



Annual Report 2019

| Al-Ameen Islamic Retirement Savings Fund



Rated AM1 by JCR-VIS

CORPORATE INFORMATION

as at June 30, 2019

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrugh Zaeem
Director

Naz Khan
Director

Tauqeer Mazhar
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee

Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar
Member

Risk and Compliance Committee

Imran Sarwar
Chairman

Syed Furrugh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrugh Zaeem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Aly Osman

Registered Office

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

Head Office

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

Date of incorporation of the Management Company/ Pension Fund Manager

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

Management Quality Rating

AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

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

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

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

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

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

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

UBL Retirement Savings Fund
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

UBL Special Saving Fund
Launch Date: 09 November 2018

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

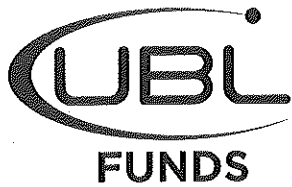
Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan



Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the Annual Report of "Al-Ameen Islamic Retirement Savings Fund (AIRSF)" for the year ended June 30, 2019.

Economy Review – FY19

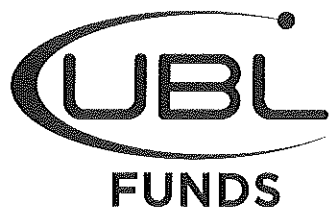
The fiscal year 2019 remained for Pakistan's economy with real GDP growth slumping to 3.2% as compared to 5.5% in last year. The prime reason for the sluggish GDP growth were macroeconomic stabilization measures taken by the authorities, specifically; monetary policy tightening, large exchange rate adjustments,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

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

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

On the fiscal side, overall fiscal deficit reached at 5% of GDP during 9MFY19 as against 4.3% of GDP in the same period last year. Deteriorating fiscal conditions were mainly due flattish tax revenue relative to the preceding year. Taxes collected by FBR during the 9MFY19 grew by merely 2.8% as against a hefty growth of 16.2% in the same period last year. Moreover, non-tax revenue collection also shriveled mainly due to drop in SBP profits. On the other hand, on the expenditure side, cumulative government spending during 9MFY19 grew by 8% as compared to a growth of 16% last year. Overall expenditure rose despite 41% reduction in PSDP with current expenditure increasing by 17.7% mainly fueled by higher interest payments and defense related expenditure. Resultantly, to finance the gap, government raised borrowings from SBP, non-bank and external sources.

During June'19 two major developments occurred. First, PTI government announced its first budget for FY20, where in the PTI government primarily aims to address the structural issues of very low and lopsided tax collection through removal of tax anomalies/exemptions and documentation of economy, especially the giant services sector



which makes up over 60% of the economy and contributes very little to government funds. As revealed in the budget documents, the government aims to increase FBR tax revenues from 10.8% of GDP in FY19 to 12.6% in FY20 and then 15.1% in the next two years. Second, Pakistan also signed a staff-level agreement with IMF for a 3-year Extended Fund Facility (EFF) which has enabled Pakistan to receive USD 6bn over a period of 39 months. The program aims to support Pakistan to reduce domestic as well as external imbalances, increase transparency, improve business environment and remove impediments to the growth of the economy. Structural reforms will also be introduced to supplement economic policies and to put the country on the trajectory of long-term sustainable economic growth.

Debt Market Review

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

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

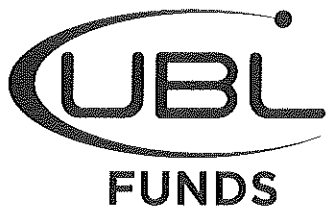
Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

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

Islamic Finance Review – FY19

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



of 5.75% over the year FY19. Further increase in discount-rates will remain positive for Islamic banks and financial institutions.

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

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

Future outlook

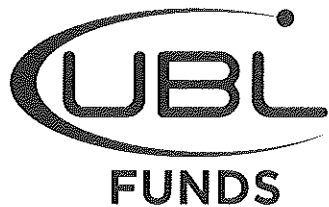
Given the stabilization measures in place and economy moving along the reform plans we expect macroeconomic indicators to slowly revert back to a stable path. However, for year FY20 we expect overall economic growth to further dampen and improve thereafter. With the re-entry into an IMF program, we expect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

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

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

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

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



Fund Performance and operational review

Al-Ameen Islamic Retirement Savings Fund

The Fund comprises of three sub funds namely Equity sub-fund, Debt sub-fund and Money Market sub-fund. The Fund as a whole incurred a gross loss of PKR 153.276 million and net operating loss of PKR 188.534 million during the year and fund size stood at PKR 2,586.28 million as at the year end. Performance review for each sub Funds is given below.

Equity Sub-Fund

For the year ended June 30, 2019, the sub-fund incurred a gross loss of PKR 252.29 million and net operating loss of PKR 276.60 million. The net assets of the sub-fund stood at PKR 1,269.51 million representing net asset value of PKR 519.02 per unit as at June 30, 2019.

Debt Sub Fund

For the year ended June 30, 2019, the sub-fund earned a gross income of PKR 53.55 million and net operating income of PKR 43.07 million. The net assets of the sub-fund stood at PKR 643.48 million representing net asset value of PKR 175.46 per unit as at June 30, 2019.

Money Market Sub Fund

For the year ended June 30, 2019, the sub-fund earned a gross income of PKR 45.47 million and net operating income of PKR 45.00 million. The net assets of the sub-fund stood at PKR 673.29 million representing net asset value of PKR 169.40 per unit as at June 30, 2019.

Auditors

The present statutory auditors M/s Deloitte Yousuf Adil & Co., Chartered Accountants being the auditor of the Fund are not eligible for re-appointment, for being statutory auditors of the fund for consecutive three years.

