,999.9999	23
500,000.0000 & Above	1



<b>Total</b>	<b>905</b>
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- xiii) Disclosure on unit split (if any), comprising:-**  
There were no unit splits during the period.
- xiv) Disclosure of circumstances that materially affect any interests of unit holders**  
Investment are subject to credit and market risk.
- xv) 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 Active Allocation Plan-VII

	<b>2018</b>	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>418,741</b>	1,651,162	2,250,469
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Class A units - Offer	<b>83.271</b>	90.1436	98.0880
- Redemption	<b>83.271</b>	86.5379	94.1645
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(7.62)</b>	(8.10)	(1.91)
Capital Growth (per unit)	<b>(7.62)</b>	(8.10)	(1.91)
Date of Income Distribution	-	-	30-Jun-17
Income Distribution	-	-	-
<b>AVERAGE ANNUAL RETURN - %</b>			
Since Launch/ One Year	<b>(7.62)</b>	(8.10)	(1.91)
Second Year	<b>(7.86)</b>	(5.01)	-
Third Year	<b>(5.88)</b>	-	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>			
Highest price per unit - Class A units - Offer	<b>92.0806</b>	99.4569	106.5100
Highest price per unit - Class A units - Redemption	<b>90.2390</b>	99.4569	106.5100
Lowest price per unit - Class A units - Offer	<b>81.643</b>	85.0438	100.0000
Lowest price per unit - Class A units - Redemption	<b>81.643</b>	81.6420	96.0000
<b>PORTFOLIO COMPOSITION - %</b>			
Percentage of Net Assets as at 30 June			
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>			
Bank Balances	<b>2</b>	1	1
Income funds	<b>39</b>	24	48
Equity Funds	<b>59</b>	75	51
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>			
Mutual Funds	<b>100</b>	100	100

Note:

- The Launch date of Fund is 21 Feb 2017.

**DISCLAIMER**

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

**PERFORMANCE TABLE**

## Al-Ameen Islamic Active Allocation Plan-VIII

	2019	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>540,002</b>	4,325,796	4,994,943
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Class A units - Offer	<b>80.9322</b>	90.0985	96.8685
- Redemption	<b>80.9322</b>	86.4946	92.9938
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(10.17)</b>	(6.99)	(3.13)
Capital Growth (per unit)	<b>(10.17)</b>	(6.99)	(3.13)
Date of Income Distribution	-	-	30-Jun-17
Income Distribution	-	-	-
<b>AVERAGE ANNUAL RETURN - %</b>			
Since Launch/ One Year	<b>(10.17)</b>	(6.99)	(3.13)
Second Year	<b>(8.58)</b>	(5.06)	-
Third Year	<b>(6.76)</b>	-	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>			
Highest price per unit - Class A units - Offer	<b>92.1558</b>	99.0232	100.5239
Highest price per unit - Class A units - Redemption	<b>90.3127</b>	95.0623	96.5029
Lowest price per unit - Class A units - Offer	<b>80.7537</b>	84.9751	95.4487
Lowest price per unit - Class A units - Redemption	<b>80.7537</b>	81.5761	91.6308
<b>PORTFOLIO COMPOSITION - %</b>			
Percentage of Net Assets as at 30 June			
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>			
Bank Balances	<b>1</b>	-	1.00
Income funds	<b>35</b>	24.00	64.00
Equity Funds	<b>64</b>	76.00	35.00
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>			
Mutual Funds	<b>100</b>	100	100

Note:

- The Launch date of Fund is 30th May 2017.

**DISCLAIMER**

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

## **PERFORMANCE TABLE**

### **Al-Ameen Islamic Active Allocation Plan-IX**

	<b>2019</b>	<b>2018</b>
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>2,807,982</b>	3,610,270
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>89.0261</b>	99.1053
- Redemption	<b>87.2456</b>	95.1411
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(10.17)</b>	(0.89)
Capital Growth (per unit)	<b>(10.17)</b>	(0.89)
Date of Income Distribution		-
Income Distribution		-
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>(10.17)</b>	(0.89)
Second Year	<b>(5.53)</b>	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>101.3608</b>	106.2887
Highest price per unit - Class A units - Redemption	<b>99.3336</b>	102.0372
Lowest price per unit - Class A units - Offer	<b>87.0294</b>	94.1822
Lowest price per unit - Class A units - Redemption	<b>85.2888</b>	90.4149

\* Contingent load @ 2% is applicable

### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds	<b>73</b>	75
Income Funds	<b>27</b>	25

### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
--------------	------------	-----

Note:

- The Launch date of Fund is 31 August 2017

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-X

	2019	2018
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>1,250,940</b>	1,718,622
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>91.9370</b>	101.6568
- Redemption	<b>90.0983</b>	97.5905
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(9.53)</b>	1.66
Capital Growth (per unit)	<b>(9.37)</b>	1.66
Date of Income Distribution	<b>2-Jul-18</b>	-
Income Distribution	<b>0.0368</b>	-
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>(9.53)</b>	1.66
Second Year	<b>(3.94)</b>	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>103.9842</b>	108.6891
Highest price per unit - Class A units - Redemption	<b>101.9045</b>	104.3415
Lowest price per unit - Class A units - Offer	<b>89.7950</b>	99.1413
Lowest price per unit - Class A units - Redemption	<b>87.9991</b>	95.1756

\* Contingent load @ 2% is applicable

### **PORTFOLIO COMPOSITION - %** Percentage of Net Assets as at 30 June

#### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank Balances	<b>1</b>	1
Equity Funds	<b>69</b>	72
Money Market Funds	-	4
Income Funds	<b>30</b>	23

#### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
--------------	------------	-----

Note:

- The Launch date of Fund is 15th December 2017

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al Ameen Islamic Active Principal Preservation Plan - I

	2019	2018
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>1,812,804</b>	2,149,930
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>104.0633</b>	100.4416
- Redemption	<b>101.9820</b>	96.4239
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>3.61</b>	0.44
Capital Growth (per unit)	<b>3.61</b>	0.44
Date of Income Distribution		-
Income Distribution		-
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>3.61</b>	0.44
Second Year	<b>2.03</b>	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>104.9328</b>	101.2026
Highest price per unit - Class A units - Redemption	<b>102.8341</b>	97.1545
Lowest price per unit - Class A units - Offer	<b>96.1138</b>	100.0000
Lowest price per unit - Class A units - Redemption	<b>94.1915</b>	96.0000
* Contingent load @ 2% is applicable		
<b>PORTFOLIO COMPOSITION - %</b>		
Percentage of Net Assets as at 30 June		
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>		
Equity Funds	<b>23</b>	9
Money Market Funds	-	91
Income Funds	<b>77</b>	-
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>		
Mutual Funds	<b>100</b>	100

Note:

- The Launch date of Fund is 20th March 2018

## **DISCLAIMER**

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

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - II**

**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 Financial Planning Fund - II (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 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 AIFPF-II- AIACTAP-VII in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIACTAP-VII 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 AIFPF-II- AIACTAP-VII for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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

  
**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee



  
**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee



**KARACHI:**  
**DATE: 08 August 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 AIFPF-II- AIACTAP-VIII in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIACTAP-VIII 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 AIFPF-II- AIACTAP-VIII for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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

  
  
**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee

  
  
**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 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 AIFPF-II- AIACTAP-IX in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIACTAP-IX 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 AIFPF-II- AIACTAP-IX for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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



Mufti Muhammad Haseen Khan  
Member, Shariah Advisory Committee



Mufti Muhammad Najeel Khan  
Member, Shariah Advisory Committee

KARACHI:  
DATE: 08 August 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 AIFPF-II- AIACTAP-X in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIACTAP-X 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 AIFPF-II- AIACTAP-X for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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

## 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 AIFPF-II- AIAPPP-I in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIAPPP-I 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 AIFPF-II- AIAPPP-I for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR nil amount 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

KARACHI:  
DATE: 08 August 2019

  
  
Mufti Muhammad Hajeer Khan  
Member, Shariah Advisory Committee





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

**NAME OF FUND:** Al Ameen Islamic Financial Planning Fund - II

**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 Financial Planning Fund - II (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

📍 4<sup>th</sup> 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 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:
  - 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 FINANCIAL PLANNING FUND II 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 Financial Planning Fund II (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 Financial Planning Fund II ("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><b>Adoption of IFRS 9</b></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"> <li>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;</li> </ul>

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 &amp; 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"> <li>• Reviewed 'Investment Classification Model' of the management for analysis of 'Business Model' assessment and 'Contractual Cash Flow Characteristics' test for classification of financial assets;</li> <li>• Reviewed management's assessment of the impact of new accounting standard on the Fund's financial statements;</li> <li>• 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;</li> <li>• Evaluated the adequacy and appropriateness of disclosures made in the financial statements in relation to adoption of the new accounting standard.</li> </ul>



S.No.	Key audit matter(s)	How the matter was addressed in our audit
2.	<p><b>Existence and valuation of investments</b></p> <p>As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2019, the investments held by the Fund comprised of investments in mutual funds managed by the Asset Management Company of the Fund which represent 99.61% of the total assets of the Fund as at the year end.</p> <p>As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund.</p> <p>In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested controls over acquisition, disposals and periodic valuation of the said investments and performed substantive audit procedures on year-end balance of portfolio including review of unitholders' statement and re-performance of valuation of mutual funds units on the basis of net assets value per unit of the investee funds at year end.</li> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and constitutive documents in relation to the investments in units of prescribed mutual funds and exposure limits prescribed in such Regulations and documents and the adequacy of disclosures as may be applicable in situations of non-compliance.</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements in respect of investments in mutual funds instruments in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of debt instruments are compliant with the relevant accounting standards.</li> </ul>

S.No.	Key audit matter(s)	How the matter was addressed in our audit
3.	<p><b>Recognition, measurement and presentation of 'Element of Income'</b></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"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>



#### **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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2019**

		June 30, 2019						Total
		AI ACTAP-VII	AI ACTAP-VIII	AI ACTAP-IX	AI ConAP	AI ACTAP-X	AI APPP-I	
Note		(Rupees in '000)						
ASSETS								
Bank balances	5	9,598	3,689	427	-	11,171	1,758	26,643
Investments	6	410,403	539,496	2,810,917	-	1,241,385	1,813,291	6,815,492
Profit receivable	7	85	145	14	-	39	4	287
Prepayments and other receivables	8	7	-	-	-	-	10	17
Preliminary expenses and floatation costs	9	-	-	-	-	-	-	-
TOTAL ASSETS		420,093	543,330	2,811,358	-	1,252,595	1,815,063	6,842,439
LIABILITIES								
Payable to UBL Fund Managers Limited - Management Company	10	85	106	281	-	151	196	819
Payable to Central Depository Company of Pakistan Limited - Trustee	11	33	50	213	-	97	126	519
Payable to Securities and Exchange Commission of Pakistan	12	909	2,856	2,510	-	1,195	1,523	8,993
Accrued expenses and other liabilities	13	325	316	372	-	212	414	1,639
TOTAL LIABILITIES		1,352	3,328	3,376	-	1,655	2,259	11,970
NET ASSETS		418,741	540,002	2,807,982	-	1,250,940	1,812,804	6,830,469
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		418,741	540,002	2,807,982	-	1,250,940	1,812,804	6,830,469
CONTINGENCIES AND COMMITMENTS		14	(Number of Units)					
NUMBER OF UNITS IN ISSUE		15	5,028,658	6,672,280	31,541,094	-	13,606,488	17,420,200
			(Rupees)					
NET ASSETS VALUE PER UNIT			83.2710	80.9322	89.0261	-	91.9370	104.0633

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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF ASSETS AND LIABILITIES (Continued)**  
**AS AT JUNE 30, 2019**

		June 30, 2018						
	Note	AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP (Rupees in '000)	AIACTAP-X	AIAPPP-I	Total
ASSETS								
Bank balances	5	10,508	4,920	300	510	6,012	316	22,566
Investments	6	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686
Profit receivable	7	54	23	23	-	29	64	193
Prepayments and other receivables	8	761	-	-	-	-	-	761
Preliminary expenses and floatation costs	9	1,380	-	-	-	-	-	1,380
TOTAL ASSETS		1,652,982	4,330,318	3,613,663	510	1,719,831	2,151,282	13,468,586
LIABILITIES								
Payable to UBL Fund Managers Limited - Management Company	10	288	749	624	46	298	706	2,711
Payable to Central Depository Company of Pakistan Limited - Trustee	11	120	315	263	24	125	154	1,001
Payable to Securities and Exchange Commission of Pakistan	12	1,368	3,417	2,389	91	726	456	8,447
Accrued expenses and other liabilities	13	44	41	117	349	60	36	647
TOTAL LIABILITIES		1,820	4,522	3,393	510	1,209	1,352	12,806
NET ASSETS		1,651,162	4,325,796	3,610,270	-	1,718,622	2,149,930	13,455,780
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)								
		1,651,162	4,325,796	3,610,270	-	1,718,622	2,149,930	13,455,780
CONTINGENCIES AND COMMITMENTS								
	14	(Number of Units)						
NUMBER OF UNITS IN ISSUE								
	15	18,317,023	48,011,863	36,428,630	-	16,906,117	21,404,780	
(Rupees)								
NET ASSETS VALUE PER UNIT								
		90.1436	90.0985	99.1053	-	101.6568	100.4416	

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 FINANCIAL PLANNING FUND - II**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		June 30, 2019							
		AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	TOTAL	
Note		(Rupees in '000)							
<b>INCOME</b>									
	Profit on bank balances	1,820	486	166	-	428	182	3,082	
	Capital gain / (loss) on sale of investments - net	14,661	(264,836)	34,792	-	9,710	102,463	(103,210)	
	Unrealised loss on revaluation of investments				-				
	classified as financial assets 'at fair value through profit or loss' - net	(44,504)	(54,120)	(373,296)	-	(160,330)	(39,127)	(671,377)	
	Dividend income	138	360	310	-	171	3,697	4,676	
	Other income	1,376	7,136	9,807	-	7,329	11,568	37,216	
	<b>Total (loss) / income</b>	(26,509)	(310,974)	(328,221)	-	(142,692)	78,783	(729,613)	
<b>EXPENSES</b>									
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	1,056	3,318	2,919	-	1,388	1,759	10,440
	Annual fee of Securities and Exchange Commission of Pakistan	12.1	909	2,857	2,511	-	1,195	1,523	8,995
	Amortisation of preliminary expenses and floatation costs	9	1,380	-	-	-	-	-	1,380
	Auditors' remuneration	16	70	69	70	-	70	70	349
	Listing fee		22	6	5	-	6	6	45
	Bank charges		28	18	20	-	22	14	102
	Legal and professional charges		22	29	29	-	29	42	151
	Allocated expenses	17	1,212	3,809	3,347	-	1,594	2,030	11,992
	Shariah advisory fee	10.2	76	76	71	-	71	71	365
	Other expenses		172	2	2	-	2	2	180
	<b>Total operating expenses</b>		4,947	10,184	8,974	-	4,377	5,517	33,999
	<b>Net (loss) / income from operating activities</b>		(31,456)	(321,158)	(337,195)	-	(147,069)	73,266	(763,612)
	Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
	<b>Net (loss) / income for the year / period before taxation</b>		(31,456)	(321,158)	(337,195)	-	(147,069)	73,266	(763,612)
	Taxation	18	-	-	-	-	-	-	-
	<b>Net (loss) / income for the year / period after taxation</b>		(31,456)	(321,158)	(337,195)	-	(147,069)	73,266	(763,612)
	<b>Allocation of net (loss) / income for the year / period</b>								
	Income already paid on units redeemed		-	-	-	-	-	(10,792)	(10,792)
	<b>Net (loss) / income for the year / period available for distribution</b>		(31,456)	(321,158)	(337,195)	-	(147,069)	62,474	(774,404)
	<b>Net (loss) / income for the year / period available for distribution</b>								
	Relating to capital gains		-	-	-	-	-	62,474	
	Excluding capital gains		-	-	-	-	-	-	
	<b>Earnings per unit</b>	19	-	-	-	-	-	62,474	

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 FINANCIAL PLANNING FUND - II**  
**INCOME STATEMENT (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		For the year ended June 30, 2018	For the year ended June 30, 2018	For the period from August 31, 2017 to June 30, 2018	For the period from November 9, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018	For the period from February 20, 2017 to June 30, 2018	TOTAL
	Note	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP (Rupees in '000)	AICTAP-X	AIAPPP-I	
<b>INCOME</b>								
Profit on bank balances		990	746	3,043	-	1,815	139	6,733
Capital (loss) / gain on sale of investments - net		(65,415)	(75,365)	11,455	6,394	14,246	(3,521)	(112,206)
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - held for trading - net		(118,304)	(270,695)	(51,938)	-	15,025	13,791	(412,121)
Dividend income		-	-	-	-	-	-	-
Other income		15,898	12,834	12,236	4	1,479	676	43,127
<b>Total (loss) / income</b>		<b>(166,831)</b>	<b>(332,480)</b>	<b>(25,204)</b>	<b>6,398</b>	<b>32,565</b>	<b>11,085</b>	<b>(474,467)</b>
<b>EXPENSES</b>								
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	1,727	4,067	2,851	109	873	528	10,155
Annual fee of Securities and Exchange Commission of Pakistan	12.1	1,368	3,417	2,389	91	726	456	8,447
Amortisation of preliminary expenses and floatation costs	9	2,143	-	-	-	-	-	2,143
Auditors' remuneration	16	109	55	42	42	42	29	319
Listing fee		39	14	-	-	-	-	53
Bank charges		19	15	11	8	5	-	58
Legal and professional charges		76	65	26	12	22	2	203
Allocated expenses	17	1,824	4,556	3,185	41	969	609	11,184
Shariah advisory fee	10.2	84	84	70	42	35	18	333
Other expenses		263	2	-	-	-	-	265
<b>Total operating expenses</b>		<b>7,652</b>	<b>12,275</b>	<b>8,574</b>	<b>345</b>	<b>2,672</b>	<b>1,642</b>	<b>33,160</b>
<b>Net (loss) / income from operating activities</b>		<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
<b>Net (loss) / income for the year / period before taxation</b>		<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
Taxation	18	-	-	-	-	-	-	-
<b>Net (loss) / income for the year / period after taxation</b>		<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
<b>Allocation of net loss / income for the year / period</b>								
Income already paid on units redeemed		-	-	-	(6,020)	(2)	(52)	(6,074)
<b>Net (loss) / income for the year / period available for distribution</b>		<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>33</b>	<b>29,891</b>	<b>9,391</b>	<b>(513,701)</b>
<b>Net (loss) / income for the year / period available for distribution</b>								
Relating to capital gains		-	-	-	-	29,269	10,218	
Excluding capital gains		-	-	-	33	622	(827)	
		-	-	-	33	29,891	9,391	
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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	-----June 30, 2019-----						
	AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	TOTAL
	----- (Rupees in '000) -----						
Net (loss) / income for the year after taxation	(31,456)	(321,158)	(337,195)	-	(147,069)	73,266	(763,612)
Other comprehensive income							
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	<u>(31,456)</u>	<u>(321,158)</u>	<u>(337,195)</u>	<u>-</u>	<u>(147,069)</u>	<u>73,266</u>	<u>(763,612)</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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF COMPREHENSIVE INCOME (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	For the year ended June 30, 2018	For the year ended June 30, 2018	For the period from August 31, 2017 to June 30, 2018	For the period from November 9, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018	For the period from February 20, 2017 to June 30, 2018	
	AIACTAP-VII	AIACTAP- VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	TOTAL
	----- (Rupees in '000) -----						
Net (loss) / income for the year / period after taxation	(174,483)	(344,755)	(33,778)	6,053	29,893	9,443	(507,627)
Other comprehensive income							
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year / period	<u>(174,483)</u>	<u>(344,755)</u>	<u>(33,778)</u>	<u>6,053</u>	<u>29,893</u>	<u>9,443</u>	<u>(507,627)</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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	June 30, 2019						
	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	TOTAL
	(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the year before taxation	(31,456)	(321,158)	(337,195)	-	(147,069)	73,266	(763,612)
<b>Adjustments for:</b>							
Capital (gain) / loss on sale of investments - net	(14,661)	264,836	(34,792)	-	(9,710)	(102,463)	103,210
Profit on bank balances	(1,820)	(486)	(166)	-	(428)	(182)	(3,082)
Amortisation of preliminary expenses and floatation cost	1,380	-	-	-	-	-	1,380
Dividend income	(138)	(360)	(310)	-	(171)	(3,697)	(4,676)
Unrealised loss on re-measurement of investments				-			-
classified as financial assets at 'fair value through profit or loss' - net	44,504	54,120	373,296	-	160,330	39,127	671,377
	29,265	318,110	338,028	-	150,021	(67,215)	768,209
<b>Cash (used in) / generated from operations before working capital changes</b>	(2,191)	(3,048)	833		2,952	6,051	4,597
<b>Working capital changes</b>							
<b>Decrease / (increase) in assets</b>							
Investments - net	1,200,033	3,466,923	463,919	-	321,785	400,947	5,853,607
Other receivable	754	-	-	-	-	(10)	744
	1,200,787	3,466,923	463,919	-	321,785	400,937	5,854,351
<b>(Decrease) / increase in liabilities</b>							
Payable to UBL Fund Managers Limited - Management Company	(203)	(643)	(343)	-	(147)	(510)	(1,846)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(87)	(265)	(50)	-	(28)	(28)	(458)
Payable to the Securities and Exchange Commission of Pakistan	(459)	(561)	121	-	469	1,067	637
Accrued expenses and other liabilities	281	275	255	-	152	378	1,341
	(468)	(1,194)	(17)	-	446	907	(326)
Profit received on bank balances	1,789	364	175	-	418	242	2,988
Net cash generated from operating activities	1,199,917	3,463,045	464,910	-	325,601	408,137	5,861,610
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts from issuance of units	6,542	38,739	19,497	-	2,002	46,647	113,427
Payments against redemption of units	(1,207,507)	(3,503,375)	(484,590)	-	(321,993)	(457,039)	(5,974,504)
Dividend received	138	360	310	-	171	3,697	4,676
Distributions during the year	-	-	-	-	(622)	-	(622)
Net cash (used in) / generated from financing activities	(1,200,827)	(3,464,276)	(464,783)	-	(320,442)	(406,695)	(5,857,023)
Net (decrease) / increase in cash and cash equivalents	(910)	(1,231)	127	-	5,159	1,442	4,587
Cash and cash equivalents at the beginning of the year	10,508	4,920	300	-	6,012	316	22,056
Cash and cash equivalents at the end of the year	9,598	3,689	427	-	11,171	1,758	26,643