Acknowledgements

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

FOR & ON BEHALF OF THE BOARD



Yasir Qadri
CHIEF EXECUTIVE

Karachi, Dated: August 30, 2019

ڈائریکٹر رپورٹ

UBL Fund Managers Ltd. کے بورڈ آف ڈائریکٹرز Al-Ameen Islamic Retirement Saving Fund (AIRSF) کی سالانہ رپورٹ برائے مالی سال 2019 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

معاشی جائزہ برائے مالی سال 2019

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

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

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

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

- 1۔ بجلی اور گیس کی قیمتوں میں اضافہ
- 2۔ پاکستانی روپے کی قدر میں کمی
- 3۔ مواصلاتی اخراجات میں اضافہ سے روزمرہ اشیاء اور اشیاؤں خوردونوش پر بالواسطہ منفی اثرات مرتب ہوئے۔

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

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

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

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

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

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

جون 2019 میں دو اہم واقعات رونما ہوئے۔

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

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

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

قرض مارکیٹ کا جائزہ

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

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

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

شیر (حصص) مارکیٹ کا جائزہ برائے مالیاتی سال 2019

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

۱۔ شرح سود میں متوقع اضافہ ۲۔ سست معاشی رفتار ۳۔ معاشیات کبریٰ کی ابتری ۴۔ تیزی سے بڑھنے والے مالی اور تجارتی خسارے اور ۵۔ پاکستانی روپے کی قدر میں بے انتہائی کمی۔ بڑھتی ہوئی بے یقینی نے مارکیٹ کے کھلاڑیوں کو حد درجہ محتاط کر دیا جس کی وجہ سے اوسط حصص کا حجم 96.3% ملین پر ہی تھم گیا۔ خارجی شراکت دار فقط حصص فروخت کرتے رہے جس کی مالیت تقریباً 356 ملین امریکی ڈالر رہی۔

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

اسلامک مالیاتی جائزہ برائے مالی سال 2019

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

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

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

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

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

مستقبل کا زاویہ نگاہ

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

مالی رخ پر ابھی کوئی بڑی بہتری نظر نہیں آرہی۔ حکومت نے بنیادی خسارے کا ہدف 0.6% مقرر کیا ہے۔ جو کہ عوامی سود کے منصوبوں کے اخراجات میں کٹوتی سے حاصل ہوگا۔ خارجی رخ پر توقع یہی کی جا رہی ہے کہ حالیہ مالی خسارہ مالی سال 2020 میں 8.9 ارب امریکی ڈالر تک چاہئے گا۔

مالی خسارے میں کمی کی وجوہات یہ ہیں۔

۱۔ درآمدات میں کمی

۲۔ تیل کی مصنوعات کی قیمتوں میں کمی

۳۔ سمندر پار پاکستانیوں کی ترسیل زر میں اضافہ اور

۴۔ برآمدات میں اضافہ

افراط زر کی شرح مالی سال 2020 میں 11.12% کی بلند سطح پر قائم رہے گی۔ جس کی وجہ بجلی اور گیس کے نرخوں میں اضافہ اور روپیہ کی شرح تبادلہ میں ردوبدل۔ اس کے بالعکس وقت گزرنے کے ساتھ افراط زر کا وڈم ہو جائے گی۔

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

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

ہمیں امید ہے۔ کہ KSE-100 انڈیکس صحت مند منافع لائے گا۔ فی الوقت یہ اشارہ 6.3 پر بک رہا ہے جو کہ مائی 2017 میں 12.0 تھا۔ یہ بات قابل ذکر ہے کہ پاکستان دیگر بڑی حصص مارکیٹ کے مقابلے میں ارزاں ترین ہے۔ پاکستان حصص مارکیٹ 7.5% منافع اور 15% آمدنی / کمائی پیش کرتا ہے۔

مالی وسائل کی کارکردگی اور اسکا عملی جائزہ

الامین اسلامک ریٹائرمنٹ بچت فنڈ

یہ فنڈ 3 ذیلی فنڈز پر مشتمل ہے۔

1۔ منصفانہ حصص ذیلی فنڈ

2۔ ادھار ذیلی فنڈ

3۔ مالیاتی مارکیٹ ذیلی فنڈ

مجموعی طور پر مالی سال 2019 میں فنڈ کو 153.276 ملین روپے کا خسارہ ہوا جس میں خالص خسارہ 188.534 ملین روپے رہا فنڈ کا حجم 2586.28 ملین روپے رہا۔

ہر ایک فنڈ کی کارکردگی حسب ذیل ہے۔

1. منصفانہ حصص ذیلی فنڈ: Equity Sub-Fund

مالی سال کے اختتام یعنی 30 جون 2019 تک اس فنڈ کو مجموعی طور پر 252.29 ملین روپے کا خسارہ ہوا جس میں 276.60 ملین روپے خالص خسارہ رہا۔ فنڈ کے خالص اثاثے 1269.51 ملین روپے ہیں۔ اس طرح ایک حصہ کی قدر 519.02 روپے بنتی ہے۔

2. ادھار ذیلی فنڈ: Debt Sub Fund

اس فنڈ کو مالی سال 30 جون 2019 کے اختتام پر مجموعی طور پر آمدنی 53.55 ملین روپے اور خالص آمدنی 43.07 ملین روپے ہوئی۔ فنڈ کے خالص اثاثے 463.48 ملین روپے ہیں اور فی یونٹ کی قدر 175.46 رہی۔

3. مالیاتی مارکیٹ ذیلی فنڈ: Money Market Sub Fund

مالی سال 30 جون 2019 کے اختتام پر فنڈ کی مجموعی آمدنی 45.47 ملین روپے رہی جبکہ خالص آمدنی 45.00 ملین روپے ہوئی۔ فنڈ کے خالص اثاثوں کی مالیت 673.39 ملین روپے رہی اور فی یونٹ 169.40 روپے رہی۔

فنڈ کے موجودہ محاسب M/s Deloitte Yousuf Adil & Co., Chartered Accountant چارٹرڈ اکاؤنٹنٹس اس امر کے مجاز نہیں ہیں کہ انہی مسلسل 3 سال تک فنڈ کے محاسب/Auditor کی ذمہ داری کیلئے نامزد کیا جائے۔

اعتراف / Acknowledgment

ہم اپنے حصہ داران کے بے حد شکرگزار ہیں کہ انہوں نے UBL Fund Managers Limited پر اعتماد اور بھروسہ کا اظہار کیا۔ اس کے علاوہ ہم مندرجہ ذیل اداروں کے تعاون اور رہنمائی کے بھی معترف ہیں۔

CDC PAKISTAN (Incoming Trustee)، SBP، SECP PAKISTAN

MCB Financial Services Ltd. (Outgoing Trustee)

بورڈ اس موقع پر اپنے عملے اور اسٹاف کی مخلصی، دلچسپی اور انتھک محنت کا بھی تہہ دل سے مشکور ہے۔

دستخطی برائے بورڈ

یا سر قادی
چیف ایگزیکٹو

کراچی۔ 30 اگست 2019ء

AIRSF

Al-Ameen Islamic Retirement Savings Fund

INVESTMENT OBJECTIVE

AIRSF is a Shariah-compliant open-end fund that aims to provide a secure source of savings and regular income after retirement to the Participants. The Participants would contribute to the Fund during their working life and would typically withdraw from the Fund on or after retirement.

Pension Fund Manager	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Deloitte Yousuf Adil
Bankers	Bank Al Baraka Limited Bank Alfalah Limited Bank Al-Habib Limited BankIslami Pakistan Limited Faysal Bank Limited- Islamic Banking Habib Bank Limited Habib Metropolitan Bank Limited- Islamic Banking Meezan Bank Limited MCB Islamic Bank Limited Soneri Bank Limited - Islamic Banking United Bank Limited National Bank Pakistan Limited
Management Co.Rating	AM1 (JCR-VIS)

Fund Manager's Report – Al-Ameen Islamic Retirement Savings Fund (AIRSF)

- i) **Description of the Voluntary Pension Scheme (VPS) category and type**
Shariah Compliant Voluntary Pension Scheme / Open-end
- ii) **Statement of VPS investment objective**
AIRSF is a Shariah-compliant open-end fund that aims to provide a secure source of savings and regular income after retirement to the Participants. The Participants would contribute to the Fund during their working life and would typically withdraw from the Fund on or after retirement.
- iii) **Explanation as to whether the VPS achieved its stated objective**
The Pension Scheme achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the VPS**
None
- v) **Comparison of the VPS performance during the period**

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
AIRSF Debt (p.a)*	1.93%	5.21%	5.11%	5.96%	5.78%	7.85%	8.50%	8.41%	8.53%	8.80%	8.87%	11.65%	7.17%
AIRSF Money Market (p.a)*	2.75%	5.19%	5.24%	5.72%	5.88%	7.88%	8.32%	8.43%	8.29%	8.49%	8.58%	11.66%	7.16%
AIRSF Equity	0.58%	0.49%	-1.62%	2.87%	-2.75%	-8.05%	8.45%	-1.67%	-2.82%	-4.94%	-3.10%	-5.97%	-17.89%

Al-Ameen Islamic Retirement Savings Fund	FY'18
High Volatility	-10.7%
Medium volatility	-5.6%
Low volatility	-1.4%
Lower volatility	2.9%

- vi) **Description of the strategies and policies employed during the period under review in relation to the VPS performance**

The Equity Sub Fund generated a return of -17.89% during FY19. Significant exposure was maintained in Oil & Gas Exploration Companies (26%), Fertilizer (14%) and Cement companies (6%).

The Debt Sub Fund generated a yield of 7.17% p.a. during FY19. The Debt Sub Fund maintained majority exposure in cash and government securities during the year, which benefited the performance.

The Money Market Sub Fund generated a yield of 7.16% p.a. Limited investable instruments in the Islamic money market result in fewer investment opportunities.

- vii) **Disclosure of the VPS asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Gop Ijarah Sukuk	25%	0%
TFC/Sukuk	2%	0%
Placements with banks	0%	18%
Cash & Equivalent	71%	79%
Others	3%	3%
Leverage	Nil	Nil
AIRSF Money Market (% of Total Assets)	Jun-18	Jun-19
Gop Ijarah Sukuk	16%	0%
TFC/Sukuk	0%	0%
Placements with banks	16%	14%
Cash & Equivalent	64%	81%
Others	4%	4%
Leverage	Nil	Nil
AIRSF Equity (% of Total Assets)	Jun-18	Jun-19
Equities	93%	91%
Cash & Equivalent	5%	7%
Others	2%	2%
Leverage	Nil	Nil

- viii) **Analysis of the VPS performance**

AIRSF DSF: FY'19 Return:	7.17% p.a.
AIRSF MSF: FY'19 Return:	7.16% p.a.
AIRSF ESF: FY'19 Return:	-17.89%

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

	Net Asset Value			NAV per unit		
	30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
	Rupees (000)		%	Rupees		%
AIRSF-ESF	1,269,513	1,492,286	(14.93)	519.0163	632.0974	(17.89)
AIRSF-DSF	643,480	638,457	0.79	175.4608	163.7181	7.17
AIRSF-MSF	673,293	434,735	54.87	169.4027	158.0803	7.16

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

The scheme has 3 sub funds which invest in the shariah compliant equity and debt / money markets actively. Reviews of these markets are as follows:

Debt and Money Market Review for FY19

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

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

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5

months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

xi) Description and explanation of any significant changes in the state of affairs of the VPS 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.

xii) Breakdown of unit holdings by size

Range of Units	Number of Investors	Number of Investors	Number of Investors
	ESF	DSF	MSF
0.0001 - 9,999.9999	3,477	2,843	2,077
10,000.0000 - 49,999.9999	45	66	86
50,000.0000 - 99,999.9999	2	3	8
100,000.0000 - 499,999.9999	1	3	2
500,000.0000 & Above	-	-	-
Total	3,525	2,915	2,173

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

Investments 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 VPS.