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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF CASH FLOWS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	For the year ended June 30, 2018	For the year ended June 30, 2018	For the period from August 31, 2017 to June 30, 2018	For the period from November 9, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018	For the period from February 20, 2017 to June 30, 2018	
	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	TOTAL
	----- <b>(Rupees in '000)</b> -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the year / period before taxation	(174,483)	(344,755)	(33,778)	6,053	29,893	9,443	(507,627)
<b>Adjustments for:</b>							
Capital loss / (gain) on sale of investments - net	65,415	75,365	(11,455)	(6,394)	(14,246)	3,521	112,206
Profit on bank balances	(990)	(746)	(3,043)	-	(1,815)	(139)	(6,733)
Amortisation of preliminary expenses and floatation cost	2,143	-	-	-	-	-	2,143
Unrealised loss / (gain) on re-measurement of investments							-
classified as financial assets at fair value through profit or loss - held for trading - net	118,304	270,695	51,938	-	(15,025)	(13,791)	412,121
	184,872	345,314	37,440	(6,394)	(31,086)	(10,409)	519,737
<b>Cash generated from / (used in) operations before working capital changes</b>	10,389	559	3,662	(341)	(1,193)	(966)	12,110
<b>Working capital changes</b>							
<b>Decrease / (increase) in assets</b>							
Investments - net	409,116	329,558	(3,653,823)	6,394	(1,684,519)	(2,140,632)	(6,733,906)
Other receivable	(288)	1,043	-	-	-	-	755
	408,828	330,601	(3,653,823)	6,394	(1,684,519)	(2,140,632)	(6,733,151)
<b>(Decrease) / increase in liabilities</b>							
Payable to UBL Fund Managers Limited - Management Company	(4,707)	(10,294)	624	46	298	706	(13,327)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(64)	(61)	263	24	125	154	441
Payable to the Securities and Exchange Commission of Pakistan	744	3,083	2,389	91	726	456	7,489
Accrued expenses and other liabilities	(20,939)	(6,124)	117	349	60	36	(26,501)
	(24,966)	(13,396)	3,393	510	1,209	1,352	(31,898)
Profit received on bank balances	1,113	1,077	3,020	-	1,786	75	7,071
<b>Net cash generated from / (used in) operating activities</b>	395,364	318,841	(3,643,748)	6,563	(1,682,717)	(2,140,171)	(6,745,868)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts from issuance of units	24,367	13,287	4,196,281	524,516	1,764,227	2,161,661	8,684,339
Payments against redemption of units	(449,191)	(337,679)	(552,233)	(525,273)	(75,498)	(21,174)	(1,961,048)
Distributions during the year / period	-	-	-	(5,296)	-	-	(5,296)
<b>Net cash (used in) / generated from financing activities</b>	(424,824)	(324,392)	3,644,048	(6,053)	1,688,729	2,140,487	6,717,995
<b>Net (decrease) / increase in cash and cash equivalents</b>	(29,460)	(5,551)	300	510	6,012	316	(27,873)
<b>Cash and cash equivalents at the beginning of the year / period</b>	39,968	10,471	-	-	-	-	50,439
<b>Cash and cash equivalents at the end of the year / period</b>	10,508	4,920	300	510	6,012	316	22,566

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 FINANCIAL PLANNING FUND-II  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	AIACFAP-VII			AIACFAP-VIII			AIACFAP-IX			AIACFAP-X			AIAPPF-I			For the year ended June 30, 2019		
	For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,869,513	(218,351)	1,651,162	4,832,027	(506,231)	4,325,796	3,644,048	(33,778)	3,610,270	1,688,731	29,891	1,718,622	2,140,539	9,391	2,149,930	14,174,858	(719,078)	13,455,780
Issuance of 72,639, 450,452, 200,205, 20,021 and 447,557 units																		
- Capital value of units	6,548	-	6,548	40,585	-	40,585	19,841	-	19,841	2,035	-	2,035	44,953	-	44,953	113,962	-	113,962
- Element of (loss) / income	(6)	-	(6)	(1,846)	-	(1,846)	(344)	-	(344)	(33)	-	(33)	1,694	-	1,694	(535)	-	(535)
Due to net (loss incurred) / income earned																		
<b>Total proceeds on issuance of units</b>	<b>6,542</b>	<b>-</b>	<b>6,542</b>	<b>38,739</b>	<b>-</b>	<b>38,739</b>	<b>19,497</b>	<b>-</b>	<b>19,497</b>	<b>2,002</b>	<b>-</b>	<b>2,002</b>	<b>46,647</b>	<b>-</b>	<b>46,647</b>	<b>113,427</b>	<b>-</b>	<b>113,427</b>
Redemption of 13,361,004, 41,790,035, 5,087,741, 3,319,650 and 4,432,137 units																		
- Capital value of units	(1,204,409)	-	(1,204,409)	(3,765,219)	-	(3,765,219)	(504,222)	-	(504,222)	(337,343)	-	(337,343)	(445,171)	-	(445,171)	(6,256,364)	-	(6,256,364)
- Element of (income) / loss	(3,098)	-	(3,098)	261,844	-	261,844	19,632	-	19,632	15,350	-	15,350	(1,076)	-	(1,076)	292,652	(10,792)	281,860
Due to net (income earned) / loss incurred																		
<b>Total payments on redemption of units</b>	<b>(1,207,507)</b>	<b>-</b>	<b>(1,207,507)</b>	<b>(3,503,375)</b>	<b>-</b>	<b>(3,503,375)</b>	<b>(484,590)</b>	<b>-</b>	<b>(484,590)</b>	<b>(321,993)</b>	<b>-</b>	<b>(321,993)</b>	<b>(446,247)</b>	<b>-</b>	<b>(446,247)</b>	<b>(5,963,712)</b>	<b>(10,792)</b>	<b>(5,974,504)</b>
Total comprehensive (loss) / income for the year	-	(31,456)	(31,456)	-	(321,158)	(321,158)	-	(337,195)	(337,195)	-	(147,069)	(147,069)	-	73,266	73,266	-	(763,612)	(763,612)
<b>Distribution during the year</b>																		
Re. 0.0368 per unit declared on July 02, 2018 as cash dividend		-	-		-	-		-	-		(622)	(622)		-	-		-	(622)
<b>Net (loss) / income for the year less distribution</b>	<b>-</b>	<b>(31,456)</b>	<b>(31,456)</b>	<b>-</b>	<b>(321,158)</b>	<b>(321,158)</b>	<b>-</b>	<b>(337,195)</b>	<b>(337,195)</b>	<b>-</b>	<b>(147,691)</b>	<b>(147,691)</b>	<b>-</b>	<b>73,266</b>	<b>73,266</b>	<b>-</b>	<b>(764,234)</b>	<b>(764,234)</b>
<b>Net assets at the end of the year</b>	<b>668,548</b>	<b>(249,807)</b>	<b>418,741</b>	<b>1,367,391</b>	<b>(827,389)</b>	<b>540,002</b>	<b>3,178,955</b>	<b>(370,971)</b>	<b>2,807,984</b>	<b>1,368,740</b>	<b>(117,800)</b>	<b>1,250,940</b>	<b>1,740,939</b>	<b>71,865</b>	<b>1,812,804</b>	<b>8,324,673</b>	<b>(1,494,104)</b>	<b>6,830,469</b>
Undistributed (loss) / income brought forward comprises of:																		
Realised (loss) / gain	(100,047)		(100,047)	(235,536)		(235,536)	18,160		18,160		14,866		(4,400)		(4,400)		(306,957)	
Unrealised (loss) / gain	(118,304)		(118,304)	(270,695)		(270,695)	(51,938)		(51,938)		15,025		13,791		13,791		(412,121)	
Total undistributed (loss) / income brought forward	(218,351)		(218,351)	(506,231)		(506,231)	(33,778)		(33,778)		29,891		9,391		9,391		(719,078)	
<b>Income available for distribution:</b>																		
Relating to capital gains	-		-	-		-	-		-	-		-	-		-	-		-
Excluding capital gains	-		-	-		-	-		-	-		-	-		-	-		-
<b>Net loss for the year</b>	<b>(31,456)</b>		<b>(31,456)</b>	<b>(321,158)</b>		<b>(321,158)</b>	<b>(337,195)</b>		<b>(337,195)</b>	<b>(147,069)</b>		<b>(147,069)</b>	<b>62,474</b>		<b>62,474</b>	<b>(774,404)</b>		<b>(774,404)</b>
<b>Distribution during the year</b>																		
Re. 0.0368 per unit declared on July 02, 2018 as cash dividend	-		-	-		-	-		-	(622)		(622)	-		-		(622)	
<b>Undistributed (loss) / income carried forward</b>	<b>(249,807)</b>		<b>(249,807)</b>	<b>(827,389)</b>		<b>(827,389)</b>	<b>(370,971)</b>		<b>(370,971)</b>	<b>(117,800)</b>		<b>(117,800)</b>	<b>71,865</b>		<b>71,865</b>	<b>(1,494,104)</b>		<b>(1,494,104)</b>
<b>Undistributed (loss) / income carried forward comprises of:</b>																		
Realised (loss) / gain	(205,303)		(205,303)	(773,269)		(773,269)	2,323		2,323	42,530		42,530	110,992		110,992		(822,726)	
Unrealised (loss) / gain	(44,504)		(44,504)	(54,120)		(54,120)	(373,296)		(373,296)	(160,330)		(160,330)	(39,127)		(39,127)		(671,377)	
<b>Total undistributed (loss) / income carried forward</b>	<b>(249,807)</b>		<b>(249,807)</b>	<b>(827,389)</b>		<b>(827,389)</b>	<b>(370,971)</b>		<b>(370,971)</b>	<b>(117,800)</b>		<b>(117,800)</b>	<b>71,865</b>		<b>71,865</b>	<b>(1,494,104)</b>		<b>(1,494,104)</b>
Net assets value per unit at the beginning of the year	(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)		
	90.1436			90.0985			99.1053			101.6568			100.4416					
Net assets value per unit at end of the year	83.2710			80.9322			89.0261			91.9370			104.0633					

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 FINANCIAL PLANNING FUND-II  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2019

	AICTAP-VII			AICTAP-VIII			AICTAP-IX			AICoAP			AICTAP-X			AIAPPP-I			For the year /
	For the year ended June 30, 2018			For the year ended June 30, 2018			For the period from August 31, 2017 to June 30, 2018			For the period from November 9, 2017 to June 30, 2018			For the period from December 15, 2017 to June 30, 2018			For the period from February 20, 2018 to June 30, 2018			period ended June 30, 2018
	Capital value	Undistributed loss	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			Rupees in '000
Net assets at the beginning of the year / period	2,294,337	(43,868)	2,250,469	5,156,419	(161,476)	4,994,943	-	-	-	-	-	-	-	-	-	-	-	-	7,245,412
Issuance of 248,702, 137,953, 41,962,936, 5,244,871, 17,640,411 and 21,615,996 units																			
- Capital value of units	24,395	-	24,395	13,363	-	13,363	4,196,294	-	4,196,294	524,487	-	524,487	1,764,041	-	1,764,041	2,161,600	-	2,161,600	8,684,180
- Element of income / (loss) during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Due to net (loss incurred) / income earned	(28)	-	(28)	(76)	-	(76)	(13)	-	(13)	29	-	29	186	-	186	61	-	61	159
<b>Total proceeds on issuance of units</b>	24,367	-	24,367	13,287	-	13,287	4,196,281	-	4,196,281	524,516	-	524,516	1,764,227	-	1,764,227	2,161,661	-	2,161,661	8,684,339
Redemption of 4,875,048, 3,690,277, 5,534,306, 5,244,871, 734,294 and 211,216 units																			
- Capital value of units	(478,184)	-	(478,184)	(357,472)	-	(357,472)	(553,431)	-	(553,431)	(524,487)	-	(524,487)	(73,429)	-	(73,429)	(21,122)	-	(21,122)	(2,008,125)
- Element of (income) / loss during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Due to net (income earned) / loss incurred	28,993	-	28,993	19,793	-	19,793	1,198	-	1,198	5,234	(6,020)	(786)	(2,067)	(2)	(2,069)	(52)	-	(52)	47,077
<b>Total payments on redemption of units</b>	(449,191)	-	(449,191)	(337,679)	-	(337,679)	(552,233)	-	(552,233)	(519,253)	(6,020)	(525,273)	(75,496)	(2)	(75,498)	(21,122)	(52)	(21,174)	(1,961,048)
Total comprehensive (loss) / income for the year / period	-	(174,483)	(174,483)	-	(344,755)	(344,755)	-	(33,778)	(33,778)	-	6,053	6,053	-	29,893	29,893	-	9,443	9,443	(507,627)
Distribution during the year / period																			
Re. 0.598 per unit declared on December 28, 2017 as bonus dividend	-	-	-	-	-	-	-	-	-	-	(389)	(389)	-	-	-	-	-	-	(389)
Re. 0.3320 per unit declared on January 26, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	-	(183)	(183)	-	-	-	-	-	-	(183)
Re. 0.4305 per unit declared on February 28, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	-	(343)	(343)	-	-	-	-	-	-	(343)
Re. 0.4035 per unit declared on March 29, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	-	(486)	(486)	-	-	-	-	-	-	(486)
Re. 0.3868 and 0.0001 per unit declared on April 27, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	-	(1,169)	(1,169)	-	-	-	-	-	-	(1,169)
Re. 0.4428 and 0.0130 per unit declared on May 30, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	-	(1,567)	(1,567)	-	-	-	-	-	-	(1,567)
Re. 0.3137 and 0.0014 per unit declared on June 24, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)	-	-	-	-	-	-	(1,159)
<b>Net (loss) / income for the year / period less distribution</b>	-	(174,483)	(174,483)	-	(344,755)	(344,755)	-	(33,778)	(33,778)	-	757	757	-	29,893	29,893	-	9,443	9,443	(512,923)
<b>Net assets at the end of the year / period</b>	1,869,513	(218,351)	1,651,162	4,832,027	(506,231)	4,325,796	3,644,048	(33,778)	3,610,270	5,263	(5,263)	-	1,688,731	29,891	1,718,622	2,140,539	9,391	2,149,930	13,455,780
Undistributed (loss) / income brought forward comprises of:																			
Realised gain	-	32,348	32,348	-	23,635	23,635	-	-	-	-	-	-	-	-	-	-	-	-	55,983
Unrealised loss	-	(76,216)	(76,216)	-	(185,111)	(185,111)	-	-	-	-	-	-	-	-	-	-	-	-	(261,227)
Total undistributed loss brought forward	-	(43,868)	(43,868)	-	(161,476)	(161,476)	-	-	-	-	-	-	-	-	-	-	-	-	(205,244)
<b>(Loss) / income available for distribution:</b>	(174,483)	(174,483)		(344,755)	(344,755)		(33,778)	(33,778)		33	33		29,891	29,891		9,391	9,391		(513,701)
Relating to capital gains	-	-		-	-		-	-		-	-		29,269	29,269		10,218	10,218		39,487
Excluding capital gains	-	-		-	-		-	-		33	33		622	622		(827)	(827)		(172)
Distribution during the year / period																			
Re. 0.598 per unit declared on December 28, 2017 as bonus dividend	-	-	-	-	-	-	-	-	-	(389)	(389)	-	-	-	-	-	-	-	(389)
Re. 0.3320 per unit declared on January 26, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(183)	(183)	-	-	-	-	-	-	-	(183)
Re. 0.4305 per unit declared on February 28, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(343)	(343)	-	-	-	-	-	-	-	(343)
Re. 0.4035 per unit declared on March 29, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(486)	(486)	-	-	-	-	-	-	-	(486)
Re. 0.3868 and 0.0001 per unit declared on April 27, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,169)	(1,169)	-	-	-	-	-	-	-	(1,169)
Re. 0.4428 and 0.0130 per unit declared on May 30, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,567)	(1,567)	-	-	-	-	-	-	-	(1,567)
Re. 0.3137 and 0.0014 per unit declared on June 24, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)	-	-	-	-	-	-	-	(1,159)
<b>Undistributed (loss) / income carried forward</b>	(218,351)	(218,351)		(506,231)	(506,231)		(33,778)	(33,778)		(5,263)	(5,263)		29,891	29,891		9,391	9,391		(724,341)
Undistributed (loss) / income carried forward comprises of:																			
Realised (loss) / gain	(100,047)	(100,047)		(235,536)	(235,536)		18,160	18,160		(5,263)	(5,263)		14,866	14,866		(4,400)	(4,400)		(312,220)
Unrealised (loss) / gain	(118,304)	(118,304)		(270,695)	(270,695)		(51,938)	(51,938)		-	-		15,025	15,025		13,791	13,791		(412,121)
<b>Total undistributed (loss) / income carried forward</b>	(218,351)	(218,351)		(506,231)	(506,231)		(33,778)	(33,778)		(5,263)	(5,263)		29,891	29,891		9,391	9,391		(724,341)
Net assets value per unit at the beginning of the year / period	(Rupees) 98.0880			(Rupees) 96.8685			(Rupees) -			(Rupees) -			(Rupees) -			(Rupees) -			
Net assets value per unit at end of the year / period	90.1436			90.0985			99.1053			-			101.6568			100.4416			

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 FINANCIAL PLANNING FUND- II**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Al Ameen Islamic Financial Planning Fund - II (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated August 29, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 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 shariah compliant fund of fund scheme and is listed on the Pakistan Stock Exchange Limited. The units of Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Conservative Allocation Plan and Al-Ameen Islamic Principal Preservation Plan-I of the Fund were initially offered to public on February 14, 2017, May 19, 2017, August 25, 2017, December 8, 2017, November 8, 2017 and March 19, 2018 respectively. Subsequent to the Initial Public Offering, the offer of Units of the Allocation Plans at the Initial Offer Price is discontinued. The Units of the Allocation Plans could then be purchased at their Offer price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund consists of multiple plans and aims to generate return for investors in line with their risk tolerance level. The duration of the Fund is perpetual however the allocation plans have a standard time frame of two years. Each Allocation Plan announces separate NAVs which rank pari passu inter se according to its number of Units. Units are offered for public subscription on a continuous basis.
- 1.4 The Fund mainly makes investments in designated authorised investments approved by the Shariah Advisory Board and offers Shariah Compliant returns to the investors. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund is categorised as a Shariah Compliant Fund of Funds.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

Currently, six plans (i.e. Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Conservative Allocation Plan and Al-Ameen Islamic Principal Preservation Plan-I) have been introduced. The brief description of the plans is as follows:

#### **Al-Ameen Islamic Active Allocation Plan - VII (AIACTAP-VII)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic Income and Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

Al-Ameen Islamic Active Allocation Plan - VII (AIACTAP-VII) was due to mature on February 20, 2019. However, during the year, the Management Company of the Fund, vide 10th supplement to the offering document of the Fund issued on January 28, 2019, has extended the duration of AIACTAP-VII by one year till February 20, 2020.

#### **Al-Ameen Islamic Active Allocation Plan - VIII (AIACTAP-VIII)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic Income and Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

Al-Ameen Islamic Active Allocation Plan - VIII (AIACTAP-VIII) was due to mature on May 29, 2019. However, during the year, the Management Company of the Fund, vide 11th supplement to the offering document of the Fund issued on March 20, 2019, has extended the duration of AIACTAP-VIII by one year till May 29, 2020.

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

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 95% in Islamic Equity, 95% in Islamic Income and 5% to 100% in Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

Al-Ameen Islamic Active Allocation Plan - IX (AIACTAP-IX) was due to mature on 30 August, 2019. However, subsequent to the year end, the Management Company of the Fund, vide 12th supplement to the offering document of the Fund issued on August 5, 2019, has extended the duration of AIACTAP-IX by one year till August 30, 2020.

### **Al-Ameen Islamic Active Allocation Plan - X (AIACTAP-X)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 95% in Islamic Equity, 95% in Islamic Income and 5% to 100% in Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

Al-Ameen Islamic Active Allocation Plan - X (AIACTAP-X) is due to mature on December 14, 2019 unless the Management Company decides otherwise.

### **Al-Ameen Islamic Conservative Allocation Plan (AIConAP)**

An Islamic Conservative allocation plan with an objective to generate stable returns while maintaining high liquidity by investing in Islamic Money Market and Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 80% to 100% in Islamic Money Market, 0% to 20% in Islamic Income schemes and 0% to 10% in cash in Islamic Bank/Islamic Windows Account.

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

An Islamic Principal Preservation plan with an objective to earn a potentially high return through dynamic asset allocation between Islamic Equity, Islamic Sovereign Income and Islamic Money Market based collective investment schemes, while providing principal preservation of the initial investment value including front end load at completion of twenty four months and beyond till maturity of the plan. Investment segment of the Plan may invest upto 50% in Islamic Equity Scheme(s) category, 100% in Islamic Money Marker/Sovereign Income Scheme(s) and 10% in Cash in Islamic Windows Account.

Al-Ameen Islamic Principal Preservation Plan - I (AIAPPP) is due to mature on March 19, 2020 unless the Management Company decides otherwise.

- 1.6 VIS Credit Rating Company Limited has assigned an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 2, 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, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and 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 by following accrual basis of accounting except for cash flows information.

## **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 20 to these financial statements.

### **Impairment of financial assets**

For details please refer note 4.2.1.2 to these financial statements.

### **Provision for taxation**

For details please refer notes 4.7 and 17 to these financial statements.

### **Sindh Workers' Welfare Fund**

For details please refer note 13.1 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 Standards or interpretations 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
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 IAS39 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



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

**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

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

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

### **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
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

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

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
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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 statement are set 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:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	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.
<b>Debt investments at FVOCI</b>	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.

Al Ameen Islamic Active Allocation Plan - VII					
		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)	
Bank balances	(b)	Loans and receivables	Amortised cost	10,508	10,508
Investment in units of Mutual Funds	(a)	Held for trading	FVTPL	1,640,279	1,640,279
Markup/interest receivable	(b)	Loans and receivables	Amortised cost	54	54
Other receivables	(b)	Loans and receivables	Amortised cost	575	575
				1,651,416	1,651,416

Al Ameen Islamic Active Allocation Plan - VIII					
		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)	
Bank balances	(b)	Loans and receivables	Amortised cost	4,920	4,920
Investment in units of Mutual Funds	(a)	Held for trading	FVTPL	4,325,375	4,325,375
Markup/interest receivable	(b)	Loans and receivables	Amortised cost	23	23
				4,330,318	4,330,318

<u>Al Ameen Islamic Active Allocation Plan - IX</u>					
		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) —————	
Bank balances	(b)	Loans and receivables	Amortised cost	300	300
Investment in units of Mutual Funds	(a)	Held for trading	FVTPL	3,613,340	3,613,340
Markup/interest receivable	(b)	Loans and receivables	Amortised cost	23	23
				3,613,663	3,613,663

<u>Al Ameen Islamic Active Allocation Plan - X</u>					
		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) —————	
Bank balances	(b)	Loans and receivables	Amortised cost	6,012	6,012
Investment in units of Mutual Funds	(a)	Held for trading	FVTPL	1,713,790	1,713,790
Markup/interest receivable	(b)	Loans and receivables	Amortised cost	29	29
				1,719,831	1,719,831

<u>Al Ameen Islamic Active Allocation Plan - AIAPPP-1</u>					
		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) —————	
Bank balances	(b)	Loans and receivables	Amortised cost	316	316
Investment in units of Mutual Funds	(a)	Held for trading	FVTPL	2,150,902	2,150,902
Markup/interest receivable	(b)	Loans and receivables	Amortised cost	64	64
				2,151,282	2,151,282

(a) These financial assets classified as 'held for trading' have been classified as fair value through profit and loss (FVTPL). Units of mutual funds are puttable instruments as per the definition given under International Accounting Standard 32 - Financial Instruments: Presentation (IAS -32) and do not meet the definition of equity instrument under IAS 32. Accordingly, such instruments are classified as FVTPL as they do not meet the contractual cash flow characteristics criterion.

(b) 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 measured at FVTPL.

#### **4.2.1.4 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.

#### **4.2.1.5 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.

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.

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 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.

#### **4.8 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.

#### **4.9 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.

#### **4.10 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.

#### **4.11 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.

#### **4.12 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 'available-for-sale' is included in 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, brokerage paid to the members of the stock exchange and other expenses. These costs are being amortised over a period of two years commencing from the date of plan, in accordance with the Trust Deed of the Fund and NBFC Regulations.

## 5 BANK BALANCES

		AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	Total
June 30, 2019								
Note		----- (Rupees in '000) -----						
Cash at bank								
PLS accounts	5.1	9,139	3,689	52	-	5,552	1,758	20,190
Current accounts		459	-	375	-	5,619	-	6,453
		9,598	3,689	427	-	11,171	1,758	26,643
		AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	Total
June 30, 2018								
		----- (Rupees in '000) -----						
Cash at bank								
PLS accounts		10,457	4,610	122	510	6,002	316	22,017
Current accounts	5.1	51	310	178	-	10	-	549
		10,508	4,920	300	510	6,012	316	22,566

- 5.1 Profit rate on these PLS accounts range between 4.1% to 11.25% per annum (June 30, 2018: 5.5% to 6.2% per annum). This comprises of amounts held by a related party (United Bank Limited).

## 6 INVESTMENTS

### 6.1 Financial assets classified as at fair value through profit or loss

		AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPP-I	Total
		June 30, 2019						
		----- (Rupees in '000) -----						
Units of mutual funds	6.2	410,403	539,496	2,810,917	-	1,241,385	1,813,291	6,815,492
		AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPP-I	Total
		June 30, 2018						
		----- (Rupees in '000) -----						
Units of mutual funds	6.2	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686

## 6.2 Units of mutual funds

Name of investee funds	At the beginning of the year	Purchased during the year	Sold during the year	At the end of the year	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as at June 30, 2018	Market value as Percentage of net assets	Market value as Percentage of investment
	No. of holdings				(Rupees in '000)					
<b>Al Ameen Islamic Active Allocation Plan - VII</b>										
Al Ameen Islamic Sovereign Fund	3,830,633	6,792,743	9,017,566	1,605,810	162,054	162,262	208	397,945	38.75%	39.54%
Al Ameen Islamic Cash Fund	-	1,626,704	1,626,704	-	-	-	-	-	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	10,713,152	2,075,739	10,204,699	2,584,192	292,853	248,141	(44,712)	1,242,334	60.26%	60.46%
<b>Total</b>	<b>14,543,785</b>	<b>10,495,186</b>	<b>20,848,969</b>	<b>4,190,002</b>	<b>454,907</b>	<b>410,403</b>	<b>(44,504)</b>	<b>1,640,279</b>	<b>99.01%</b>	<b>100.00%</b>
<b>Al Ameen Islamic Active Allocation Plan - VIII</b>										
Al Ameen Islamic Sovereign Fund	10,022,144	30,300,824	38,440,868	1,882,100	189,936	190,180	244	1,041,150	35.22%	35.25%
Al Ameen Islamic Cash Fund	-	2,024,360	2,024,360	-	-	-	-	-	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	28,321,218	6,835,628	31,519,001	3,637,845	403,680	349,316	(54,364)	3,284,225	64.69%	64.75%
<b>Total</b>	<b>38,343,362</b>	<b>39,160,812</b>	<b>71,984,229</b>	<b>5,519,945</b>	<b>593,616</b>	<b>539,496</b>	<b>(54,120)</b>	<b>4,325,375</b>	<b>99.91%</b>	<b>100.00%</b>
<b>Al Ameen Islamic Active Allocation Plan - IX</b>										
Al Ameen Islamic Sovereign Fund	8,640,507	13,611,432	14,763,928	7,488,011	755,669	756,640	971	897,619	26.95%	26.92%
Al Ameen Islamic Cash Fund	-	-	-	-	-	-	-	-	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	23,418,772	6,432,347	8,457,456	21,393,663	2,428,544	2,054,277	(374,267)	2,715,721	73.16%	73.08%
<b>Total</b>	<b>32,059,279</b>	<b>20,043,779</b>	<b>23,221,384</b>	<b>28,881,674</b>	<b>3,184,213</b>	<b>2,810,917</b>	<b>(373,296)</b>	<b>3,613,340</b>	<b>100.10%</b>	<b>100.00%</b>
<b>Al Ameen Islamic Active Allocation Plan - X</b>										
Al Ameen Islamic Sovereign Fund	3,837,318	6,829,486	6,982,563	3,684,241	371,803	372,281	478	398,640	29.76%	29.99%
Al Ameen Islamic Cash Fund	668,581	3,903,237	4,571,818	-	-	-	-	70,365	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	10,734,294	2,515,521	4,198,791	9,051,024	1,029,912	869,104	(160,808)	1,244,785	69.48%	70.01%
<b>Total</b>	<b>15,240,193</b>	<b>13,248,244</b>	<b>15,753,172</b>	<b>12,735,265</b>	<b>1,401,715</b>	<b>1,241,385</b>	<b>(160,330)</b>	<b>1,713,790</b>	<b>99.24%</b>	<b>100.00%</b>
<b>Al Ameen Islamic Conservative Allocation Plan</b>										
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	0.00%	0.00%
Al Ameen Islamic Cash Fund	-	-	-	-	-	-	-	-	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	-	-	-	-	-	-	-	-	0.00%	0.00%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Al Ameen Islamic Active Principal Preservation Plan-I</b>										
Al Ameen Islamic Sovereign Fund	-	35,176,237	21,427,179	13,749,058	1,387,155	1,389,298	2,143	-	76.64%	76.62%
Al Ameen Islamic Cash Fund	18,587,661	17,169,423	35,757,084	-	-	-	-	1,956,257	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	1,678,509	4,967,547	2,230,507	4,415,549	465,263	423,993	(41,270)	194,645	23.39%	23.38%
<b>Total</b>	<b>20,266,170</b>	<b>57,313,207</b>	<b>59,414,770</b>	<b>18,164,607</b>	<b>1,852,418</b>	<b>1,813,291</b>	<b>(39,127)</b>	<b>2,150,902</b>	<b>100.03%</b>	<b>100.00%</b>
<b>Total investments in units of mutual funds</b>										
Al Ameen Islamic Sovereign Fund	26,330,602	92,710,722	90,632,104	28,409,220	2,866,617	2,870,661	4,044	2,735,354	42.03%	42.12%
Al Ameen Islamic Cash Fund	19,256,242	24,723,724	43,979,966	-	-	-	-	2,026,622	0.00%	0.00%
Al Ameen Islamic Dedicated Equity Fund	74,865,945	22,826,782	56,610,454	41,082,273	4,620,252	3,944,831	(675,421)	8,681,710	57.75%	57.88%
<b>Total</b>	<b>120,452,789</b>	<b>140,261,228</b>	<b>191,222,524</b>	<b>69,491,493</b>	<b>7,486,869</b>	<b>6,815,492</b>	<b>(671,377)</b>	<b>13,443,686</b>	<b>99.78%</b>	<b>100.00%</b>

## 7 MARK-UP / INTEREST RECEIVABLE

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
	June 30, 2019						
	(Rupees in '000)						
Profit receivable on profit and loss sharing accounts	85	145	14	-	39	4	287
	June 30, 2018						
	(Rupees in '000)						
Profit receivable on profit and loss sharing accounts	54	23	23	-	29	64	193

## 8 PREPAYMENTS AND OTHER RECEIVABLES

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
	June 30, 2019						
	(Rupees in '000)						
Prepayments	7	-	-	-	-	-	7
Other receivables	-	-	-	-	-	10	10
	7	-	-	-	-	10	17
	June 30, 2018						
	(Rupees in '000)						
Prepayments	186	-	-	-	-	-	186
Other receivables	575	-	-	-	-	-	575
	761	-	-	-	-	-	761

## 9 PRELIMINARY EXPENSES AND FLOATATION COSTS

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
	June 30, 2019						
	(Rupees in '000)						
Preliminary expenses and floatation costs	1,380	-	-	-	-	-	1,380
Amortisation during the year	(1,380)	-	-	-	-	-	(1,380)
Balance as at June 30, 2019	-	-	-	-	-	-	-
	June 30, 2018						
	(Rupees in '000)						
Preliminary expenses and floatation costs	3,523	-	-	-	-	-	3,523
Amortisation during the year	(2,143)	-	-	-	-	-	(2,143)
Balance as at June 30, 2018	1,380	-	-	-	-	-	1,380

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of two years commencing from February 21, 2017 as per the requirements set out in the Trust Deed.

## 10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

	AlACTAP-VII	AlACTAP-VIII	AlACTAP-IX	AlConAP	AlACTAP-X	AlAPPP-I	Total
	June 30, 2019						
	(Rupees in '000)						
Remuneration payable	10.1	-	-	-	-	-	-
Sales load payable to UBL		-	-	-	-	-	-
Shariah Advisor fee payable	10.2	47	47	41	41	41	217
Conversion charges payable		3	4	3	1	1	12
Allocated expenses payable	10.3	35	55	237	109	154	590
		85	106	281	151	196	819

	AlACTAP-VII	AlACTAP-VIII	AlACTAP-IX	AlConAP	AlACTAP-X	AlAPPP-I	Total
	June 30, 2018						
	(Rupees in '000)						
Remuneration payable	10.1	-	-	-	-	-	-
Sales load payable to UBL		-	-	-	-	341	341
Shariah Advisor fee payable	10.2	4	4	4	4	4	24
Conversion charges payable		-	2	1	-	-	3
Allocated expenses payable	17	284	743	619	294	361	2,343
		288	749	624	298	706	2,711

10.1 As per the requirements of the NBFC Regulations, the Management Company shall not charge any fee if the fund makes investment in the CIS managed by the same Management Company. During the year, the Fund has invested in the units of the CIS managed by the same Management Company and, accordingly, it has not charged any amount on account of remuneration to Management Company.

10.2 As per NBFC Regulations, the Management Company is entitled to charge Shariah Advisory fee from the Fund. Accordingly, the Management Company has charged Rs. 0.365 million as Shariah Advisory fee and has allocated the same to Al-Ameen Islamic Active Allocation Plan - VII and Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X and Al-Ameen Islamic Active Principal Preservation Plan - I respectively under a contract signed with the Shariah Advisors.

## 11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	AlACTAP-VII	AlACTAP-VIII	AlACTAP-IX	AlConAP	AlACTAP-X	AlAPPP-I	Total
	June 30, 2019						
	(Rupees in '000)						
Trustee fee payable (including Sindh sales tax)	11.1 & 11.2	33	50	213	-	97	126
							519

	AlACTAP-VII	AlACTAP-VIII	AlACTAP-IX	AlConAP	AlACTAP-X	AlAPPP-I	Total
	June 30, 2018						
	(Rupees in '000)						
Trustee fee payable (including Sindh sales tax)	11.1 & 11.2	120	315	263	24	125	154
							1,001

- 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	0.10% p.a. of Net Assets
Over Rs. 1,000 million	Rs. 1.0 million plus 0.075% p.a. of Net Assets exceeding Rs. 1,000 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.

## 12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
June 30, 2019								
(Rupees in '000)								
Annual fee payable	12.1	909	2,856	2,510	-	1,195	1,523	8,993
June 30, 2018								
(Rupees in '000)								
Annual fee payable	12.1	1,368	3,417	2,389	91	726	456	8,447

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

## 13 ACCRUED EXPENSES AND OTHER LIABILITIES

		AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
June 30, 2019								
(Rupees in '000)								
Auditors remuneration payable		44	43	43	-	43	43	216
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
Other payables		281	273	329	-	169	371	1,423
		325	316	372	-	212	414	1,639
June 30, 2018								
(Rupees in '000)								
Auditors remuneration payable		29	29	29	29	29	29	174
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
Other payables		15	12	88	320	31	7	473
		44	41	117	349	60	36	647

### **13.1 Provision for Sindh 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 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.

Since the Fund has incurred net loss during the year, therefore no provision against SWWF has been made.

## 14 CONTINGENCIES AND COMMITMENTS

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

## 15 NUMBER OF UNITS IN ISSUE

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
<b>For the year ended June 30, 2019</b>							
Total units in issue at the beginning of the year	18,317,023	48,011,863	36,428,630	-	16,906,117	21,404,780	141,068,413
Add: Units issued	72,639	450,452	200,205	-	20,021	447,557	1,190,874
Less: Units redeemed	(13,361,004)	(41,790,035)	(5,087,741)	-	(3,319,650)	(4,432,137)	(67,990,567)
Total units in issue at the end of the year	5,028,658	6,672,280	31,541,094	-	13,606,488	17,420,200	74,268,720

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
<b>For the year / period ended June 30, 2019</b>							
Total units in issue at the beginning of the year / period	22,943,367	51,564,187	-	-	-	-	74,507,554
Add: Units issued	248,704	137,953	41,962,936	5,187,653	17,640,411	21,615,996	86,793,653
Add: Bonus issued	-	-	-	57,218	-	-	57,218
Less: Units redeemed	(4,875,048)	(3,690,277)	(5,534,306)	(5,244,871)	(734,294)	(211,216)	(20,290,012)
Total units in issue at the end of the year / period	18,317,023	48,011,863	36,428,630	-	16,906,117	21,404,780	141,068,413

## 16 AUDITORS' REMUNERATION

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIconAP	AICTAP-X	AIAPPP-I	Total
<b>For the year ended June 30, 2019</b>							
<b>----- (Rupees in '000) -----</b>							
Annual audit fee	43	43	43	-	43	43	215
Half yearly review fee	16	16	16	-	16	16	80
Fee for review of compliance with the requirement of the Code of Corporate Governance	3	3	3	-	3	3	15
Fee for other certifications / services	3	3	3	-	3	3	15
Out of pocket expenses and sales tax	5	4	5	-	5	5	24
	70	69	70	-	70	70	349

	AICTAP-VII	AICTAP-VIII	AICTAP-IX		AICTAP-X	AIAPPP-I	Total
<b>For the year / period ended June 30, 2018</b>							
<b>----- (Rupees in '000) -----</b>							
Annual audit fee	22	22	22	22	22	22	132
Half yearly review fee	10	10	10	10	10	-	50
Fee for review of compliance with the requirement of the Code of Corporate Governance	3	3	3	3	3	4	19
Fee for other certifications / services	3	3	3	3	3	3	18
Out of pocket expenses and sales tax	71	17	4	4	4	-	93
	109	55	42	42	42	29	219

## **17 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 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.

## **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 to the unit holders in cash. 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. During the year, the Fund has incurred net loss, therefore the Management Company has not made provision for taxation.