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

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
Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL-AMEEN ISLAMIC RETIREMENT SAVINGS FUND

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Retirement Savings Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Pension Fund Manager 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 constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 11, 2019

REPORT OF THE SHARIAH ADVISORY COMMITTEE

We, the Shariah Advisors of the Fund are issuing this report in accordance with the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

In the capacity of Shariah Advisor, we have prescribed criteria for Shariah compliance of equity investments which comprises of five factors such as (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Illiquid assets to total assets, (iv) Investment in non-Shariah compliant activities and income from non-compliant investments, and (v) Net liquid assets vs. share market price.

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

- i. We have reviewed and approved the modes of investments of Al-Ameen Islamic Retirement Savings Fund (AIRSF) containing three sub Funds namely Al-Ameen Islamic Retirement Savings Fund – Equity Sub Fund (AIRSF-ESF), Al-Ameen Islamic Retirement Savings Fund – Debt Sub Fund (AIRSF-DSF) and Al-Ameen Islamic Retirement Savings Fund – Money Market Sub Fund (AIRSF-MMSF) in light of Shariah requirements. The following is a list of equity investments of AIRSF-ESF as on 30 June 2019 and their evaluation according to the screening criteria established by us:

AIRSF			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	507.9
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	Pakistan State Oil	Oil Marketing company	28%	2%	0%	24%	88.8	128.5
10	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	11%	1%	74%	(32.5)	65.0

In light of the above, we hereby certify that all the provisions of the Fund and investments made on accounts of AIRSF-ESF 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 AIRSF-ESF 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 AIRSF-ESF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside charity for such proportion of the income from Investee companies in order to purify the earning of the Fund.



- iv. Besides, all the provisions booked, investments made and operations conducted on account of AIRSF-DSF & AIRSF-MMSF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.

During the year, amounts of PKR 967,648, PKR 561 & PKR 336 have been recognized as charity by AIRSF-ESF, AIRF-DSF & AIRSF-MMSF, respectively.

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



Muhammad Hassan Kaleem
Member, Shariah Advisory Board



Muhammad Najeem Khan
Member, Shariah Advisory Board

KARACHI:
DATE: 16 August 2019

UBL FUND MANAGERS LIMITED

+92 21 111 825 262
info@ublfunds.com
4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

www.ublfunds.com

INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF THE FUND

We have audited the annexed financial statements comprising:

- i. Statement of Assets and Liabilities;
- ii. Income Statement;
- iii. Statement of Comprehensive Income;
- iv. Statement of Cash Flows; and
- v. Statement of Movement in Participants' Sub - Fund

of **Al-Ameen Islamic Retirement Savings Fund** ("the Fund") as at June 30, 2019 together with the notes forming part thereof, for the year then ended.

It is the responsibility of UBL Funds Managers Limited (the Pension Fund Manager) to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under the sub-section (1) of section 225 of the Companies Act, 2017 and technical releases issued by the Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pension System Rules, 2005 (the VPS Rules) and the Companies Act, 2017. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the financial statements prepared for the year ended June 30, 2019 have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at June 30, 2019 and of the transactions of the Fund for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) the accounts prepared are in agreement with the Fund's books and records;

- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980) was deducted by the Fund and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Nadeem Yousuf Adil

Date: September 24, 2019
Place: Karachi

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

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		(Rupees in '000)				(Rupees in '000)			
ASSETS									
Bank balances	5	91,635	628,450	651,037	1,371,122	81,042	454,539	352,788	888,369
Investments - net	6	1,174,608	-	-	1,174,608	1,409,445	172,936	70,266	1,652,647
Dividend and other receivables	7	26,268	20,707	28,325	75,300	25,146	16,094	18,463	59,703
Advance tax	8	538	353	281	1,172	510	272	192	974
Total assets		1,293,049	649,510	679,643	2,622,202	1,516,143	643,841	441,709	2,601,693
LIABILITIES									
Payable to UBL Fund Managers Limited - Pension Fund Manager	9	2,124	945	1,055	4,124	2,441	1,017	786	4,244
Payable to Central Depository Company of Pakistan Limited - Trustee	10	143	69	75	287	170	70	44	284
Payable to the Securities and Exchange Commission of Pakistan	11	480	200	165	845	494	187	111	792
Accrued expenses and other liabilities	12	20,789	4,816	5,055	30,660	20,752	4,110	6,033	30,895
Total liabilities		23,536	6,030	6,350	35,916	23,857	5,384	6,974	36,215
NET ASSETS		1,269,513	643,480	673,293	2,586,286	1,492,286	638,457	434,735	2,565,478
PARTICIPANTS' SUB-FUNDS (as per statement attached)		1,269,513	643,480	673,293	2,586,286	1,492,286	638,457	434,735	2,565,478
CONTINGENCIES AND COMMITMENTS									
----- Number of Units -----									
Number of Units in Issue	14	2,445,998	3,667,374	3,974,510		2,360,849	3,899,731	2,750,091	
----- Rupees -----									
Net Asset Value Per Unit		519.02	175.46	169.40		632.10	163.72	158.08	

The annexed notes from 1 to 27 form an integral part of this financial Statements