## **19 EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the year and 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 as on June 30, 2019 of AIACTAP-VII, AIACTAP-VIII, AIACTAP-IX, AIACTAP-X, and AIAPPP-I is 0.41%, 0.27%, 0.27%, 0.27%, 0.27% respectively and this includes 0.09%, 0.09%, 0.09%, 0.09%, 0.08% respectively representing Government levy, Workers' 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 at amortised cost or financial assets at fair value through profit or loss. The financial liabilities carried on the statement of assets and liabilities are categorised as at amortised cost i.e. liabilities other than 'at fair value through profit or loss'.

### Al-Ameen Islamic Active Allocation Plan - VII

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or loss'	Financial assets 'at fair value through other comprehensive income'	Total

Rupees in '000

#### Financial assets

Bank balances	9,598	-	-	9,598
Investments	-	410,403	-	410,403
Mark-up / interest receivable	85	-	-	85
	9,683	410,403	-	420,086

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through profit or loss'	Financial liabilities 'at amortized cost'	Total

Rupees in '000

#### Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	-	85	85
Payable to Central Depository Company of Pakistan Limited - Trustee	-	29	29
Accrued expenses and other liabilities	-	325	325
	-	439	439

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets 'available for sale'	Total

Rupees in '000

#### Financial assets

Bank balances	10,508	-	-	10,508
Investments	-	1,640,279	-	1,640,279
Mark-up / interest receivable	54	-	-	54
Other receivable	575	-	-	575
	11,137	1,640,279	-	1,651,416

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or loss'	Financial assets 'at fair value through other comprehensive income'	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	3,689	-	-	3,689
Investments	-	539,496	-	539,496
Mark-up / interest receivable	145	-	-	145
	<u>3,834</u>	<u>539,496</u>	<u>-</u>	<u>543,330</u>

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through profit or loss'	Financial liabilities 'at amortized cost'	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	106	106
Payable to Central Depository Company of Pakistan Limited - Trustee	-	44	44
Accrued expenses and other liabilities	-	316	316
	<u>-</u>	<u>466</u>	<u>466</u>

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets 'available for sale'	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	4,920	-	-	4,920
Investments	-	4,325,375	-	4,325,375
Mark-up / interest receivable	23	-	-	23
	<u>4,943</u>	<u>4,325,375</u>	<u>-</u>	<u>4,330,318</u>

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	749	749
Payable to Central Depository Company of Pakistan Limited - Trustee	-	279	279
Accrued expenses and other liabilities	-	41	41
	<u>-</u>	<u>1,069</u>	<u>1,069</u>

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or loss'	Financial assets 'at fair value through other comprehensive income'	Total
----- Rupees in '000 -----				
Financial assets				
Bank balances	427	-	-	427
Investments	-	2,810,917	-	2,810,917
Mark-up / interest receivable	14	-	-	14
	441	2,810,917	-	2,811,358

Rupees in '000

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through profit or loss'	Financial liabilities 'at amortized cost'	Total
<hr/>			
Rupees in '000			
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	281	281
Payable to Central Depository Company of Pakistan Limited - Trustee	-	188	188
Accrued expenses and other liabilities	-	372	372
	-	841	841

Rupees in '000

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets 'available for sale'	Total
----- Rupees in '000 -----				
Financial assets				
Bank balances	300	-	-	300
Investments	-	3,613,340	-	3,613,340
Mark-up / interest receivable	23	-	-	23
	323	3,613,340	-	3,613,663

Rupees in '000

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
<hr/> <div>Rupees in '000</div> <hr/>			
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	624	624
Payable to Central Depository Company of Pakistan Limited - Trustee	-	233	233
Accrued expenses and other liabilities	-	117	117
	-	974	974

Rupees in '000

**Al-Ameen Islamic Conservative Allocation Plan**

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or	Financial assets 'at fair value through other comprehensive	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	-	-	-	-
Investments	-	-	-	-
Mark-up / interest receivable	-	-	-	-
Other receivables	-	-	-	-
	-	-	-	-

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through	Financial liabilities 'at amortized cost'	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-
	-	-	-

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	510	-	-	510
Investments	-	-	-	-
Mark-up / interest receivable	-	-	-	-
Other receivables	-	-	-	-
	510	-	-	510

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through	Other financial liabilities	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	46	46
Payable to Central Depository Company of Pakistan Limited - Trustee	-	21	21
Accrued expenses and other liabilities	-	349	349
	-	416	416

**Al-Ameen Islamic Active Allocation Plan - X**

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or	Financial assets 'at fair value through other comprehensive	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	11,171	-	-	11,171
Investments	-	1,241,385	-	1,241,385
Mark-up / interest receivable	39	-	-	39
	11,210	1,241,385	-	1,252,595

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through	Financial liabilities 'at amortized cost'	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	151	151
Payable to Central Depository Company of Pakistan Limited - Trustee	-	86	86
Accrued expenses and other liabilities	-	212	212
	-	449	449

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	Total
Rupees in '000				
<b>Financial assets</b>				
Bank balances	6,012	-	-	6,012
Investments	-	1,713,790	-	1,713,790
Mark-up / interest receivable	29	-	-	29
	6,041	1,713,790	-	1,719,831

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through	Other financial liabilities	Total
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	298	298
Payable to Central Depository Company of Pakistan Limited - Trustee	-	111	111
Accrued expenses and other liabilities	-	60	60
	-	469	469

**Al-Ameen Islamic Active Principal Preservation Plan-I**

Particulars	As at June 30, 2019			
	Amortized Cost	Financial assets 'at fair value through profit or	Financial assets 'at fair value through other comprehensive	Total
<b>Rupees in '000</b>				
<b>Financial assets</b>				
Bank balances	1,758	-	-	1,758
Investments	-	1,813,291	-	1,813,291
Mark-up / interest receivable	4	-	-	4
Other receivable	10			
	1,772	1,813,291	-	1,815,053

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through	Financial liabilities 'at amortized cost'	Total
<b>Rupees in '000</b>			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	196	196
Payable to Central Depository Company of Pakistan Limited - Trustee	-	112	112
Accrued expenses and other liabilities	-	414	414
	-	722	722

Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	Total
<b>Rupees in '000</b>				
<b>Financial assets</b>				
Bank balances	316	-	-	316
Investments	-	2,150,902	-	2,150,902
Mark-up / interest receivable	64	-	-	64
Other receivable	-			
	380	2,150,902	-	2,151,282

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through	Other financial liabilities	Total
<b>Rupees in '000</b>			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	706	706
Payable to Central Depository Company of Pakistan Limited - Trustee	-	136	136
Accrued expenses and other liabilities	-	36	36
	-	878	878



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 common management or directorships, Central Depository company of Pakistan Limited (Trustee), the Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.

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. 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 period 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) -----						
<b><u>Al Ameen Islamic Active Allocation Plan - VII</u></b>						
<b>Transactions during the year ended June 30, 2019</b>						
Profit on PLS accounts	-	1,820	-	-	-	-
Bank charges	-	28	-	-	-	-
Listing fee	-	22	-	-	-	-
Allocated expenses	1,212	-	-	-	-	-
Dividend received	-	-	-	138	-	-
Purchase of securities	-	-	-	1,073,559	-	-
Sale of securities	-	-	-	2,273,605	-	-
Shariah advisory fees paid	29	-	-	-	-	-
Remuneration of Trustee	-	-	1,056	-	-	-
<b>Transactions during the year ended June 30, 2018</b>						
Profit on PLS accounts	-	990	-	-	-	-
Bank charges	-	19	-	-	-	-
Listing fee	-	39	-	-	-	-
Allocated expenses	1,824	-	-	-	-	-
Purchase of securities	-	-	-	1,937,369	-	-
Sale of securities	-	-	-	2,346,485	-	-
Bonus units issued	-	-	-	-	-	-
Shariah advisory fees paid	80	-	-	-	-	-
Remuneration of Trustee	-	-	1,727	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - VIII</u></b>						
<b>Transactions during the year ended June 30, 2019</b>						
Profit on PLS accounts	-	486	-	-	-	-
Bank charges	-	18	-	-	-	-
Listing fee	-	6	-	-	-	-
Allocated expenses	3,809	-	-	-	-	-
Dividend received	-	-	-	360	-	-
Purchase of securities	-	-	-	4,092,817	-	-
Sale of securities	-	-	-	7,559,827	-	-
Shariah advisory fees paid	29	-	-	-	-	-
Remuneration of Trustee	-	-	3,318	-	-	-
<b>Transactions during the year ended June 30, 2018</b>						
Units purchased	-	-	-	-	1	116
Profit on PLS accounts	-	746	-	-	-	-
Bank charges	-	15	-	-	-	-
Listing fee	-	14	-	-	-	-
Allocated expenses	4,556	-	-	-	-	-
Purchase of securities	-	-	-	8,220,175	-	-
Sale of securities	-	-	-	8,549,733	-	-
Shariah advisory fees paid	80	-	-	-	-	-
Remuneration of Trustee	-	-	4,067	-	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----					

**Al Ameen Islamic Active Allocation Plan - IX**

**Transactions during the year ended June 30, 2019**

Profit on PLS accounts	-	166	-	-	-
Bank charges	-	20	-	-	-
Listing fee	-	5	-	-	-
Allocated expenses	3,347	-	-	-	-
Dividend received	-	-	310	-	-
Purchase of securities	-	-	2,040,645	-	-
Sale of securities	-	-	2,503,475	-	-
Shariah advisory fees paid	30	-	-	-	-
Remuneration of Trustee	-	-	2,919	-	-

**Transactions during the period from August 31, 2017 to June 30, 2018**

Units purchased	-	-	-	-	40,015
Profit on PLS accounts	-	3,043	-	-	-
Bank charges	-	11	-	-	-
Allocated expenses	3,185	-	-	-	-
Purchase of securities	-	-	8,254,891	-	-
Sale of securities	-	-	4,601,068	-	-
Shariah advisory fees paid	66	-	-	-	-
Remuneration of Trustee	-	-	2,851	-	-

**Al Ameen Islamic Active Allocation Plan - X**

**Transactions during the year ended June 30, 2019**

Profit on PLS accounts	-	428	-	-	-
Bank charges	-	22	-	-	-
Listing fee	-	6	-	-	-
Allocated expenses	1,594	-	-	-	-
Dividend received	-	-	171	-	-
Purchase of securities	-	-	1,337,516	-	-
Sale of securities	-	-	1,659,294	-	-
Shariah advisory fees paid	30	-	-	-	-
Remuneration of Trustee	-	-	1,388	-	-

**Transactions during the period from December 15, 2017 to June 30, 2018**

Profit on PLS accounts	-	1,815	-	-	-
Bank charges	-	5	-	-	-
Allocated expenses	969	-	-	-	-
Purchase of securities	-	-	8,428,780	-	-
Sale of securities	-	-	6,744,261	-	-
Shariah advisory fees paid	31	-	-	-	-
Remuneration of Trustee	-	-	873	-	-

**Al Ameen Islamic Conservative Allocation Plan**

**Transactions during the year ended June 30, 2019**

Units purchased	-	-	-	-	-
Units redeemed	-	-	-	-	-
Profit on PLS accounts	-	-	-	-	-
Bank charges	-	-	-	-	-
Allocated expenses	-	-	-	-	-
Purchase of securities	-	-	-	-	-
Sale of securities	-	-	-	-	-
Shariah advisory fees paid	-	-	-	-	-
Remuneration of Trustee	-	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b>Transactions during the period from November 09, 2017 to June 30, 2018</b>						
Units purchased	95,268	-	-	-	-	-
Units redeemed	95,376	-	-	-	-	-
Profit on PLS accounts	-	-	-	-	-	-
Bank charges	-	8	-	-	-	-
Allocated expenses	41	-	-	-	-	-
Purchase of securities	-	-	-	524,606	-	-
Sale of securities	-	-	-	531,000	-	-
Shariah advisory fees paid	38	-	-	-	-	-
Remuneration of Trustee	-	-	109	-	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

**Transactions during the year  
ended June 30, 2019**

Profit on PLS accounts	-	182	-	-	-	-
Bank charges	-	14	-	-	-	-
Listing fee	-	6	-	-	-	-
Allocated expenses	2,030	-	-	-	-	-
Dividend received	-	-	-	3,697	-	-
Purchase of securities	-	-	-	5,699,546	-	-
Sale of securities	-	-	-	6,100,579	-	-
Shariah advisory fees paid	30	-	-	-	-	-
Remuneration of Trustee	-	-	1,759	-	-	-

**Transactions during the period from  
March 20, 2018 to June 30, 2018**

Units purchased	-	-	-	-	502	346,522
Profit on PLS accounts	-	139	-	-	-	-
Allocated expenses	609	-	-	-	-	-
Purchase of securities	-	-	-	7,935,989	-	-
Sale of securities	-	-	-	5,795,357	-	-
Shariah advisory fees paid	14	-	-	-	-	-
Remuneration of Trustee	-	-	528	-	-	-

**Al Ameen Islamic Active Allocation Plan - VII**

**Balances held as at June 30, 2019**

Investment	-	-	-	410,403	-	-
Bank balances	-	9,598	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	33	-	-	-
Allocated expenses payable	35	-	-	-	-	-
Shariah Advisor fee payable	47	-	-	-	-	-
Conversion charges payable	3	-	-	-	-	-
Profit receivable	-	85	-	-	-	-

**Balances held as at June 30, 2018**

Investment	-	-	-	1,640,279	-	-
Bank balances	-	10,508	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	120	-	-	-
Allocated expenses payable	284	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Profit receivable	-	54	-	-	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
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----- (Rupees in '000) -----

**Al Ameen Islamic Active Allocation Plan - VIII**

**Balances held as at June 30, 2019**

Units held (in Units '000)	-	-	-	-	-
Units held (in Rupees '000)	-	-	-	-	-
Investment	-	-	539,496	-	-
Bank balances	-	3,689	-	-	-
Payable to Central Depository Company of Pakistan Limited					
- Trustee	-	-	50	-	-
Allocated expenses payable	55	-	-	-	-
Shariah Advisor fee payable	47	-	-	-	-
Conversion charges payable	4	-	-	-	-
Profit receivable	-	145	-	-	-

**Balances held as at June 30, 2018**

Units held (in Units '000)	-	-	-	98	893
Units held (in Rupees '000)	-	-	-	8,830	80,458
Investment	-	-	4,325,375	-	-
Bank balances	-	4,920	-	-	-
Payable to Central Depository Company of Pakistan Limited					
- Trustee	-	-	315	-	-
Allocated expenses payable	743	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-
Conversion charges payable	2	-	-	-	-
Profit receivable	-	23	-	-	-

**Al Ameen Islamic Active Allocation Plan - IX**

**Balances held as at June 30, 2019**

Units held (in Units '000)	-	-	-	-	12
Units held (in Rupees '000)	-	-	-	-	1,068
Investment	-	-	2,810,917	-	-
Bank balances	-	427	-	-	-
Payable to Central Depository Company of Pakistan Limited					
- Trustee	-	-	213	-	-
Allocated expenses payable	237	-	-	-	-
Shariah Advisor fee payable	41	-	-	-	-
Conversion charges payable	3	-	-	-	-
Profit receivable	-	14	-	-	-

**Balances held as at June 30, 2018**

Units held (in Units '000)	-	-	-	-	387
Units held (in Rupees '000)	-	-	-	-	38,354
Investment	-	-	3,613,340	-	-
Bank balances	-	300	-	-	-
Payable to Central Depository Company of Pakistan Limited					
- Trustee	-	-	263	-	-
Allocated expenses payable	619	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-
Conversion charges payable	1	-	-	-	-
Profit receivable	-	23	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b><u>Al Ameen Islamic Conservative Allocation Plan</u></b>						
<b>Balances held as at June 30, 2019</b>						
Investment	-	-	-	-	-	-
Bank balances	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited	-	-	-	-	-	-
- Trustee	-	-	-	-	-	-
Allocated expenses payable	-	-	-	-	-	-
Shariah Advisor fee payable	-	-	-	-	-	-
<b>Balances held as at June 30, 2018</b>						
Investment	-	-	-	-	-	-
Bank balances	-	434	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	24	-	-	-
Allocated expenses payable	42	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - X</u></b>						
<b>Balances held as at June 30, 2019</b>						
Investment	-	-	-	1,241,385	-	-
Bank balances	-	11,171	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	97	-	-	-
Allocated expenses payable	109	-	-	-	-	-
Shariah Advisor fee payable	41	-	-	-	-	-
Conversion charges payable	1	-	-	-	-	-
Profit receivable	-	39	-	-	-	-
<b>Balances held as at June 30, 2018</b>						
Investment	-	-	-	1,713,790	-	-
Bank balances	-	6,012	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	125	-	-	-
Allocated expenses payable	294	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Profit receivable	-	29	-	-	-	-
<b><u>Al Ameen Islamic Active Principal Preservation Plan-I</u></b>						
<b>Balances held as at June 30, 2019</b>						
Units held (in Units '000)	-	-	-	-	-	2,975
Units held (in Rupees '000)	-	-	-	-	-	309,588
Investment	-	-	-	1,813,291	-	-
Bank balances	-	1,758	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	126	-	-	-
Allocated expenses payable	154	-	-	-	-	-
Shariah Advisor fee payable	41	-	-	-	-	-
Sales load payable	-	-	-	-	-	-
Profit receivable	-	4	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	----- (Rupees in '000) -----					
<b>Balances held as at June 30, 2018</b>						
Units held (in Units '000)	-	-	-	-	5	3,449
Units held (in Rupees '000)	-	-	-	-	502	346,423
Investment	-	-	-	2,150,902	-	-
Bank balances	-	316	-	-	-	-
Payable to Central Depository Company of Pakistan Limited						
- Trustee	-	-	154	-	-	-
Allocated expenses payable	361	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Sales load payable	341	-	-	-	-	-
Profit receivable	-	64	-	-	-	-

## 23 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 Akhter	Chief Investment Officer	17.74	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5.14	BBA
4	Hadi Mukhi Hassan	Head of Risk Management, Compliance, Information Security and Quality Assurance	18.91	B.Com
5	Asim Wahab khan	Head of Investment Strategy and Equities	13.45	MBA, CFA
6	Shabbir Sardar Zaidi	Fund Manager	10.02	CFA

Shabbir Sardar Zaidi is the Fund Manager of the Fund. He is also the 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 - III and Al-Ameen Islamic Retirement Savings Fund.



## 24 PATTERN OF UNIT HOLDING

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	278	3,870,970	76.98%
Retirement funds	9	570,137	11.34%
Others	5	587,551	11.68%
	292	5,028,658	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,124	14,065,094	76.79%
Retirement funds	27	2,812,888	15.36%
Others	17	1,439,041	7.86%
	1,168	18,317,023	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	291	6,045,389	90.60%
Others	3	118,979	1.78%
Public limited companies	1	25,063	0.38%
Retirement funds	5	482,849	7.24%
	300	6,672,280	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,542	42,618,992	88.77%
Associated companies and Directors	1	97,574	0.20%
Insurance companies	1	60,275	0.13%
Retirement funds	18	1,528,709	3.18%
Public limited companies	5	1,166,600	2.43%
Others	22	2,539,713	5.29%
	2,589	48,011,863	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - IX		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Associated company and key executives	1	12,049	0.04%
Individuals	1,805	26,693,735	84.63%
Others	19	2,301,893	7.30%
Public limited companies	2	660,960	2.10%
Retirement funds	20	1,872,457	5.94%
	1,847	31,541,094	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - IX		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,078	30,937,294	84.93%
Retirement funds	22	2,391,426	6.56%
Public limited companies	2	660,960	1.81%
Others	20	2,438,950	6.70%
	2,122	36,428,630	100.00%

Category	Al-Ameen Islamic Conservative Allocation Plan		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	-	-	0.00%
Others	-	-	0.00%
	-	-	0.00%

Category	Al-Ameen Islamic Conservative Allocation Plan		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	-	-	0.00%
Others	-	-	0.00%
	-	-	0.00%

Category	Al-Ameen Islamic Active Allocation Plan - X		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	912	10,678,022	78.48%
Insurance companies	1	97,479	0.72%
Retirement funds	15	1,339,433	9.84%
Public limited companies	2	1,082,313	7.95%
Others	7	409,241	3.01%
	937	13,606,488	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - X		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,067	13,695,906	81.01%
Insurance companies	1	97,448	0.58%
Retirement funds	18	1,621,687	9.59%
Public limited companies	2	1,081,967	6.40%
Others	7	409,110	2.42%
	1,095	16,906,117	100.00%

Category	Al-Ameen Islamic Active Principal Preservation Plan-I		
	June 30, 2019		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	870	15,298,472	87.82%
Others	14	911,531	5.23%
Public limited companies	2	149,325	0.86%
Retirement funds	19	1,060,872	6.09%
	905	17,420,200	100.00%

Category	Al-Ameen Islamic Active Principal Preservation Plan-I		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,023	18,901,045	88.30%
Associated company and key executives	1	4,852	0.02%
Retirement funds	23	1,433,097	6.70%
Public limited companies	2	149,325	0.70%
Others	15	916,461	4.28%
	1,064	21,404,780	100.00%

## 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 08, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
<b>Name of Directors:</b>								
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	✓	✓	×	✓	✓	4
Mr. Tauqeer Mazhar**	N/A	N/A	✓	✓	×	×	✓	3
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Mr. Zia Ijaz*	×	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 Furrukh Zaeem	✓	✓	✓	×	✓	✓	✓	6
<b>Name of Key Executives:</b>								
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 market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the 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 currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2019, as the Fund has no financial assets or liabilities denominated in foreign currencies.

### **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 banks. 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's cash flow interest rate risk arises from balances in saving accounts. The net income or loss for the year would have higher or lower by Rs. 0.0914 million (June 30, 2018: Rs. 0.1046 million), Rs. 0.0369 million (June 30, 2018: Rs. 0.0461), Rs. 0.0005 million (June 30, 2018: 0.0012 million), 0.0555 million (June 30, 2018: Rs.0.0600) and 0.0176 million (June 30, 2018: Rs.0.0032 million) in Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Active Principal Preservation Plan-I respectively had the interest rates on savings accounts with bank increased / (decreased) by 100 basis points.

#### **b) Sensitivity analysis for fixed rate instruments**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

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 the settlement date.

**Al-Ameen Islamic Active Allocation Plan - VII**

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)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	4.1 - 11.25	9,598	9,598	-	-	-
Investments		410,403	-	-	-	410,403
Mark-up / interest receivable		85	-	-	-	85
<b>Sub total</b>		420,086	9,598	-	-	410,488
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		85	-	-	-	85
Payable to Central Depository Company of Pakistan Limited - Trustee		29	-	-	-	29
Accrued expenses and other liabilities		325	-	-	-	325
<b>Sub total</b>		439	-	-	-	439
<b>On-balance sheet gap (a)</b>		419,647	9,598	-	-	410,049
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			9,598	-	-	
<b>Cumulative interest rate sensitivity gap</b>			9,598	-	-	

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	June 30 , 2019--					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%		------(Rupees in '000)-----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	4.1 - 11.25	3,689	3,689	-	-	-
Investments		539,496	-	-	-	539,496
Mark-up / interest receivable		145	-	-	-	145
<b>Sub total</b>		543,330	3,689	-	-	539,641
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		106	-	-	-	106
Payable to Central Depository Company of Pakistan Limited - Trustee		44	-	-	-	44
Accrued expenses and other liabilities		316	-	-	-	316
<b>Sub total</b>		466	-	-	-	466
<b>On-balance sheet gap (a)</b>		542,864	3,689	-	-	539,175
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			3,689	-	-	
<b>Cumulative interest rate sensitivity gap</b>			3,689	-	-	

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	Effective yield / interest rate	Total	June 30 , 2019			
			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)-----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	4.1 - 11.25	427	427	-	-	-
Investments		2,810,917	-	-	-	2,810,917
Mark-up / interest receivable		14	-	-	-	14
<b>Sub total</b>		2,811,358	427	-	-	2,810,931
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		281	-	-	-	281
Payable to Central Depository Company of Pakistan Limited - Trustee		188	-	-	-	188
Accrued expenses and other liabilities		372	-	-	-	372
<b>Sub total</b>		841	-	-	-	841
<b>On-balance sheet gap (a)</b>		2,810,517	427	-	-	2,810,090
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			427	-	-	
<b>Cumulative interest rate sensitivity gap</b>			427	-	-	

**Al-Ameen Islamic Active Allocation Plan - AIconAP**

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)			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances			-	-	-	-
Investments			-	-	-	-
Mark-up / interest receivable			-	-	-	-
<b>Sub total</b>			-	-	-	-
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company			-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	-
Accrued expenses and other liabilities			-	-	-	-
<b>Sub total</b>			-	-	-	-
<b>On-balance sheet gap (a)</b>			-	-	-	-
<b>Off-balance sheet financial instrument</b>			-	-	-	-
<b>Off-balance sheet gap (b)</b>			-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			-	-	-	-
<b>Cumulative interest rate sensitivity gap</b>			-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - X**

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	
	%					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	4.1 - 11.25	11,171	11,171	-	-	-
Investments		1,241,385	-	-	-	1,241,385
Mark-up / interest receivable		39	-	-	-	39
<b>Sub total</b>		1,252,595	11,171	-	-	1,241,424
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		151	-	-	-	151
Payable to Central Depository Company of Pakistan Limited - Trustee		86	-	-	-	86
Accrued expenses and other liabilities		212	-	-	-	212
<b>Sub total</b>		449	-	-	-	449
<b>On-balance sheet gap (a)</b>		1,252,146	11,171	-	-	1,240,975
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			11,171	-	-	-
<b>Cumulative interest rate sensitivity gap</b>			11,171	-	-	-

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

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	
	%					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	4.1 - 11.25	1,758	1,758	-	-	-
Investments		1,813,291	-	-	-	1,813,291
Mark-up / interest receivable		4	-	-	-	4
Other receivable		10	-	-	-	10
<b>Sub total</b>		1,815,063	1,758	-	-	1,813,305
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		196	-	-	-	196
Payable to Central Depository Company of Pakistan Limited - Trustee		112	-	-	-	112
Accrued expenses and other liabilities		414	-	-	-	414
<b>Sub total</b>		722	-	-	-	722
<b>On-balance sheet gap (a)</b>		1,814,341	1,758	-	-	1,812,583
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			1,758	-	-	
<b>Cumulative interest rate sensitivity gap</b>			1,758	-	-	

**Al-Ameen Islamic Active Allocation Plan - VII**

Particulars	Effective yield / interest rate	Total	June 30 , 2018				
			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) -----			
<b>On-balance sheet financial instruments</b>							
<b>Financial assets</b>							
Bank balances	5.5 - 6.2	10,508	10,508	-	-	-	
Investments		1,640,279		-	-	1,640,279	
Mark-up / interest receivable		54	-	-	-	54	
Other receivable		761				761	
<b>Sub total</b>		1,651,602	10,508	-	-	1,641,094	
<b>Financial liabilities</b>							
Payable to UBL Fund Managers Limited - Management Company		288	-	-	-	288	
Payable to Central Depository Company of Pakistan Limited - Trustee		106	-	-	-	106	
Accrued expenses and other liabilities		44	-	-	-	44	
<b>Sub total</b>		438	-	-	-	438	
<b>On-balance sheet gap (a)</b>		1,651,164	10,508	-	-	1,640,656	
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-	
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-	
<b>Total interest rate sensitivity gap (a) + (b)</b>			10,508	-	-		
<b>Cumulative interest rate sensitivity gap</b>			10,508	-	-		

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	Effective yield / interest rate	Total	June 30 , 2018			
			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) -----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	4,920	4,920	-	-	-
Investments		4,325,375		-	-	4,325,375
Mark-up / interest receivable		23	-	-	-	23
Other receivable		-	-	-	-	-
<b>Sub total</b>		4,330,318	4,920	-	-	4,325,398
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		749	-	-	-	749
Payable to Central Depository Company of Pakistan Limited - Trustee		279	-	-	-	279
Accrued expenses and other liabilities		41	-	-	-	41
<b>Sub total</b>		1,069	-	-	-	1,069
<b>On-balance sheet gap (a)</b>		4,329,249	4,920	-	-	4,324,329
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			4,920	-	-	
<b>Cumulative interest rate sensitivity gap</b>			4,920	-	-	

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	Effective yield / interest rate	Total	June 30 , 2018			
			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) -----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	300	300	-	-	-
Investments		3,613,340	-	-	-	3,613,340
Mark-up / interest receivable		23	-	-	-	23
<b>Sub total</b>		3,613,663	300	-	-	3,613,363
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		624	-	-	-	624
Payable to Central Depository Company of Pakistan Limited - Trustee		233	-	-	-	233
Accrued expenses and other liabilities		117	-	-	-	117
<b>Sub total</b>		974	-	-	-	974
<b>On-balance sheet gap (a)</b>		3,612,689	300	-	-	3,612,389
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			300	-	-	
<b>Cumulative interest rate sensitivity gap</b>			300	-	-	



**Al-Ameen Islamic Active Allocation Plan - AIconAP**

Particulars	Effective yield / interest rate	Total	June 30 , 2018--			
			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)-----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	510	510	-	-	-
Investments		-	-	-	-	-
Mark-up / interest receivable				-	-	-
<b>Sub total</b>		510	510	-	-	-
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		46	-	-	-	46
Payable to Central Depository Company of Pakistan Limited - Trustee		21	-	-	-	21
Accrued expenses and other liabilities		349	-	-	-	349
<b>Sub total</b>		416	-	-	-	416
<b>On-balance sheet gap (a)</b>		94	510	-	-	(416)
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			510	-	-	
<b>Cumulative interest rate sensitivity gap</b>			510	-	-	

**Al-Ameen Islamic Active Allocation Plan - X**

Particulars	Effective yield / interest rate	Total	June 30 , 2018			
			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)-----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	6,012	6,012	-	-	-
Investments		1,713,790	-	-	-	1,713,790
Mark-up / interest receivable		29	-	-	-	29
<b>Sub total</b>		1,719,831	6,012	-	-	1,713,819
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		298	-	-	-	298
Payable to Central Depository Company of Pakistan Limited - Trustee		111	-	-	-	111
Accrued expenses and other liabilities		60	-	-	-	60
<b>Sub total</b>		469	-	-	-	469
<b>On-balance sheet gap (a)</b>		1,719,362	6,012	-	-	1,713,350
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			6,012	-	-	
<b>Cumulative interest rate sensitivity gap</b>			6,012	-	-	

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

Particulars	Effective yield / interest rate	Total	June 30 , 2018			Not exposed to interest rate risk
			Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%		------(Rupees in '000)-----			
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	316	316	-	-	-
Investments		2,150,902	-	-	-	2,150,902
Mark-up / interest receivable		64	-	-	-	64
<b>Sub total</b>		2,151,282	316	-	-	2,150,966
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		706	-	-	-	706
Payable to Central Depository Company of Pakistan Limited - Trustee		136	-	-	-	136
Accrued expenses and other liabilities		36	-	-	-	36
<b>Sub total</b>		878	-	-	-	878
<b>On-balance sheet gap (a)</b>		2,150,404	316	-	-	2,150,088
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>			316	-	-	
<b>Cumulative interest rate sensitivity gap</b>			316	-	-	

### **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 rate 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 instruments traded in the market.

The Fund's exposure to price risk is limited to the fair value of the respective funds in which it invests. The Fund manages its exposure to price risk by investing in Shariah Compliant Mutual Funds as per the respective Allocation Plan in line with the risk tolerance of the investor and benchmarking the sector weighting to that of average daily return of KMI 30 index and 6 months deposit rate of AA- rated (and above) Islamic Banks, based on actual proportion of investment in Equity and Income/ Money Market.

### **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.

#### **26.2.1 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.

Al-Ameen Islamic Active Allocation Plan - VII				
Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	85	-	-	85
Payable to Central Depository Company of Pakistan Limited - Trustee	29	-	-	29
Accrued expenses and other liabilities	325	-	-	325
<b>Total liabilities</b>	439	-	-	439

Al-Ameen Islamic Active Allocation Plan - VIII				
Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	106	-	-	106
Payable to Central Depository Company of Pakistan Limited - Trustee	44	-	-	44
Accrued expenses and other liabilities	316	-	-	316
<b>Total liabilities</b>	466	-	-	466

Al-Ameen Islamic Active Allocation Plan - IX				
Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	281	-	-	281
Payable to Central Depository Company of Pakistan Limited - Trustee	188	-	-	188
Accrued expenses and other liabilities	372	-	-	372
<b>Total liabilities</b>	841	-	-	841

Al-Ameen Islamic Conservative Allocation Plan-AIConAP				
Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-
<b>Total liabilities</b>	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - X**

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	151	-	-	151
Payable to Central Depository Company of Pakistan Limited - Trustee	86	-	-	86
Accrued expenses and other liabilities	212	-	-	212
<b>Total liabilities</b>	<b>449</b>	<b>-</b>	<b>-</b>	<b>449</b>

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

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	196	-	-	196
Payable to Central Depository Company of Pakistan Limited - Trustee	112	-	-	112
Accrued expenses and other liabilities	414	-	-	414
<b>Total liabilities</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>722</b>

**Al-Ameen Islamic Active Allocation Plan - VII**

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	288	-	-	288
Payable to Central Depository Company of Pakistan Limited - Trustee	106	-	-	106
Accrued expenses and other liabilities	44	-	-	44
<b>Total liabilities</b>	<b>438</b>	<b>-</b>	<b>-</b>	<b>438</b>

**Al-Ameen Islamic Active Allocation Plan - VIII**

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	749	-	-	749
Payable to Central Depository Company of Pakistan Limited - Trustee	279	-	-	279
Accrued expenses and other liabilities	41	-	-	41
<b>Total liabilities</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>1,069</b>

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	624	-	-	624
Payable to Central Depository Company of Pakistan Limited - Trustee	233	-	-	233
Accrued expenses and other liabilities	117	-	-	117
<b>Total liabilities</b>	<b>974</b>	<b>-</b>	<b>-</b>	<b>974</b>

**Al-Ameen Islamic Conservative Allocation Plan-AIConAP**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	46	-	-	46
Payable to Central Depository Company of Pakistan Limited - Trustee	21	-	-	21
Accrued expenses and other liabilities	349	-	-	349
<b>Total liabilities</b>	<b>416</b>	<b>-</b>	<b>-</b>	<b>416</b>

**Al-Ameen Islamic Active Allocation Plan - X**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	298	-	-	298
Payable to Central Depository Company of Pakistan Limited - Trustee	111	-	-	111
Accrued expenses and other liabilities	60	-	-	60
<b>Total liabilities</b>	<b>469</b>	<b>-</b>	<b>-</b>	<b>469</b>

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

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	706	-	-	706
Payable to Central Depository Company of Pakistan Limited - Trustee	136	-	-	136
Accrued expenses and other liabilities	36	-	-	36
<b>Total liabilities</b>	<b>878</b>	<b>-</b>	<b>-</b>	<b>878</b>

## 26.3 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable on units of mutual funds.

### Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. Further, all transactions in the Fund are executed only in underlying funds, thus the risk of default is considered to be minimal. 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 and the Regulations and the guidelines given by the SECP from

26.3.1 The maximum exposure to credit risk as at reporting date is tabulated below:

Financial Asset	Al-Ameen Islamic Active Allocation Plan - VII	Al-Ameen Islamic Active Allocation Plan - VIII	Al-Ameen Islamic Active Allocation Plan - IX	Al-Ameen Islamic Active Conservative Plan - AIconAP	Al-Ameen Islamic Active Allocation Plan - X	Al-Ameen Islamic Active Principal Preservation Plan-I	Total
<b>June 30, 2019</b>							
.....Rupees in '000'.....							
Balances with banks	9,598	3,689	427	-	11,171	1,758	26,643
Investments	410,403	539,496	2,810,917	-	1,241,385	1,813,291	6,815,492
Profit receivable	85	145	14	-	39	4	287
Other receivable	-	-	-	-	-	10	10
	420,086	543,330	2,811,358	-	1,252,595	1,815,063	6,842,432

Financial Asset	Al-Ameen Islamic Active Allocation Plan - VII	Al-Ameen Islamic Active Allocation Plan - VIII	Al-Ameen Islamic Active Allocation Plan - IX	Al-Ameen Islamic Active Conservative Plan - AIconAP	Al-Ameen Islamic Active Allocation Plan - X	Al-Ameen Islamic Active Principal Preservation Plan-I	Total
<b>June 30, 2018</b>							
.....Rupees in '000'.....							
Balances with banks	10,508	4,920	300	510	6,012	316	22,566
Investments	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686
Profit receivable	54	23	23	-	29	64	193
Other receivable	575	-	-	-	-	-	575
	1,651,416	4,330,318	3,613,663	510	1,719,831	2,151,282	13,467,020

26.3.2 The analysis below summarises the credit quality of the banks with which the Fund's financial assets are kept in profit and loss sharing accounts as at reporting date:

Particulars	Rating agency	Al Ameen Islamic Active Allocation Plan - VII	Al Ameen Islamic Active Allocation Plan - VIII	Al Ameen Islamic Active Allocation Plan - IX	Al Ameen Islamic Active Conservative Plan -AIConAP	Al Ameen Islamic Active Allocation Plan - X	Al Ameen Islamic Active Principal Preservation Plan I-AIAPPP-I	Latest available published rating as at June 30, 2018
June 30, 2019								
Rupees in '000'								
United Bank Limited	JCR-VIS	9,598	3,689	427	-	11,171	1,758	AAA
		9,598	3,689	427	-	11,171	1,758	

Particulars	Rating agency	Al Ameen Islamic Active Allocation Plan - VII	Al Ameen Islamic Active Allocation Plan - VIII	Al Ameen Islamic Active Allocation Plan - IX	Al Ameen Islamic Active Conservative Plan -AIConAP	Al Ameen Islamic Active Allocation Plan - X	Al Ameen Islamic Active Principal Preservation Plan I-AIAPPP-I	Latest available published rating as at June 30, 2017
June 30, 2018								
Rupees in '000'								
United Bank Limited	JCR-VIS	10,508	4,920	300	434	6,012	316	AAA
Faysal Bank Limited	JCR-VIS	-	-	-	1	-	-	AA
Allied Bank Limited	PACRA	-	-	-	75	-	-	AAA
		10,508	4,920	300	510	6,012	316	

## 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 bank balances are held with a single bank (related party). The management believes that the bank is a reputed institution.

## 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 / period.

## **28 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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 IFRS 7 (Financial Instruments: Disclosures) and IFRS 13, 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)



**Al Ameen Islamic Active Allocation - VII**

**Fair value**

----- As at June 30, 2019 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

410,403	-	-
410,403	-	-

**Fair value**

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

1,640,279	-	-
1,640,279	-	-

**Al Ameen Islamic Active Allocation - VIII**

**Fair value**

----- As at June 30, 2019 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

539,496	-	-
539,496	-	-

**Fair value**

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

4,325,375	-	-
4,325,375	-	-

**Al Ameen Islamic Active Allocation - IX**

**Fair value**

----- As at June 30, 2019 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

2,810,917	-	-
2,810,917	-	-

**Al Ameen Islamic Active Allocation - IX**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

3,613,340	-	-
3,613,340	-	-

**Al Ameen Islamic Active Conservative Allocation Plan**

Fair value

----- As at June 30, 2019 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

-	-	-
-	-	-

**Al Ameen Islamic Active Conservative Allocation Plan**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

-	-	-
-	-	-

**Al Ameen Islamic Active Allocation - X**

Fair value

----- As at June 30, 2019 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

1,241,385	-	-
1,241,385	-	-

**Al Ameen Islamic Active Allocation - X**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
at fair value through profit or loss

1,713,790	-	-
1,713,790	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**Investment in mutual funds - financial assets  
at fair value through profit or loss

1,813,291	-	-
1,813,291	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**Investment in mutual funds - financial assets  
at fair value through profit or loss

2,150,902	-	-
2,150,902	-	-

**Transfers during the year / period**

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

**29 DATE OF AUTHORIZATION FOR ISSUE**

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

**30 GENERAL**

30.1 Figures has 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

# AIFPF-III

## Al-Ameen Islamic Financial Planning Fund

Al Ameen Islamic Active Allocation Plan - XI

Al Ameen Islamic Active Principal Preservation Plan II-IV

### INVESTMENT OBJECTIVE

AIFPF-III is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditor</b>	KPMG Taseer Hadi & Co.
<b>Bankers</b>	United Bank Limited Soneri Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – III

### Al-Ameen Islamic Active Principal Preservation Plan-II (AIAPPP-II)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan
- 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
AIAPPP-II	0.39%	0.36%	0.22%	0.70%	0.25%	0.05%	1.33%	0.22%	0.09%	-0.15%	0.71%	-0.85%	3.36%
Benchmark	0.53%	0.30%	0.35%	0.85%	0.29%	-0.14%	1.63%	-0.51%	-0.14%	-0.57%	1.02%	-1.29%	2.33%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 25-Sep-18. Since inception, AIAPPP-III generated a return of 2.2%. The plan's exposure to local equities (through Al-Ameen Islamic Dedicated Equity Fund) as at June19 stood at 27% while 72% was invested in Al-Ameen Islamic Money market (through Al-Ameen Islamic Cash Fund). The net assets of the Fund were PKR 672 mn as at June 30, 2019 representing the net asset value of PKR 102.2033 per unit.