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

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

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note -----		(Rupees in '000) -----				(Rupees in '000) -----			
INCOME									
Financial income	16	7,114	53,904	45,299	106,317	5,709	32,285	18,454	56,448
(Loss) / gain on sale of investments - net		(30,120)	(358)	174	(30,304)	(75,765)	(3,499)	-	(79,264)
Dividend income		66,779	-	-	66,779	64,466	-	-	64,466
Unrealized loss on revaluation of investments classified as financial assets at fair value through profit or loss - net		(296,068)	-	-	(296,068)	(192,031)	(1,893)	(789)	(194,713)
		(252,295)	53,546	45,473	(153,276)	(197,621)	26,893	17,665	(153,063)
Impairment loss on equity securities classified as available for sale	6.3.2	-	-	-	-	(9,760)	-	-	(9,760)
Total (loss) / income		(252,295)	53,546	45,473	(153,276)	(207,381)	26,893	17,665	(162,823)
EXPENSES									
Remuneration of UBL Fund Managers Limited - Pension Fund Manager	9.1	21,816	9,104	7,485	38,405	22,475	8,492	5,035	36,002
Sindh sales tax on Pension Fund Manager's remuneration	9.2	2,836	1,183	973	4,992	2,922	1,104	655	4,681
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	1,964	820	677	3,461	2,046	774	459	3,279
Annual fee to the Securities and Exchange Commission of Pakistan	11	480	200	165	845	494	187	111	792
Auditor's remuneration	17	118	118	118	354	99	99	99	297
Securities transaction costs		2,415	10	5	2,430	1,310	77	11	1,398
Legal and professional charges		76	75	71	222	53	51	51	155
Custody and settlement charges		69	7	-	76	65	7	-	72
Charity		967	-	-	967	744	-	-	744
Bank and other charges		69	80	91	240	148	74	72	294
Total expenses		30,810	11,597	9,585	51,992	30,356	10,865	6,493	47,714
Net operating (loss) / income for the year		(283,105)	41,949	35,888	(205,268)	(237,737)	16,028	11,172	(210,537)
Element of income / (loss) and capital gains / (losses) included in the prices of units less those in units redeemed - net		6,509	1,116	9,113	16,738	(876)	1,255	2,807	3,186
Provision for Sindh Workers' Welfare Fund	12.2	-	-	-	-	-	-	-	-
Net (loss) / income for the year before taxation		(276,596)	43,065	45,001	(188,530)	(238,613)	17,283	13,979	(207,351)
Taxation	18	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(276,596)	43,065	45,001	(188,530)	(238,613)	17,283	13,979	(207,351)

The annexed notes from 1 to 27 form an integral part of this financial Statements

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

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

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Net (loss) / income for the year after taxation	(276,596)	43,065	45,001	(188,530)	(238,613)	17,283	13,979	(207,351)
Other comprehensive income for the year								
Items that may be reclassified subsequently to income statement								
Unrealised loss on remeasurement of investments classified as available for sale - net	-	-	-	-	(15,754)	-	-	(15,754)
Reclassification of realized loss to income statement on sale on investments classified as available for sale - net	-	-	-	-	275	-	-	275
Reclassification of impairment loss to income statement on equity securities classified as available for sale	6.3.2 -	-	-	-	9,760	-	-	9,760
6.3.1	-	-	-	-	(5,719)	-	-	(5,719)
Items that will not be reclassified subsequently to income statement								
Total comprehensive income for the year	(276,596)	43,065	45,001	(188,530)	(244,332)	17,283	13,979	(213,070)

The annexed notes from 1 to 27 form an integral part of this financial Statements

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

AL-AMEEN ISLAMIC RETIREMENT SAVINGS FUND
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB - FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Net assets at the beginning of the year	1,492,286	638,457	434,735	2,565,478	1,716,239	482,324	279,738	2,478,301
Amount received on issuance of units	513,164	322,691	541,861	1,377,716	773,984	535,870	455,873	1,765,727
Amount paid on redemption of units - net	(457,900)	(343,635)	(350,105)	(1,151,640)	(721,772)	(420,099)	(320,423)	(1,462,294)
Reallocation among Sub-Funds	5,068	(15,982)	10,914	-	(32,709)	24,334	8,375	-
	60,332	(36,926)	202,670	226,076	19,503	140,105	143,825	303,433
Element of (income) / loss and capital (gains) / losses included in the prices of units sold less those in units redeemed - net	(6,509)	(1,116)	(9,113)	(16,738)	876	(1,255)	(2,807)	(3,186)
(Loss) / gain on sale of investments - net	(30,120)	(358)	174	(30,304)	(75,765)	(3,499)	-	(79,264)
Unrealized (loss) / gain on revaluation of investments classified as financial assets at fair value through profit or loss - net	(296,068)	-	-	(296,068)	(192,031)	(1,893)	(789)	(194,713)
Impairment loss on equity securities classified as available for sale	-	-	-	-	(9,760)	-	-	(9,760)
Other net income	49,592	43,423	44,827	137,842	38,943	22,675	14,768	76,386
	(276,596)	43,065	45,001	(188,530)	(238,613)	17,283	13,979	(207,351)
Unrealised loss on remeasurement of investments classified as available for sale - net	-	-	-	-	(15,754)	-	-	(15,754)
Reclassification of realized loss to income statement on sale on investments classified as available for sale - net	-	-	-	-	275	-	-	275
Reclassification of impairment loss to income statement on equity securities classified as available for sale	-	-	-	-	9,760	-	-	9,760
Net assets at the end of the year	1,269,513	643,480	673,293	2,586,286	1,492,286	638,457	434,735	2,565,478

The annexed notes from 1 to 27 form an integral part of this financial Statements