**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
Equity Funds	8%	23%
Money Market Funds	92%	0%
Income Funds	0%	76%
Others	0%	0%

Cash	0%	0%
Leverage	Nil	Nil

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

FY'19 Return:	3.36%
Standard Deviation (12m trailing):	2.63%
Sharpe Ratio (12m trailing):	(2.45)

**viii) 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		%
682,637	761,974	(10.41)	104.0124	100.6354	3.36

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-III" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-III-AIAPPP-II are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	445
10,000.0000 - 49,999.9999	121
50,000.0000 - 99,999.9999	22
100,000.0000 - 499,999.9999	5

500,000.0000 & Above	-
<b>Total</b>	<b>593</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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.



## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – III

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

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan
- 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
AIAPPP-III	-	-	0.07%	0.82%	0.14%	-0.09%	1.46%	0.18%	0.04%	-0.21%	0.91%	-1.12%	2.20%
Benchmark	-	-	0.05%	1.05%	0.17%	-0.32%	1.85%	-0.60%	-0.17%	-0.64%	1.24%	-1.53%	1.06%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 25-Sep-18. Since inception, AIAPPP-III generated a return of 2.2% YTD. The plan's exposure to local equities as at June-19 stood at 27% while 72% were invested in Income funds. The net assets of the Fund were PKR 672 mn as at June 30, 2019 representing the net asset value of PKR 102.2033 per unit.

**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
Equity Funds	8%	27%
Money Market Funds	92%	0%
Income Funds	0%	72%
Others	0%	0%
Cash	0%	1%

Leverage	Nil	Nil
----------	-----	-----

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

FY'19 Return:	2.20%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

viii) **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	25-Sep-18	Change	30-Jun-19	25-Sep-18	Change
Rupees (000)		%	Rupees		%
672.097	697,151	(3.59)	102.2033	100.00	2.20

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-III" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-III-AIAPPP-II are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----		
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	273
10,000.0000 - 49,999.9999	91
50,000.0000 - 99,999.9999	13
100,000.0000 - 499,999.9999	7
500,000.0000 & Above	1
<b>Total</b>	<b>385</b>

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

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – III

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

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**
- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 18-Dec-18. Since inception, AIAPPP-IV generated a return of 1.8% YTD. The plan's exposure to local equities as at June19 stood at 26% while 70% were invested in Income funds. The net assets of the Fund were PKR 280 mn as at June 30, 2019 representing the net asset value of PKR 101.536 per unit.

**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
Equity Funds	8%	26%
Money Market Funds	92%	0%
Income Funds	0%	70%
Others	0%	0%
Cash	0%	3%
Leverage	Nil	Nil

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

FY'19 Return:	1.80%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

viii) **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	18-Dec-18	Change	30-Jun-19	18-Dec-18	Change
Rupees (000)		%	Rupees		%
280,426	286,805	(0.02)	101.5360	100.00	1.54

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-III" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-III-AIAPPP-II are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
28-Jun-19	-	738	0.2677	101.6712	101.4035

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	99
10,000.0000 - 49,999.9999	32
50,000.0000 - 99,999.9999	1
100,000.0000 - 499,999.9999	5

500,000.0000 & Above	-
<b>Total</b>	<b>137</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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.



## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – III

### Al-Ameen Islamic Active Allocation Plan-XI (AIActAP-XI)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-XI	-	-	-	-	-	-	-	-	-	-1.51%	-0.81%	-3.72%	-5.94%
Benchmark	-	-	-	-	-	-	-	-	-	-2.02%	-0.58%	-4.22%	-6.70%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 5-Apr-19. Since inception, AIActAP-XI generated a return of -5.94%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'19 stood at 69% while 30% was invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 0.61 million as at June 30, 2019 representing the net asset value of PKR 94.059 per unit.

**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
Equity Funds	0%	69%
Money Market Funds	0%	0%
Income Funds	0%	30%

Others	0%	0%
Cash	0%	1%
Leverage	Nil	Nil

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

FY'19 Return:	-5.94%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

viii) **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	05-Apr-19	Change	30-Jun-19	05-Apr-19	Change
Rupees (000)		%	Rupees		%
61,375	71,857	(14.61)	94.0590	100.00	(5.94)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AI ACTAP-X are equity and money-market CIS and the market reviews are as follows:

**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.

- x) **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 -----	
-	-	-	-	-	-

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AICTAP-XI
0.0001 - 9,999.9999	36
10,000.0000 - 49,999.9999	10

50,000.0000 - 99,999.9999	1
100,000.0000 - 499,999.9999	2
500,000.0000 & Above	-
<b>Total</b>	<b>49</b>

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

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xv) 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 Active Principal Preservation Plan - II**

	<b>2019</b>	<b>2018</b>
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>682,637</b>	761,974
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>104.0124</b>	100.6354
- Redemption	<b>101.9322</b>	96.6100
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>3.36</b>	0.64
Capital Growth (per unit)	<b>3.36</b>	0.64
Date of Income Distribution		-
Income Distribution		-
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>3.36</b>	0.64
Second Year	<b>2.00</b>	-
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>104.9910</b>	100.6510
Highest price per unit - Class A units - Redemption	<b>102.8912</b>	96.6250
Lowest price per unit - Class A units - Offer	<b>96.1619</b>	100.0214
Lowest price per unit - Class A units - Redemption	<b>94.2387</b>	96.0205
* Contingent load @ 2% is applicable		
<b>PORTFOLIO COMPOSITION - %</b>		
Percentage of Net Assets as at 30 June		
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>		
Equity Funds	<b>23</b>	9
Income Funds	<b>77</b>	-
Money Market Funds	-	91
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>		
Mutual Funds	<b>100</b>	100.00

Note:

- The Launch date of Fund is 28 May 2018

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### **Al Ameen Islamic Active Principal Preservation Plan - III**

**2019**

**NET ASSETS AS AT 30 JUNE - Rupees in '000**

**672,097**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer

**102.2033**

- Redemption

**98.1151**

**RETURN OF THE FUND - %**

Total Return of the Fund

**2.20**

Capital Growth (per unit)

**2.20**

Date of Income Distribution

-

Income Distribution

-

**AVERAGE ANNUAL RETURN - %**

One Year

**2.20**

**OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer

**103.4533**

Highest price per unit - Class A units - Redemption

**99.3152**

Lowest price per unit - Class A units - Offer

**99.2622**

Lowest price per unit - Class A units - Redemption

**95.2917**

\* Contingent load @ 4% is applicable

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds

**27**

Income Funds

**72**

Bank Balances

**1**

**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds

**100**

Note:

- The Launch date of Fund is 25 Sep 2018

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### **Al Ameen Islamic Active Principal Preservation Plan - IV**

**2019**

**NET ASSETS AS AT 30 JUNE - Rupees in '000**

**280,426**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer

**101.5360**

- Redemption

**97.4746**

**RETURN OF THE FUND - %**

Total Return of the Fund

**1.80**

Capital Growth (per unit)

**1.53**

Date of Income Distribution

**28-Jun-19**

Income Distribution

**0.2677**

**AVERAGE ANNUAL RETURN - %**

One Year

**1.80**

**OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer

**103.0347**

Highest price per unit - Class A units - Redemption

**98.9133**

Lowest price per unit - Class A units - Offer

**99.8745**

Lowest price per unit - Class A units - Redemption

**95.8795**

\* Contingent load @ 4% is applicable

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds

**26**

Income Funds

**70**

Bank Balances

**4**

**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds

**100**

Note:

- The Launch date of Fund is 18 Dec 2018

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-XI

**2019**

**NET ASSETS AS AT 30 JUNE - Rupees in '000** **61,357**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer **94.0590**

- Redemption **90.2966**

#### **RETURN OF THE FUND - %**

Total Return of the Fund **(5.94)**

Capital Growth (per unit) **(5.94)**

Date of Income Distribution

Income Distribution **-**

#### **AVERAGE ANNUAL RETURN - %**

One Year **(5.94)**

#### **OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer **100.0892**

Highest price per unit - Class A units - Redemption **96.0856**

Lowest price per unit - Class A units - Offer **92.3239**

Lowest price per unit - Class A units - Redemption **88.6309**

\* Contingent load @ 4% is applicable

#### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

#### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds **69**

Income Funds **30**

Bank Balances **1**

#### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds **100**

Note:

- The Launch date of Fund is 5 Apr 2019

## **DISCLAIMER**

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



**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021-23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - III**

**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 Financial Planning Fund - III (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 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 AIFPF-III- AIAPPP-II in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-III- AIAPPP-II 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 AIFPF-III- AIAPPP-II for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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



## 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 AIFPF-III- AIAPPP-III in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-III- AIAPPP-III 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 AIFPF-III- AIAPPP-III for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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 Nadeem Khan  
Member, Shariah Advisory Committee

KARACHI:  
DATE: 08 August 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 AIFPF-III- AIAPPP-IV in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-III- AIAPPP-IV 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 AIFPF-III- AIAPPP-IV for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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



Mufti Muhammad Haseen Kaleem  
Member, Shariah Advisory Committee



Mufti Muhammad Najeem Khan  
Member, Shariah Advisory Committee

KARACHI:  
DATE: 08 August 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 AIFPF-III- AIACTAP-XI in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-III- AIACTAP-XI 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 AIFPF-III- AIACTAP-XI for the year ended 30 June 2019 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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

  
Mufti Muhammad Insaaf 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 Financial Planning Fund - III

**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 Financial Planning Fund - III (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

📍 4<sup>th</sup> 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 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:
  - 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**





KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the Unit holders of Al-Ameen Islamic Financial Planning Fund - III**

#### **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 Financial Planning Fund – III ("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**



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

### **Independent Auditors' Report**

**To the Unit holders of AI - Ameen Islamic Financial Planning Fund - III**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of **AI - Ameen Islamic Financial Planning Fund - III** ("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**



AI - Ameen Islamic Financial Planning Fund - III  
Statement of Assets and Liabilities  
As at 30 June 2019

		2019				2018	
		AIAPPP- II	AIAPPP- III	AIAPPP- IV	AIACTAP-XI	Total	AIAPPP-II
Note		(Rupees in '000)					
<b>Assets</b>							
Bank balances	6	670	6,273	9,556	547	17,046	-
Investments	7	682,694	666,762	273,687	62,811	1,685,954	775,300
Profit receivable		27	57	62	2	148	-
Prepayments and other receivables		68	80	77	6	231	-
Deferred formation cost	8	707	-	-	-	707	1,111
<b>Total assets</b>		<b>684,166</b>	<b>673,172</b>	<b>283,382</b>	<b>63,366</b>	<b>1,704,086</b>	<b>776,411</b>
<b>Liabilities</b>							
Payable to the Management Company	9	119	122	89	1,010	1,340	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee	10	58	56	23	11	148	70
Payable to Securities and Exchange Commission of Pakistan	11	558	402	115	12	1,087	53
Accrued expenses and other payables	12	794	495	2,729	976	4,994	9,683
<b>Total liabilities</b>		<b>1,529</b>	<b>1,075</b>	<b>2,956</b>	<b>2,009</b>	<b>7,570</b>	<b>14,437</b>
<b>Net assets</b>		<b>682,637</b>	<b>672,097</b>	<b>280,426</b>	<b>61,357</b>	<b>1,696,517</b>	<b>761,974</b>
<b>Unit holders' fund</b> (as per statement attached)		<b>682,637</b>	<b>672,097</b>	<b>280,426</b>	<b>61,357</b>	<b>1,696,517</b>	<b>761,974</b>
<b>Contingencies and commitments</b>							
	16						
(Number of units)							
<b>Number of units in issue</b>		<b>6,563,029</b>	<b>6,576,072</b>	<b>2,761,839</b>	<b>652,328</b>		<b>7,571,633</b>
(Rupees)							
<b>Net assets value per unit</b>	4.12	<b>104.0124</b>	<b>102.2033</b>	<b>101.5360</b>	<b>94.0590</b>		<b>100.6354</b>

The annexed notes 1 to 26 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 Financial Planning Fund - III

## Income Statement

For the year / period ended 30 June 2019

	For the year ended 30 June 2019	For the period from 25 September 2018 to 30 June 2019	For the period from 18 December 2018 to 30 June 2019	For the period from 05 April 2019 to 30 June 2019	Total	For the period from 28 May 2018 to 30 June 2018
	AIAPPP- II	AIAPPP- III	AIAPPP- IV	AIACTAP-XI		AIAPPP-II
Note ----- (Rupees in '000) -----						
<b>Income</b>						
Realised gain on sale of investments	38,707	30,342	8,839	428	78,316	2,595
Unrealised (loss) / gain on revaluation of investments at fair value through profit or loss	7.2 (15,485)	(15,545)	(4,602)	(4,687)	(40,319)	2,836
Dividend income	1,550	613	670	-	2,833	-
Profit on bank deposits calculated using the effective yield method	79	313	415	17	824	-
Other income	3,508	1,649	473	270	5,900	29
<b>Total income / (loss)</b>	<b>28,359</b>	<b>17,372</b>	<b>5,795</b>	<b>(3,972)</b>	<b>47,554</b>	<b>5,460</b>
<b>Expenses</b>						
Allocation of expenses relating to the Fund	9.2 744	536	153	16	1,449	71
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10 779	546	154	16	1,495	80
Annual fee of Securities and Exchange Commission of Pakistan	11 558	402	115	12	1,087	53
Auditors' remuneration	13 160	85	49	26	320	259
Shariah advisory fee	164	105	61	22	352	50
Formation cost	8 507	-	-	-	507	44
Listing fee	27	-	-	-	27	-
Bank charges	43	14	8	1	66	-
Legal and professional charges	130	43	24	16	213	-
<b>Total operating expenses</b>	<b>3,112</b>	<b>1,731</b>	<b>564</b>	<b>109</b>	<b>5,516</b>	<b>557</b>
<b>Net income / (loss) from operating activities</b>	<b>25,247</b>	<b>15,641</b>	<b>5,231</b>	<b>(4,081)</b>	<b>42,038</b>	<b>4,903</b>
Provision for Sindh Workers' Welfare Fund	12.1 (495)	(307)	(103)	-	(905)	(96)
<b>Net income / (loss) for the year / period before taxation</b>	<b>24,752</b>	<b>15,334</b>	<b>5,128</b>	<b>(4,081)</b>	<b>41,133</b>	<b>4,807</b>
Taxation	14 -	-	-	-	-	-
<b>Net income / (loss) for the year / period after taxation</b>	<b>24,752</b>	<b>15,334</b>	<b>5,128</b>	<b>(4,081)</b>	<b>41,133</b>	<b>4,807</b>
<b>Allocation of net income for the year / period after taxation</b>						
Net income / (loss) for the period after taxation	24,752	15,334	5,128	-	45,214	4,807
Income already paid on units redeemed	(2,645)	(988)	(173)	-	(3,806)	-
Accounting income available for distribution	<u>22,107</u>	<u>14,346</u>	<u>4,955</u>	<u>-</u>	<u>41,408</u>	<u>4,807</u>
<b>Accounting income available for distribution</b>						
- Relating to capital gains	20,620	13,803	4,063	-	38,486	4,807
- Excluding capital gains	1,487	543	892	-	2,922	-
	<u>22,107</u>	<u>14,346</u>	<u>4,955</u>	<u>-</u>	<u>41,408</u>	<u>4,807</u>

The annexed notes 1 to 26 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 Financial Planning Fund - III

## Statement of Comprehensive Income

For the year / period ended 30 June 2019

	For the year ended 30 June 2019	For the period from 25 September 2018 to 30 June 2019	For the period from 18 December 2018 to 30 June 2019	For the period from 05 April 2019 to 30 June 2019	Total	For the period from 28 May 2018 to 30 June 2018
	AIAPPP- II	AIAPPP- III	AIAPPP- IV	AIAPPP- V		AIAPPP-II
	(Rupees in '000)					
Net income / (loss) for the year / period after taxation	24,752	15,334	5,128	(4,081)	41,133	4,807
Other comprehensive income for the year / period	-	-	-	-	-	-
Total comprehensive income / (loss) for the year /period	<u>24,752</u>	<u>15,334</u>	<u>5,128</u>	<u>(4,081)</u>	<u>41,133</u>	<u>4,807</u>

The annexed notes 1 to 26 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 Financial Planning Fund - III

## Statement of Movement in Unit Holders' Fund

For the year / period ended 30 June 2019

	For the year ended 30 June 2019			For the period from 25 September 2018 to 30 June 2019			For the period from 18 December 2018 to 30 June 2019			For the period from 05 April 2019 to 30 June 2019			Total			For the period from 28 May 2018 to 30 June 2018		
	AIAPPP-II			AIAPPP-III			AIAPPP-IV			AIACTAP-XI						AIAPPP-II		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)																	
Net assets at the beginning of the year	757,167	4,807	761,974	-	-	-	-	-	-	-	-	-	757,167	4,807	761,974	-	-	-
Issuance of NIL, 6,998,519 , 2,878,384 , 721,817 units (30 June 2018: 7,671,136 units)																		
- Capital value	-	-	-	699,852	-	699,852	287,838	-	287,838	72,182	-	72,182	1,059,872	-	1,059,872	767,113	-	767,113
- Element of income	-	-	-	13	-	13	19	-	19	(21)	-	(21)	11	-	11	6	-	6
Total proceeds on issuance of units	-	-	-	699,865	-	699,865	287,857	-	287,857	72,161	-	72,161	1,059,883	-	1,059,883	767,119	-	767,119
Redemption of 1,008,604 , 422,447 , 116,545 , 69,489 units (30 June 2018: 99,503 units)																		
- Capital value	(101,501)	-	(101,501)	(42,245)	-	(42,245)	(11,655)	-	(11,655)	(6,949)	-	(6,949)	(162,350)	-	(162,350)	(9,950)	-	(9,950)
- Element of income / (loss)	57	(2,645)	(2,588)	131	(988)	(857)	7	(173)	(166)	226	-	226	421	(3,806)	(3,385)	(2)	-	(2)
Total payments on redemption of units	(101,444)	(2,645)	(104,089)	(42,114)	(988)	(43,102)	(11,648)	(173)	(11,821)	(6,723)	-	(6,723)	(161,929)	(3,806)	(165,735)	(9,952)	-	(9,952)
Total comprehensive income for the year / period	-	24,752	24,752	-	15,334	15,334	-	5,128	5,128	-	(4,081)	(4,081)	-	41,133	41,133	-	4,807	4,807
AI Ameen Principle Preservation Plan - IV interim distribution for the period ended 30 June 2019:																		
Rs. 0.2677 per unit declared on 28 June 2019	-	-	-	-	-	-	(10)	(728)	(738)	-	-	-	(10)	(728)	(738)	-	-	-
Net income for the period less distribution	-	24,752	24,752	-	15,334	15,334	(10)	4,400	4,390	-	(4,081)	(4,081)	(10)	40,405	40,395	-	4,807	4,807
Net assets at end of the period	655,723	26,914	682,637	657,751	14,346	672,097	276,199	4,227	280,426	65,438	(4,081)	61,357	1,655,111	41,406	1,696,517	757,167	4,807	761,974
Undistributed income brought forward:																		
- Realised income		1,971												1,971				
- Unrealised income		2,836												2,836				
		4,807												4,807				
Accounting income available for distribution																		
- Relating to capital gains	20,620			13,803			4,063			-			38,486			4,807		
- Excluding capital gains	1,487			543			892			-			2,922			-		
	22,107			14,346			4,955			-			41,408			4,807		
AI Ameen Principle Preservation Plan - IV interim distribution for the period ended 30 June 2019:																		
Rs. 0.2677 per unit declared on 28 June 2019	-			-			(728)			-			(728)			-		
Undistributed income / (loss) carried forward	26,914			14,346			4,227			(4,081)			40,690			4,807		
Undistributed income / (loss) carried forward comprises of:																		
- Realised income	42,399			29,891			8,829			606			81,724			1,971		
- Unrealised (loss) / income	(15,485)			(15,545)			(4,602)			(4,687)			(40,318)			2,836		
	26,914			14,346			4,227			(4,081)			41,406			4,807		
		(Rupees)			(Rupees)			(Rupees)									(Rupees)	
Net assets value per unit at beginning of the year		100.6354																
Net assets value per unit at end of the year / period		104.0124			102.2033			101.5360			94.0590						100.6354	

The annexed notes 1 to 26 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 Financial Planning Fund - III

## Cash Flow Statement

For the year / period ended 30 June 2019

	For the year ended 30 June 2019	For the period from 25 September 2018 to 30 June 2019	For the period from 18 December 2018 to 30 June 2019	For the period from 05 April 2019 to 30 June 2019		For the period from 28 May 2018 to 30 June 2018
Note	AIAPPP- II	AIAPPP- III	AIAPPP- IV	AIAPPP- XI	Total	AIAPPP-II
	(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year / period before taxation	24,752	15,334	5,128	(4,081)	41,133	4,807
<b>Adjustments for non-cash and other items:</b>						
Realised gain on sale of investments	(38,707)	(30,342)	(8,839)	(428)	(78,316)	(2,595)
Unrealised loss / (gain) on revaluation of investments at fair value through profit or loss	15,485	15,545	4,602	4,687	40,319	(2,836)
Dividend income	(1,550)	(613)	(670)	-	(2,833)	-
Profit on bank deposits calculated using the effective yield method	(79)	(313)	(415)	(17)	(824)	-
Amortization of formation cost	507	-	-	-	507	-
Provision for Sindh Worker's Welfare Fund	495	307	103	-	905	-
	(23,849)	(15,416)	(5,219)	4,242	(40,242)	(5,431)
<b>Net cash generated from / (used in) operations before working capital changes</b>	<b>903</b>	<b>(82)</b>	<b>(91)</b>	<b>161</b>	<b>891</b>	<b>(624)</b>
<b>Working capital changes</b>						
<i>Decrease / (Increase) in assets</i>						
Investments	115,829	(651,965)	(269,449)	(67,070)	(872,655)	(769,869)
Deferred formation cost	(104)	-	-	-	(104)	(1,111)
Prepayments and other receivables	(68)	(80)	(77)	(6)	(231)	-
	115,657	(652,045)	(269,526)	(67,076)	(872,990)	(770,980)
<i>(Decrease) / increase in liabilities</i>						
Payable to the Management Company	(4,512)	122	89	1,010	(3,291)	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	56	23	11	78	70
Payable to Securities and Exchange Commission of Pakistan	505	402	115	12	1,034	53
Accrued expenses and other payables	(9,384)	188	2,626	976	(5,594)	9,683
	(13,403)	768	2,853	2,009	(7,773)	14,437
Dividend received	1,550	613	669	-	2,832	-
Profits received	52	256	353	15	676	-
<b>Net cash generated from / (used in) operating activities</b>	<b>104,759</b>	<b>(650,490)</b>	<b>(265,742)</b>	<b>(64,891)</b>	<b>(876,364)</b>	<b>(757,167)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of units	-	699,865	287,847	72,161	1,059,873	767,119
Payments on redemption of units	(104,089)	(43,102)	(11,821)	(6,723)	(165,735)	(9,952)
Cash distribution to unit holders	-	-	(728)	-	(728)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(104,089)</b>	<b>656,763</b>	<b>275,298</b>	<b>65,438</b>	<b>893,410</b>	<b>757,167</b>
<b>Net increase in cash and cash equivalents</b>	<b>670</b>	<b>6,273</b>	<b>9,556</b>	<b>547</b>	<b>17,046</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	-	-	-	-	-	-
<b>Cash and cash equivalents at end of the year / period</b>	<b>670</b>	<b>6,273</b>	<b>9,556</b>	<b>547</b>	<b>17,046</b>	<b>-</b>
<b>Cash and cash equivalents</b>						
Bank balances	670	6,273	9,556	547	17,046	-

The annexed notes 1 to 26 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 Financial Planning Fund - III

## Notes to the Financial Statements

For the year / period ended 30 June 2019

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AI-Ameen Islamic Financial Planning Fund - III (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 3 January 2018, and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 22 January 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 28 May 2018.

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. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

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.

- 1.2** The Fund is an Open-end Shariah Compliant Fund of funds Scheme that aims to generate returns on Investment as per the respective Allocation Plan by investing via underlying mutual funds. These comprises the following:

**1.2.1 AI-Ameen Islamic Active Principal Preservation Plan – II (AIAPPP-II)**

AIAPPP-II is an Islamic Principal Preservation Plan under “AI-Ameen Islamic Financial Planning Fund - III” with an objective to earn potentially high return through dynamic asset allocation between Islamic Dedicated Equity, Islamic Sovereign Income and Islamic Money Market based Collective Investment Schemes, PLS and term deposit musharika while providing principal preservation of the Initial Investment Value including Front end load at completion of twenty four months and beyond till maturity of the plan.

**1.2.2 AI-Ameen Islamic Active Principal Preservation Plan – III (AIAPPP-III)**

AIAPPP-III is an Islamic Principal Preservation Plan under “AI-Ameen Islamic Financial Planning Fund - III” with an objective to earn potentially high return through dynamic asset allocation between Islamic Dedicated Equity, Islamic Sovereign Income and Islamic Money Market based Collective Investment Schemes, PLS and term deposit musharika while providing principal preservation of the Initial Investment Value including Front end load at completion of twenty four months and beyond till maturity of the plan.

**1.2.3 AI-Ameen Islamic Active Principal Preservation Plan – IV (AIAPPP-IV)**

AIAPPP-IV is an Islamic Principal Preservation Plan under “AI-Ameen Islamic Financial Planning Fund - III” with an objective to earn potentially high return through dynamic asset allocation between Islamic Dedicated Equity, Islamic Sovereign Income and Islamic Money Market based Collective Investment Schemes, PLS and term deposit musharika while providing principal preservation of the Initial Investment Value including Front end load at completion of twenty four months and beyond till maturity of the plan.

**1.2.4 AI-Ameen Islamic Active Asset Allocation Plan - XI (AIACTAP-XI)**

AIACTAP-XI is an Islamic Allocation Plan under “AI-Ameen Islamic Financial Planning Fund - III” with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme, Islamic Income scheme and Islamic Money Market Schemes based on the Fund Manager's outlook on the asset classes.

### 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 1 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 4.3 - 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 4.3.5 and 4.3 - Impairment of financial instruments

## 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. CHANGES 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 01 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 dividend, 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 management has adopted the following significant policies for the preparation of these financial statements:

#### **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 its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of initial recognition.

The Fund classifies its financial assets in the following categories:

##### **a) Financial assets 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) Loans and receivables**

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

#### **c) 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 (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit or loss.

### **4.2.2 Regular way contracts**

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

### **4.2.3 Initial recognition and measurement**

Financial assets 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 are expensed in the income statement.

### **4.2.4 Subsequent measurement**

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

#### **- Basis of valuation of units of mutual funds**

The investments in the units of open end funds are re-measured at fair value with reference to redemption prices and the resultant gain or loss on remeasurement of value of investment is recognised in the income statement.

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.

## **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.

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.

### **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:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	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.

**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 fair value of financial assets are determined as follows:

**- Basis of valuation of units of mutual funds**

Investments in the units of open end funds are re-measured at fair value with reference to redemption prices and the resultant gain or loss on remeasurement of value of investment is recognised in the income statement.

**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 Fund.

**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**

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 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.

**4.8 Deferred formation cost**

This represents expenses incurred on the formation of the Fund. As permitted in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, these expenses are being amortised to the income statement over a period of two years (effective from 28 May 2018). Refer note 8 also.

**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 end of the year.

#### **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 units are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on mark to market of units classified as 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Profit on saving accounts is recognised using effective yield method.
- Dividend income is recognised when the right to receive dividend is established i.e. on the announcement by mutual fund declaring the dividend.

#### **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 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.

#### 4.18 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.

#### 4.19 Other assets

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

### 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 liabilities as at July 1, 2018:

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (Rupees in '000)	-----AIAPPP-II----- New carrying amount under IFRS 9
<b>Financial assets</b>					
Investment in open ended mutual funds	(a)	Designated at FVTPL	Mandatorily at FVTPL	775,300	775,300
Bank balances	(b)	Loans and receivables	Amortised cost	-	-
Prepayments and other receivables	(b)	Loans and receivables	Amortised cost	-	-
<b>Financial liabilities</b>					
Payable to the Management Company	(c)	Other financial liabilities	Amortised cost	4,631	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee	(c)	Other financial liabilities	Amortised cost	70	70
Accrued expenses and other payables	(c)	Other financial liabilities	Amortised cost	9,587	9,587

The reclassifications set out in the table above are explained below:

- The financial assets 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.
- The financial assets classified as 'loans and receivables' have been classified as 'at amortised cost'.
- The financial liabilities classified as 'other financial liabilities' have been classified as 'at amortised cost'.

#### 6. BANK BALANCES

		2019				2018
		AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIAPPP - XI	AIAPPP - II
Note		(Rupees in '000)				
					Total	
In PLS saving accounts	6.1	670	6,273	9,556	547	17,046
						-

6.1 This includes balance with United Bank Limited of Rs. 16.499 million holding company of the Management Company.

6.2 These carry profit rates ranging from 7.75% to 12% per annum.

#### 7. INVESTMENTS

INVESTMENTS		2019					2018
		AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIAPPP - XI	Total	AIAPPP - II
	Note	(Rupees in '000)					
At fair value through profit or loss							
Units of Mutual Funds - Open Ended	7.1	682,694	666,762	273,687	62,811	1,685,954	-
Designated at fair value through profit or loss							
Units of Mutual Funds - Open Ended							775,300

## 7.1 Units of Mutual Funds - Open Ended

Held by AIAPPP-II	As at 01 July 2018	Purchased during the year / period	Sold during the year / period	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) -----				----- % -----	
Name of investee funds									
Al-Ameen Islamic Cash Fund	6,794,214	6,098,218	12,892,432	-	-	-	715,056	-	-
Al-Ameen Islamic Dedicated Equity Fund	519,508	2,073,498	930,401	1,662,605	175,804	159,648	60,244	23%	23%
Al-Ameen Islamic Sovereign Fund	-	12,991,380	7,815,106	5,176,274	522,375	523,046	-	77%	77%
Investments as at 30 June 2019	7,313,722	21,163,096	21,637,939	6,838,879	698,179	682,694	775,300	100%	100%
Held by AIAPPP-III									
Name of investee funds									
Al-Ameen Islamic Cash Fund		10,392,292	10,392,292	-	-			-	-
Al-Ameen Islamic Dedicated Equity Fund		2,781,057	893,673	1,887,384	197,526	181,232		27%	27%
Al-Ameen Islamic Sovereign Fund		11,677,266	6,872,265	4,805,001	484,781	485,530		73%	72%
Investments as at 30 June 2019		24,850,615	18,158,230	6,692,385	682,307	666,762		100%	99%
Held by AIAPPP-IV									
Name of investee funds									
Al-Ameen Islamic Cash Fund		4,378,675	4,378,675	-	-	-		-	-
Al-Ameen Islamic Dedicated Equity Fund		1,016,018	245,021	770,997	78,892	74,033		27%	26%
Al-Ameen Islamic Sovereign Fund		4,518,439	2,542,587	1,975,852	199,397	199,654		73%	71%
Investments as at 30 June 2019		9,913,132	7,166,283	2,746,849	278,289	273,687		100%	98%
Held by AIACTAP-XI									
Name of investee funds									
Al-Ameen Islamic Cash Fund		741,772	741,772	-	-	-		-	-
Al-Ameen Islamic Dedicated Equity Fund		494,276	38,662	455,614	48,460	43,749		70%	71%
Al-Ameen Islamic Sovereign Fund		1,168,576	979,933	188,643	19,038	19,062		30%	31%
Investments as at 30 June 2019		2,404,624	1,760,367	644,257	67,498	62,811		100%	102%

7.1.1 All the plans will be primarily investing in the above funds.

## 7.2 Unrealised (loss) / gain on revaluation of investments at fair value through profit or loss

Note	2019					2018
	AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIACTAP-XI	Total	AIAPPP-II
	----- (Rupees in '000) -----					
Market value of investments	682,694	666,762	273,687	62,811	1,685,954	775,300
Less: Cost / carrying value of investments	(698,179)	(682,307)	(278,289)	(67,498)	(1,726,273)	(772,464)
	<u>(15,485)</u>	<u>(15,545)</u>	<u>(4,602)</u>	<u>(4,687)</u>	<u>(40,319)</u>	<u>2,836</u>

## 8. DEFERRED FORMATION COST

Deferred formation cost	1,111	-	-	-	1,111	1,155
Further cost incurred	103	-	-	-	103	-
Amortisation during the period	(507)	-	-	-	(507)	(44)
Unamortised formation cost at end of the year	<u>707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707</u>	<u>1,111</u>

- 8.1 As per the offering documents all preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred for announcing the Fund and other expenses during and up to the Initial Offering Period (IOP), shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Such formation cost shall be amortised over a period of not less than two years effective from 28 May 2018. Deferred formation cost shall be borne by the Fund and amortised within the maturity of the Fund which is 30 months.

## 9. PAYABLE TO THE MANAGEMENT COMPANY

		2019					2018
		AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIACTAP-XI	Total	AIAPPP-II
Note		(Rupees in '000)					
Payable to the Management Company against formation cost		-	-	-	-	-	1,155
Payable against allocation of expenses relating to the Fund	9.2	58	56	23	5	142	71
Shariah advisory fee		61	61	61	22	205	25
Sales load payable		-	-	-	983	983	3,380
Other payable		-	5	5	-	10	-
		119	122	89	1,010	1,340	4,631

- 9.1 Under the provision of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company is entitled to a remuneration for services rendered to the Fund up to a maximum of 1% per annum based on the average monthly net assets of the allocation baskets / plans under the Fund on the daily basis during the year. However, no management fee will be charged on the portion which is invested in schemes managed by UBL Fund Managers.
- 9.2 The Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(s) has been introduced allowing the Management Company to charge fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.01% of average annual net assets of the Scheme or actual whichever is less. Accordingly, the management company has charged 0.01% per annum of the average annual net assets, being lower.

## 10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2019					2018	
	AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIACAP-XI	Total	AIAPPP-II	
	(Rupees in '000)						
Trustee remuneration	10.1	51	50	20	10	131	62
Sindh Sales Tax on Trustee remuneration	10.2	7	6	3	1	17	8
		58	56	23	11	148	70

- 10.1 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	0.10% per annum of net asset value
- Over Rs.1 billion	Rs. 1 million plus 0.075% per annum of net asset value exceeding Rs. 1 billion

- 10.2 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.

## 11. 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.

## 12. ACCRUED EXPENSES AND OTHER PAYABLES

	Note	2019					2018
		AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIACTAP-XI	Total	AIAPPP-II
----- (Rupees in '000) -----							
Provision against Sindh Workers' Welfare Fund	12.1	591	307	103	-	1,001	96
Auditors' remuneration payable	13	94	63	26	26	209	259
Sales load payable		-	71	2,378	646	3,094	8,597
Other payables		109	54	222	304	689	731
		794	495	2,729	976	4,994	9,683

- 12.1 Provision for Sindh Workers Welfare Fund (SWWF) is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) going forward letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay SWWF for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 and hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management has recorded SWWF. Had the provision not been made, Net Assets Value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.0901 per unit for AIAPPP-II, Rs. 0.0466 per unit for AIAPPP-III and Rs. 0.0374 for AIAPPP-IV (30 June 2018 : AIAPPP-II Rs. 0.0127 per unit).

## 13. AUDITORS' REMUNERATION

	2019				2018
	AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIAPPP - XI	AIAPPP-II
(Rupees in '000)					
Annual audit fee	62	33	19	7	108
Half year fee	32	18	11	-	-
Fee for certifications and other services	58	29	15	13	151
Out of pocket expenses	8	5	4	6	-
	<b>160</b>	<b>85</b>	<b>49</b>	<b>26</b>	<b>259</b>

## 14. 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.

## 15. 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.

	2019			
	AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIAPPP - XI
%				
Total expense ratio	0.48	0.29	0.23	0.17
Government levy, SWWF and SECP fee	0.15	0.11	0.08	0.02

## 16. CONTINGENCIES AND COMMITMENTS

As at 30 June 2019, there is no contingencies and commitments.

## 17. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	2019		
	AIAPPP - II		
	Receivable against sale of units	Payable against redemption of units	Total
(Rupees in '000)			
Opening balance as at 1 July 2018	-	-	-
Receivable against issuance of units	-	-	-
Payable against redemption of units	-	104,089	104,089
	-	104,089	104,089
Amount received on issuance of units	-	-	-
Amount paid on redemption of units	-	(104,089)	(104,089)
	-	(104,089)	(104,089)
Closing balance as at 30 June 2019	-	-	-

	2018		
	AIAPPP - II		
	Receivable against sale of units	Payable against redemption of units	Total
	(Rupees in '000)		
Receivable against issuance of units	767,119	-	767,119
Payable against redemption of units	-	9,952	9,952
	767,119	9,952	777,071
Amount received on issuance of units	(767,119)	-	(767,119)
Amount paid on redemption of units	-	(9,952)	(9,952)
	(767,119)	(9,952)	(777,071)
Closing balance as at 30 June 2018	-	-	-

	2019		
	AIAPPP - III		
	Receivable	Payable	Total
	(Rupees in '000)		
Receivable against issuance of units	699,865	-	699,865
Payable against redemption of units	-	43,102	43,102
	699,865	43,102	742,967
Amount received on issuance of units	(699,865)	-	(699,865)
Amount paid on redemption of units	-	(43,102)	(43,102)
	(699,865)	(43,102)	(742,967)
Closing balance as at 30 June 2019	-	-	-

	2019		
	AIAPPP - IV		
	Receivable against sale of units	Payable against redemption of units	Total
	(Rupees in '000)		
Receivable against issuance of units	287,847	-	287,847
Payable against redemption of units	-	11,821	11,821
	287,847	11,821	299,668
Amount received on issuance of units	(287,847)	-	(287,847)
Amount paid on redemption of units	-	(11,821)	(11,821)
	(287,847)	(11,821)	(299,668)
Closing balance as at 30 June 2019	-	-	-

	2019		
	AICTAP - XI		
	Receivable against sale of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Receivable against issuance of units	72,161	-	72,161
Payable against redemption of units	-	6,723	6,723
	72,161	6,723	78,884
Amount received on issuance of units	(72,161)	-	(72,161)
Amount paid on redemption of units	-	(6,723)	(6,723)
	(72,161)	(6,723)	(78,884)
Closing balance as at 30 June 2019	-	-	-

#### 18. 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 Trustee is determined in accordance with the provisions of 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:

30 June 2019

	Management company	Trustee	Funds under common management	Associated companies	Directors and key executives	Other connected persons / related parties
(Rupees in '000)						
<b>AIAPPP-II</b>						
<b>Transactions during the year</b>						
Dividend income	-	-	1,550	-	-	-
Profit on saving account	-	-	-	79	-	-
Remuneration	-	689	-	-	-	-
Sales tax on remuneration	-	90	-	-	-	-
Purchase of Collective Investment Scheme units at cost	-	-	2,109,161	-	-	-
Sale of Collective Investment Scheme units at cost	-	-	2,224,970	-	-	-
Allocation of expenses relating to the Fund	744	-	-	-	-	-
Shariah advisory fee	164	-	-	-	-	-
Bank charges	-	-	-	43	-	-
<b>Balances held</b>						
Investment in Collective Investment Scheme (units in '000)	-	-	6,839	-	-	-
Investment in Collective Investment Scheme (Rupees in '000)	-	-	682,694	-	-	-
Bank balance*	-	-	-	670	-	-
Profit receivable	-	-	-	27	-	-
Remuneration payable**	-	58	-	-	-	-
Allocation of expenses relating to the Fund	58	-	-	-	-	-
Shariah advisory fee	61	-	-	-	-	-

\* These carry profit ranges from 7.75% to 11.25% per annum.

\*\* This balance is inclusive of Sindh Sales Tax.