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

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

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the year before taxation	(276,596)	43,065	45,001	(188,530)	(238,613)	17,283	13,979	(207,351)
Adjustments for:								
Financial income	(7,114)	(53,904)	(45,299)	(106,317)	(5,709)	(32,285)	(18,454)	(56,448)
Dividend income	(66,779)	-	-	(66,779)	(64,466)	-	-	(64,466)
Loss / (gain) on sale of investments - net	30,120	358	(174)	30,304	75,765	3,499	-	79,264
Unrealized loss on revaluation of investments classified as financial assets at fair value profit or loss - net	296,068	-	-	296,068	192,031	1,893	789	194,713
Impairment loss on equity securities classified as available for sale	-	-	-	-	9,760	-	-	9,760
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(6,509)	(1,116)	(9,113)	(16,738)	876	(1,255)	(2,807)	(3,186)
	(30,810)	(11,597)	(9,585)	(51,992)	(30,356)	(10,865)	(6,493)	(47,714)
(Increase) / decrease in assets								
Investments - net	(91,351)	172,578	70,440	151,667	(209,702)	227,802	(20,060)	(1,960)
Other receivables	5,720	6	1	5,727	(3,691)	(6)	(1)	(3,698)
	(85,631)	172,584	70,441	157,394	(213,393)	227,796	(20,061)	(5,658)
Increase / (decrease) in liabilities								
Payable to UBL Fund Managers Limited - Pension Fund Manager	(317)	(72)	269	(120)	(809)	(30)	356	(483)
Payable to Central Depository Company	(27)	(1)	31	3	(18)	14	14	10
Payable to the Securities and Exchange Commission of Pakistan	(14)	13	54	53	17	43	36	96
Accrued expenses and other liabilities	37	706	(978)	(235)	(3,768)	(460)	3,754	(474)
	(321)	646	(624)	(299)	(4,578)	(433)	4,160	(851)
	(116,762)	161,633	60,232	105,103	(248,327)	216,498	(22,394)	(54,223)
Dividend income received	64,064	-	-	64,064	64,256	-	-	64,256
Financial income received	7,359	52,658	42,439	102,456	5,878	32,862	17,011	55,751
Tax deducted by withholding tax agent	(28)	(81)	(89)	(198)	-	(39)	(61)	(100)
Net cash (used in) / generated from operating activities	(45,367)	214,210	102,582	271,425	(178,193)	249,321	(5,444)	65,684
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	508,792	319,318	534,858	1,362,968	794,991	534,558	448,277	1,777,826
Amount paid on redemption of units	(457,900)	(343,635)	(350,105)	(1,151,640)	(721,772)	(420,099)	(320,423)	(1,462,294)
Reallocation among Sub-Funds	5,068	(15,982)	10,914	-	(32,709)	24,334	8,375	-
Net cash generated from / (used in) financing activities	55,960	(40,299)	195,667	211,328	40,510	138,793	136,229	315,532
Net increase / (decrease) in cash and cash equivalents								
	10,593	173,911	298,249	482,753	(137,683)	388,114	130,785	381,216
Cash and cash equivalents at the beginning of the year	81,042	454,539	352,788	888,369	218,725	66,425	222,003	507,153
Cash and cash equivalents at the end of the year	91,635	628,450	651,037	1,371,122	81,042	454,539	352,788	888,369

The annexed notes from 1 to 27 form an integral part of this financial Statements

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

AL-AMEEN ISLAMIC RETIREMENT SAVINGS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Retirement Savings Fund ("the Fund") has been established under the Voluntary Pension System Rules, 2005 (the VPS Rules) and has been approved as a pension fund by the Securities and Exchange Commission of Pakistan (SECP) on January 29, 2010. It was constituted under a Trust Deed, dated November 17, 2009, between UBL Fund Managers Limited as the Pension Fund Manager, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the MCB Financial Services Limited as the Trustee. The trusteeship of the Fund was transferred to Central Depository Company of Pakistan Limited (CDC) (the Trustee) effective from March 31, 2014 through a supplemental trust deed dated February 21, 2014. The registered office of the Pension Fund Manager is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the VPS Rules and can be redeemed by surrendering to the Fund. As per the offering document the Fund cannot distribute any income from the Fund whether in cash or otherwise.

The object of the Fund is to provide a secure source of savings and regular income after retirement to the participants. The participants would contribute to the Fund during their working life and would typically withdraw from the Fund on or after retirement age. The Fund invests in a Shariah compliant diversified portfolio of securities under the Trust Deed. All the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Shariah Advisory Council to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The Fund consists of three sub-funds namely, Al-Ameen Islamic Retirement Savings Fund Equity Sub-Fund ("Equity Sub-Fund"), Al-Ameen Islamic Retirement Savings Fund Debt Sub-Fund ("Debt Sub-Fund") and Al-Ameen Islamic Retirement Savings Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The main features of the investment policy for each of the Sub-Funds are as follows:

- The Equity Sub-Fund shall invest primarily in listed equity securities with a minimum investment of 90% of its net asset value in listed shares. The investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or the paid-up capital of the investee company. The investment in a single stock exchange sector is restricted to the higher of 30% of the NAV or the index weight, subject to a maximum of 35% of the NAV. The remaining assets of the Equity Sub-Fund shall be invested in any government security having less than one year time to maturity, or in a scheduled commercial bank having credit rating of 'A'.
- The Debt Sub-Fund shall invest primarily in tradable debt securities with weighted average duration of the investment portfolio of the Debt Sub-Fund not exceeding five years. At least twenty five percent (25%) of the assets in the Debt Sub-Fund shall be invested in securities issued by the Federal Government and up to twenty five (25%) of the Fund may be deposited with banks having not less than "AA+" rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market Sub-Fund shall invest in short term debt instruments with time to maturity not exceeding six months, and in case of Shariah compliant Government securities, up to three years. The Fund can make investment in Shariah compliant securities issued by the Federal Government and the commercial banks having A+ rating. There are no restrictions placed by the VPS rules on such investments. The Fund can also make investment in securities issued by the provincial government, city government and government or a corporate entity (having credit rating of 'A' or higher) up to 10%, 5% and 5% of net assets of the Money Market Sub-Fund respectively.

As prescribed under the VPS rules, the Fund offers five types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The contributors have the option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

The title to the assets of the Fund is held in the name of the Trustee.

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) 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
- Voluntary Pension System Rules, 2005 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 Voluntary Pension System Rules, 2005 and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the Voluntary Pension System Rules, 2005 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. 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, judgments and assumptions that affect the reported amount of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates, judgments 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 judgment 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.

	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
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. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT 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 introduced 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 amortised cost if it meets both of the following conditions and is not designated as at 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) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) 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, 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 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	Effect on July 01, 2018 on Retained Earnings
--	---------------------------------------	----------------------------------	---	--	--	--

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

Financial assets

Bank balances	LR	AC	888,369	888,369	-	-
Investments - Equity Instruments	HFT/AFS	FVTPL	1,409,445	1,409,445	-	-
Investments - Debt Instruments	HFT	FVTPL	243,202	243,202	-	-
Dividend and profit receivable	LR	AC	59,703	59,703	-	-

Financial Liabilities

Payable to Pension Fund Manager	OFL	AC	4,244	4,244	-	-
Payable to Trustee	OFL	AC	284	284	-	-
Accrued expenses and other liabilities	OFL	AC	7,586	7,586	-	-
Net assets attributable to redeemable units	OFL	AC	2,565,478	2,565,478	-	-

- "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) Debt 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.

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

The unrealized loss on available for sale equity instruments is transferred to participants' fund upon initial application of IFRS 9.

4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by SECP. 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 aforementioned 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.

Basis of valuation of government securities:

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

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

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 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 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 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 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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, plus the allowable sales load. The 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 sales load and provision of any duties and charges if applicable. The sales load is payable to the Pension Fund Manager.

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 an amount that the Pension Fund Manager 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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is credited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the sale proceeds of units. Upon redemption of units, the 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is debited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the redemption price.

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' during the year is transferred to the 'income statement'.

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 the 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.
- Return on Government securities, Sukuks, bank balances and term deposits are recognised at the rate of return implicit in the instrument on a time proportionate basis.
- 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.

4.11 Cash and cash equivalents

Cash and cash equivalent 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 Transition to IFRS 9 Financial Instruments

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

4.12.1 Classification

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Pension Fund Manager determines the classification of its financial assets at initial recognition.

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.

4.12.2 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.

- Basis of valuation of government securities

The investment of the Fund in Government securities is valued at their fair values (determined on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan), based on the remaining tenor of the security.

- **Basis of valuation of debt securities (other than**

The investment of the Fund in debt securities is 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 January 6, 2009 and circular no. 33 of 2012 dated October 24, 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.

Further, the directives issued by the SECP has provided the discretion to the Pension Fund Manager to apply markup / markdown (within the available limits as provided in the directives) to the yields of non-traded debt securities to arrive at their fair values.

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 other 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.

4.12.3 Impairment

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. 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. impairment losses are recognised in the 'income statement'.

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'income statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

b) Equity securities

For equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the security is 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 'income statement', is reclassified from other comprehensive income and recognized in the income statement. However, the decrease in impairment loss on equity securities are not reversed through the income statement.

c) Loans and receivables

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 the provision is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

5. BANK BALANCES

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		------(Rupees in '000)-----				------(Rupees in '000)-----			
Profit and loss sharing accounts	5.1	51,862	512,363	548,020	1,112,245	66,683	452,550	280,538	799,771
Current accounts		39,773	2,087	5,017	46,877	14,359	1,989	250	16,598
Term deposit receipts	5.2	-	114,000	98,000	212,000	-	-	72,000	72,000
		91,635	628,450	651,037	1,371,122	81,042	454,539	352,788	888,369

5.1 Profit rate on these accounts ranges between 3.7% to 12.25% (June 30, 2018: 3.75% to 6.2%) per annum.

5.2 Profit rate on these term deposit receipts ranges between 6.40% to 12.50% (June 30, 2018: 5.8% to 7.16%) per annum with a maturity of one months.

6. INVESTMENTS - NET

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		------(Rupees in '000)-----				------(Rupees in '000)-----			
Investments by category:									
At fair value through profit or loss - held for trading									
Listed equity securities	6.1	1,174,608	-	-	1,174,608	935,006	-	-	935,006
Letter of rights	6.2	-	-	-	-	2,553	-	-	2,553
Government securities - Ijarah Sukuk Certificates	6.4	-	-	-	-	-	162,618	70,266	232,884
Debt securities - privately placed sukuk certificates	6.5	-	-	-	-	-	10,318	-	10,318
		1,174,608	-	-	1,174,608	937,559	172,936	70,266	1,180,761
Available for sale									
Listed equity securities	6.3	-	-	-	-	471,886	-	-	471,886
		-	-	-	-	471,886	-	-	471,886
		1,174,608	-	-	1,174,608	1,409,445	172,936	70,266	1,652,647