30 June 2018

Transactions during the period

Remuneration	-	71	-	-	-	-
Sales tax on remuneration	-	9	-	-	-	-
Purchase of Collective Investment Scheme units at cost	-	-	2,336,125	-	-	-
Sale of Collective Investment Scheme units at cost	-	-	1,566,256	-	-	-
Allocation of expenses relating to the Fund	71	-	-	-	-	-
Shariah advisory fee	50	-	-	-	-	-

Balances held

Investment in Collective Investment Scheme (units in '000)	-	-	7,314	-	-	-
Investment in Collective Investment Scheme (Rupees in '000)	-	-	775,300	-	-	-
Remuneration payable*	-	70	-	-	-	-
Allocation of expenses relating to the Fund	71	-	-	-	-	-
Shariah advisory fee	25	-	-	-	-	-
Other payables	1,155	-	-	-	-	-
Sales load payable	3,380	-	-	7,761	-	-

\* This balance is inclusive of Sindh Sales Tax.

30 June 2019

**AIAPPP-III**

**Transactions during the period**

Units issued	-	-	-	-	-	100,092
Dividend income	-	-	613	-	-	-
Profit on saving account	-	-	-	313	-	-
Remuneration	-	483	-	-	-	-
Sales tax on remuneration	-	63	-	-	-	-
Purchase of Collective Investment Scheme units at cost	-	-	2,523,720	-	-	-
Sale of Collective Investment Scheme units at cost	-	-	1,871,573	-	-	-
Allocation of expenses relating to the Fund	536	-	-	-	-	-
Shariah advisory fee	105	-	-	-	-	-
Bank charges	-	-	-	14	-	-

	Management Company	Trustee	Funds under common management	Associated companies	Directors and key executives	Other connected persons / related parties
<b>Balances held</b>						
<b>(Rupees in '000)</b>						
Units held (units in '000)	-	-	-	-	-	968
Units held (Rupees in '000)	-	-	-	-	-	98,945
Investment in Collective Investment Scheme (units in '000)	-	-	6,692	-	-	-
Investment in Collective Investment Scheme (Rupees in '000)	-	-	666,762	-	-	-
Bank balance*	-	-	-	6,273	-	-
Profit receivable	-	-	-	57	-	-
Remuneration payable**	-	56	-	-	-	-
Allocation of expenses relating to the Fund	56	-	-	-	-	-
Shariah advisory fee	61	-	-	-	-	-
Other payables	5	-	-	-	-	-
Sales load payable	-	-	-	70	-	-

\* These carry profit ranges from 7.75% to 11.25% per annum.

\*\* This balance is inclusive of Sindh Sales Tax.

#### AIAPPP-IV

##### Transactions during the period

Units issued	-	-	-	-	802	121,306
Dividend income	-	-	670	-	-	-
Profit on saving account	-	-	-	415	-	-
Remuneration	-	137	-	-	-	-
Sales tax on remuneration	-	17	-	-	-	-
Purchase of Collective Investment Scheme units at cost	-	-	1,006,185	-	-	-
Sale of Collective Investment Scheme units at cost	-	-	737,210	-	-	-
Allocation of expenses relating to the Fund	153	-	-	-	-	-
Shariah advisory fee	61	-	-	-	-	-
Dividend paid	-	-	-	-	2	314
Bank charges	-	-	-	8	-	-

##### Balances held

Units held (units in '000)	-	-	-	-	8	1,173
Units held (Rupees in '000)	-	-	-	-	814	119,140
Investment in Collective Investment Scheme (units in '000)	-	-	2,747	-	-	-
Investment in Collective Investment Scheme (Rupees in '000)	-	-	273,687	-	-	-
Bank balance*	-	-	-	9,556	-	-
Profit receivable	-	-	-	62	-	-
Remuneration payable**	-	23	-	-	-	-
Allocation of expenses relating to the Fund	23	-	-	-	-	-
Shariah advisory fee	61	-	-	-	-	-
Other payables	5	-	-	-	-	-
Sales load payable	-	-	-	2,378	-	-

\* These carry profit ranges from 7.75% to 11.25% per annum.

\*\* This balance is inclusive of Sindh Sales Tax.

#### AIACTAP-XI

##### Transactions during the period

Units issued	-	-	-	-	-	28,302
Profit on saving account	-	-	-	17	-	-
Remuneration	-	14	-	-	-	-
Sales tax on remuneration	-	2	-	-	-	-
Purchase of Collective Investment Scheme units at cost	-	-	249,390	-	-	-
Sale of Collective Investment Scheme units at cost	-	-	182,319	-	-	-
Allocation of expenses relating to the Fund	16	-	-	-	-	-
Shariah advisory fee	22	-	-	-	-	-

##### Balances held

Units held (units in '000)	-	-	-	-	-	283
Units held (Rupees in '000)	-	-	-	-	-	26,629
Investment in Collective Investment Scheme (units in '000)	-	-	644	-	-	-
Investment in Collective Investment Scheme (Rupees in '000)	-	-	62,811	-	-	-
Remuneration payable*	-	11	-	-	-	-
Allocation of expenses relating to the Fund	5	-	-	-	-	-
Shariah advisory fee	22	-	-	-	-	-
Sales load payable	983	-	-	646	-	-

\* This balance is inclusive of Sindh Sales Tax.

19 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2019

AIAPPP-II	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
	(Rupees in '000)			
<b>Financial Assets</b>				
Bank balances	670	-	-	670
Investments	-	-	682,694	682,694
Profits receivable	27	-	-	27
Prepayments and other receivables	63	-	-	63
	<u>760</u>	<u>-</u>	<u>682,694</u>	<u>683,454</u>
			At amortised cost	Total
<b>Financial liabilities</b>			-- (Rupees in '000) --	
Payable to the Management Company			119	119
Payable to Central Depository Company of Pakistan Limited - Trustee			58	58
Accrued expenses and other payables			203	203
			<u>380</u>	<u>380</u>

30 June 2018

AIAPPP-II	Loans and receivables	Available-for-sale	At fair value through profit or loss	Total
	(Rupees in '000)			
<b>Financial Assets</b>				
Investments	-	-	775,300	775,300
	<u>-</u>	<u>-</u>	<u>775,300</u>	<u>775,300</u>
			Other financial liabilities	Total
<b>Financial liabilities</b>			---- (Rupees in '000) ----	
Payable to the Management Company			4,631	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee			70	70
Accrued expenses and other payables			9,587	9,587
			<u>14,288</u>	<u>14,288</u>

30 June 2019

AIAPPP-III	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
	(Rupees in '000)			
<b>Financial Assets</b>				
Bank balances	6,273	-	-	6,273
Investments	-	-	666,762	666,762
Profits receivable	57	-	-	57
Prepayments and other receivables	65	-	-	65
	<u>6,395</u>	<u>-</u>	<u>666,762</u>	<u>673,157</u>
			At amortised cost	Total
<b>Financial liabilities</b>			---- (Rupees in '000) ----	
Payable to the Management Company			122	122
Payable to Central Depository Company of Pakistan Limited - Trustee			56	56
Accrued expenses and other payables			188	188
			<u>366</u>	<u>366</u>

<b>AIAPPP-IV</b>	<b>At amortised cost</b>	<b>At fair value through other comprehensive income</b>	<b>At fair value through profit or loss</b>	<b>Total</b>
	<b>----- (Rupees in '000) -----</b>			
<b>Financial Assets</b>				
Bank balances	9,556	-	-	9,556
Investments	-	-	273,687	273,687
Profits receivable	62	-	-	62
Prepayments and other receivables	68	-	-	68
	<u>9,686</u>	<u>-</u>	<u>273,687</u>	<u>283,373</u>
			<b>At amortised cost</b>	<b>Total</b>
			<b>---- (Rupees in '000) ----</b>	
<b>Financial liabilities</b>				
Payable to the Management Company			89	89
Payable to Central Depository Company of Pakistan Limited - Trustee			23	23
Accrued expenses and other payables			2,626	2,626
			<u>2,738</u>	<u>2,738</u>
<b>AIACTAP-XI</b>	<b>At amortised cost</b>	<b>At fair value through other comprehensive income</b>	<b>At fair value through profit or loss</b>	<b>Total</b>
	<b>----- (Rupees in '000) -----</b>			
<b>Financial Assets</b>				
Bank balances	547	-	-	547
Investments	-	-	62,811	62,811
Profits receivable	2	-	-	2
	<u>549</u>	<u>-</u>	<u>62,811</u>	<u>63,360</u>
			<b>At amortised cost</b>	<b>Total</b>
			<b>---- (Rupees in '000) ----</b>	
<b>Financial liabilities</b>				
Payable to the Management Company			1,010	1,010
Payable to Central Depository Company of Pakistan Limited - Trustee			11	11
Accrued expenses and other payables			976	976
			<u>1,997</u>	<u>1,997</u>

## 20 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 4.3 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**

Al-Ameen Islamic Active Principal Preservation Plan – II									
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)									
<b>Financial assets measured at fair value</b>									
- Mutual funds	7.1	682,694	-	-	682,694	682,694	-	-	682,694
<b>Financial assets not measured at fair value</b>									
- Bank balances		-	-	670	670				
- Profits receivable		-	-	27	27				
- Prepayments and other receivables		-	-	63	63				
		-	-	760	760				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Management Company	20.1	-	-	119	119				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	58	58				
- Accrued expenses and other payables		-	-	203	203				
		-	-	380	380				

**30 June 2018**

Al-Ameen Islamic Active Principal Preservation Plan – II									
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)									
<b>Financial assets measured at fair value</b>									
- Mutual funds	7.1	775,300	-	-	775,300	775,300	-	-	775,300
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Management Company	20.1	-	-	4,631	4,631				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	70	70				
- Accrued expenses and other payables		-	-	9,587	9,587				
		-	-	14,288	14,288				

**30 June 2019**

Al-Ameen Islamic Active Principal Preservation Plan – III									
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)									
<b>Financial assets measured at fair value</b>									
- Mutual funds	7.1	666,762	-	-	666,762	666,762	-	-	666,762
<b>Financial assets not measured at fair value</b>									
- Bank balances		-	-	6,273	6,273				
- Profits receivable		-	-	57	57				
- Prepayments and other receivables		-	-	65	65				
		-	-	6,395	6,395				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Management Company	20.1	-	-	122	122				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	56	56				
- Accrued expenses and other payables		-	-	188	188				
		-	-	366	366				

30 June 2019

30 June 2019		Al-Ameen Islamic Active Principal Preservation Plan – IV								
Note		Carrying amount				Total	Fair value			Total
		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		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----										
<b>Financial assets measured at fair value</b>										
- Mutual funds	7.1	<u>273.687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273.687</u>	<u>273.687</u>	<u>-</u>	<u>-</u>	<u>273.687</u>
<b>Financial assets not measured at fair value</b>										
- Bank balances		-	-	-	9,556	9,556				
- Profits receivable		-	-	-	62	62				
- Prepayments and other receivables		-	-	-	68	68				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>9.686</u>	<u>9.686</u>				
<b>Financial liabilities not measured at fair value</b>										
- Payable to the Management Company	20.1	-	-	-	89	89				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	23	23				
- Accrued expenses and other payables		-	-	-	2,626	2,626				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2.738</u>	<u>2.738</u>				

30 June 2019

30 June 2019		Al-Ameen Islamic Active Asset Allocation Plan – XI								
Note	Carrying amount				Total	Fair value				
	Mandatorily at fair value through profit	Designated as at fair value through profit	Fair value through other comprehensive	Amortised cost		Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----										
<b>Financial assets measured at fair value</b>										
- Mutual funds	7	62,811	-	-	-	62,811	62,811	-	-	62,811
<b>Financial assets not measured at fair value</b>										
- Bank balances		-	-	-	547	547				
- Profits receivable		-	-	-	2	2				
		-	-	-	549	549				
<b>Financial liabilities not measured at fair value</b>										
- Payable to the Management Company	20.1	-	-	-	1,010	1,010				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11	11				
- Accrued expenses and other payables		-	-	-	976	976				
		-	-	-	1,997	1,997				

- 20.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.
- 20.2 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.

## 21 FINANCIAL RISK MANAGEMENT

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.

### 21.1 Credit Risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances.

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.

The table below analyses the Fund's maximum exposure to credit risk:

Bank balances by rating category	Rating Agency	Rating	2019				Total
			AIAPPP-II	AIAPPP-III	AIAPPP-IV	AICTAP-XI	
United Bank Limited	VIS	AAA	670	6,273	9,556	-	16,499
Sonari Bank Limited	PACRA	AA-	-	-	-	547	547
			670	6,273	9,556	547	17,046
<b>Profit receivable</b>			27	57	62	2	148
<b>Prepayments and other receivables</b>			63	65	68	-	196



Al-Ameen Islamic Active Principal Preservation Plan – III				
	Maturity Upto		More than	Total
	Three months	Six months	One year	
----- (Rupees in '000) -----				
Financial Liabilities				
Payable to Management Company	122	-	-	122
Payable to Central Depository Company of Pakistan Limited - Trustee	56	-	-	56
Accrued expenses and other payables	188	-	-	188
	366	-	-	366
Unit holders' fund	672.097	-	-	672.097

	Al-Ameen Islamic Active Principal Preservation Plan – IV				
	Maturity Upto			More than	Total
	Three months	Six months	One year	one year	
	----- (Rupees in '000) -----				
Financial Liabilities					
Payable to Management Company	89	-	-	-	89
Payable to Central Depository Company of Pakistan Limited - Trustee	23	-	-	-	23
Accrued expenses and other payables	2,626	-	-	-	2,626
	2,738	-	-	-	2,738
Unit holders' fund	280,426	-	-	-	280,426

	Al-Ameen Islamic Active Asset Allocation Plan – XI				
	Maturity Upto			More than	Total
	Three months	Six months	One year	one year	
	(Rupees in '000)				
Financial Liabilities					
Payable to Management Company	1,010	-	-	-	1,010
Payable to Central Depository Company of Pakistan Limited - Trustee	11	-	-	-	11
Accrued expenses and other payables	976	-	-	-	976
	1,997	-	-	-	1,997
Unit holders' fund	61,357	-	-	-	61,357

### 21.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, profit rates and equity prices - will affect the fund's income or the value of its holdings of financial instruments, market variables such as price rates, foreign exchange rates and debt security prices.

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.



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. Since the Fund does not have investments in fixed rate security, therefore it is not exposed to profit rate fair value risk. As of 30 June 2019, the Fund is only exposed to profit rate cash flow risk.

As at 30 June 2019, the balances that may be exposed to profit rate risk are as follows:

2019					2018
AIAPPP - II	AIAPPP - III	AIAPPP - IV	AIACTAP-XI	Total	AIAPPP - II
(Rupees in '000)					

**Variable rate instruments**

Bank balances	670	6,273	9,556	547	17,046	-
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**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. 0.01 million, 0.06 million, 0.1 million and 0.01 million of AIAPPP-II, AIAPPP-III, AIAPPP-IV and AIACTAP-XI respectively.

2019					
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
%					
(Rupees in '000)					
<b>AIAPPP-II</b>					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	7.75 - 11.25	670	-	-	670
Investments		-	-	682,694	682,694
Profits receivable		-	-	27	27
Prepayment and other receivables		-	-	63	63
		670	-	682,784	683,454
<b>Financial liabilities</b>					
Payable to the Management Company		-	-	119	119
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	58	58
Accrued expenses and other payables		-	-	203	203
		-	-	380	380
<b>On-balance sheet gap</b>		670	-	682,404	683,074
<b>Off-balance sheet financial instruments</b>					
		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-	-

	2018				Total
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
	Upto three months	More than three months and up to one year	More than one year		
AIAPPP-II					
On-balance sheet financial instruments					(Rupees in '000)
Financial assets					
Investments	-	-	-	775,300	775,300
	-	-	-	775,300	775,300
Financial liabilities					
Payable to the Management Company	-	-	-	4,631	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	70	70
Accrued expenses and other payables	-	-	-	9,587	9,587
	-	-	-	14,288	14,288
On-balance sheet gap	-	-	-	761,012	761,012
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-

2019					
(Rupees in '000)					
AIAPPP-III					
On-balance sheet financial instruments					
Financial assets					
Bank balances	7.75 - 11.25	6,273	-	-	6,273
Investments		-	-	666,762	666,762
Profits receivable		-	-	57	57
Prepayment and other receivables		-	-	65	65
		6,273	-	666,884	673,157
Financial liabilities					
Payable to the Management Company		-	-	122	122
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	56	56
Accrued expenses and other payables		-	-	188	188
		-	-	366	366
On-balance sheet gap		6,273	-	666,517	672,790
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-

		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
<b>AIAPPP-IV</b>						
		%				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7.75 - 11.25	9,556	-	-	-	9,556
Investments		-	-	-	273,687	273,687
Profits receivable		-	-	-	62	62
Prepayment and other receivables		-	-	-	68	68
		<u>9,556</u>	<u>-</u>	<u>-</u>	<u>273,817</u>	<u>283,373</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	89	89
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	23	23
Accrued expenses and other payables		-	-	-	2,626	2,626
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,738</u>	<u>2,738</u>
<b>On-balance sheet gap</b>		<u>9,556</u>	<u>-</u>	<u>-</u>	<u>271,079</u>	<u>280,635</u>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2019 (Rupees in '000)</b>						
<b>AIACTAP-XI</b>						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	12	547	-	-	-	547
Investments		-	-	-	62,811	62,811
Profits receivable		-	-	-	2	2
		<u>547</u>	<u>-</u>	<u>-</u>	<u>62,813</u>	<u>63,360</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	1,010	1,010
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11	11
Accrued expenses and other payables		-	-	-	976	976
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,997</u>	<u>1,997</u>
<b>On-balance sheet gap</b>		<u>547</u>	<u>-</u>	<u>-</u>	<u>60,816</u>	<u>61,363</u>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap</b>		<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**

The Fund is exposed to price risk i.e. the risk of unfavourable changes in the fair value of securities as a result changes in the value of individual net assets value of open end funds, which arises from investments measured at fair value through income statement. The price risk exposure of the Fund arises from investments in mutual funds only. The Fund's policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC Regulations.

In case of investments classified as at fair value through profit or loss, a 5% increase or decrease in the fair values of the investments, would have increased or decreased the income statement and the unit holders fund by Rs. 35.135 million, Rs. 33.338 million, 13.684 million and Rs. 3.141 of AIAPPP-II, AIAPPP-III, AIAPPP-IV and AIACTAP-XI respectively.

**21.4 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.

**22. 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 Qualit Assurance	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.

## 23 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
<b>Name of Key Executives</b>								
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 Hassan Barlas & Mr. Sharjeel Shahid resigned on 9 October 2018

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

## 24 PATTERN OF UNIT HOLDERS

Category	2019 -----AIAPPP-II-----		
	Number of		Percentage
	Unit holders	Units held	
Individuals	579	5,479,470	83.49%
Retirement Funds	9	535,305	8.16%
Others	5	548,254	8.35%
	<b>593</b>	<b>6,563,029</b>	<b>100%</b>
	2018 -----AIAPPP-II-----		
	Number of		Percentage
	Unit holders	Units held	
Individuals	655	6,428,061	84.90%
Retirement Funds	10	595,318	7.86%
Others	5	548,254	7.24%
	<b>670</b>	<b>7,571,633</b>	<b>100%</b>
	2019 -----AIAPPP-III-----		
	Number of		Percentage
	Unit holders	Units held	
Individuals	374	4,580,780	69.66%
Retirement Funds	7	614,977	9.35%
Others	4	1,380,315	20.99%
	<b>385</b>	<b>6,576,072</b>	<b>100%</b>
	-----AIAPPP-IV-----		
	Number of		Percentage
	Unit holders	Units held	
Associated Company and Key Executives	1	8,021	0.29%
Individuals	133	1,968,012	71.26%
Public listed company	1	416,300	15.07%
Others	2	369,506	13.38%
	<b>137</b>	<b>2,761,839</b>	<b>100%</b>
	-----AIACTAP-XI-----		
	Number of		Percentage
	Unit holders	Units held	
Individuals	47	514,590	78.89%
Retirement Funds	-	-	-
Others	2	137,738	21.11%
	<b>49</b>	<b>652,328</b>	<b>100%</b>

**25 CREDIT RATING**

The Management Company has been rated as AM1 on 27 December 2018 (30 June 2018: AM1) by VIS while the Fund is currently not rated.

**26 GENERAL**

**26.1 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**









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