6.1 Listed equity securities - at fair value through profit or loss

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

Sector and Name of Security	As at July 1, 2018	Transferred in from Available for sale (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	Unrealized gain / (loss) as at June 30, 2019	Market value of investment as a percentage of net assets	Market value of investment as a percentage of total investment	Investment as a percentage of investees' paid up capital	
Note	(Number of shares)				(Rupees '000)			('%)				
AUTOMOBILE ASSEMBLER												
Honda Atlas Cars (Pakistan) Limited	42,600	34,350	-	76,950	-	-	-	-	0.00	0.00	0.00	
Pak Suzuki Motor Company Limited	150	-	-	150	-	-	-	-	0.00	0.00	0.00	
Millat Tractors Limited	15,000	2,000	-	17,000	-	-	-	-	0.00	0.00	0.00	
						-	-	-	0.00	0.00		
CEMENT												
Cherat Cement Company Limited	233,500	39,500	202,000	247,300	227,700	11,304	7,050	(4,254)	0.56	0.60	0.13	
Lucky Cement Limited	85,450	1,500	94,800	84,350	97,400	46,762	37,058	(9,704)	2.92	3.15	0.03	
D.G. Khan Cement Company Limited	72,900	56,300	24,700	153,900	-	-	-	-	0.00	0.00	0.00	
Pioneer Cement Limited	336,400	78,900	150,000	424,000	141,300	4,266	3,200	(1,066)	0.25	0.27	0.06	
Fauji Cement Company Limited	293,000	25,000	-	318,000	-	-	-	-	0.00	0.00	0.00	
Maple Leaf Cement Factory Limited	-	-	50,000	-	50,000	1,162	1,195	33	0.09	0.10	0.01	
Kohat Cement Limited	117,000	283,100	179,180	13,000	566,280	53,425	29,747	(23,678)	2.34	2.53	0.28	
						116,919	78,250	(38,669)	6.16	6.66		
FERTILIZER												
Engro Corporation Limited	197,600	225,600	131,180	198,200	356,180	101,524	94,601	(6,923)	7.45	8.05	0.06	
Dawood Hercules Corporation Limited	-	-	251,300	128,500	122,800	13,023	13,660	637	1.08	1.16	0.03	
Fauji Fertilizer Company Limited	-	13,000	684,000	170,000	527,000	52,241	45,954	(6,287)	3.62	3.91	0.04	
Engro Fertilizers Limited	734,000	143,000	-	222,500	654,500	49,029	41,868	(7,161)	3.30	3.56	0.05	
						215,817	196,083	(19,734)	15.45	16.69		
POWER GENERATION & DISTRIBUTION												
Hub Power Company Limited	709,800	413,500	443,291	78,000	1,488,591	130,526	117,227	(13,299)	9.23	9.98	0.11	
Pakgen Power Limited	-	-	795,000	-	795,000	13,329	11,273	(2,056)	0.89	0.96	0.21	
Saif Power Limited	-	-	654,000	-	654,000	17,251	12,269	(4,982)	0.97	1.04	0.17	
K-Electric Limited (ordinary shares of Rs. 3.5/- each)	1,400,000	1,000,000	785,000	1,300,000	1,885,000	10,806	8,275	(2,531)	0.65	0.70	0.01	
						171,912	149,044	(22,868)	11.74	12.69		
OIL & GAS EXPLORATION COMPANIES												
Oil and Gas Development Company Limited	403,600	160,000	323,300	77,500	809,400	123,903	106,428	(17,475)	8.38	9.06	0.02	
Pakistan Petroleum Limited	322,200	85,000	203,830	130,600	480,430	87,943	69,389	(18,554)	5.47	5.91	0.02	
Pakistan Oilfields Limited	21,900	62,200	90,620	26,800	147,920	77,995	60,039	(17,956)	4.73	5.11	0.05	
Mari Petroleum Company Limited	52,050	6,100	45,035	-	103,185	138,111	104,148	(33,963)	8.20	8.87	0.09	
						427,952	340,004	(87,948)	26.78	28.95		
OIL & GAS MARKETING COMPANIES												
Pakistan State Oil Company Limited	6.1.1 & 6.1.2	25,240	94,200	241,988	113,700	247,728	57,041	42,022	(15,019)	3.31	3.58	0.06
Attock Petroleum Limited		19,650	-	1,920	21,570	-	-	-	0.00	0.00	0.00	
						57,041	42,022	(15,019)	3.31	3.58		
PHARMACEUTICALS												
The Searle Company Limited	6.1.2	20,532	-	69,604	16,500	73,636	16,192	10,792	(5,400)	0.85	0.92	0.03
Ferozsons Laboratories Limited		-	-	88,200	15,000	73,200	12,931	8,185	(4,746)	0.64	0.70	0.24
Highnoon Laboratories Limited	6.1.2	27,879	-	787	20,000	8,666	3,234	2,194	(1,040)	0.17	0.19	0.03
						32,357	21,171	(11,186)	1.67	1.80		
TEXTILE COMPOSITE												
Nishat Mills Limited		301,700	71,000	156,500	101,000	428,200	59,776	39,968	(19,808)	3.15	3.40	0.12
Kohinoor Textile Mills Limited		-	275,000	-	-	275,000	15,122	6,889	(8,233)	0.54	0.59	0.09
						74,898	46,857	(28,041)	3.69	3.99		

Sector and Name of Security	As at July 1, 2018	Transferred in from Available for sale (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	Unrealized gain / (loss) as at June 30, 2019	Market value of investment as a percentage of net assets	Market value of investment as a percentage of total investment	Investment as a percentage of investees' paid up capital
Note	----- (Number of shares) -----				----- (Rupees '000) -----			----- (%) -----			
PAPER & BOARD											
Century Paper and Board Mills Limited	292,600	-	88,000	-	380,600	24,115	11,856	(12,259)	0.93	1.01	0.26
Packages Limited	16,850	-	54,000	21,350	49,500	18,931	14,878	(4,053)	1.17	1.27	0.06
						43,046	26,734	(16,312)	2.11	2.28	
ENGINEERING											
International Steels Limited	185,500	60,000	41,000	235,500	51,000	5,125	2,025	(3,100)	0.16	0.17	0.01
Amreli Steels Limited	88,500	75,000	-	163,500	-	-	-	-	0.00	0.00	0.00
International Industries Limited	-	-	72,100	10,500	61,600	9,631	4,748	(4,883)	0.37	0.40	0.05
Ittefaq Iron industries Limited	1,152,000	56,500	-	1,208,500	-	-	-	-	0.00	0.00	0.00
						14,756	6,773	(7,983)	0.53	0.58	
GLASS & CERAMICS											
Tariq Glass Industries Limited	381,000	-	-	368,900	12,100	1,297	927	(370)	0.07	0.08	0.02
						1,297	927	(370)	0.07	0.08	
CHEMICAL											
Sitara Chemical Industries Limited	62,800	23,000	14,800	-	100,600	36,408	30,771	(5,637)	2.42	2.62	0.47
Engro Polymer and Chemicals Limited	-	782,500	889,490	276,000	1,395,990	44,911	37,636	(7,275)	2.96	3.20	0.15
I.C.I. Pakistan Limited	40,800	-	-	35,000	5,800	4,649	3,088	(1,561)	0.24	0.26	0.01
						85,968	71,495	(14,473)	5.63	6.09	
AUTOMOBILE PARTS & ACCESSORIES											
Thal Limited (ordinary shares of Rs. 5 each)	80,150	-	7,500	20,000	67,650	31,384	24,628	(6,756)	1.94	2.10	0.08
General Tyre and Rubber Co. of Pakistan Limited	-	89,500	-	89,500	-	-	-	-	0.00	0.00	0.00
						31,384	24,628	(6,756)	1.94	2.10	
FOOD AND PERSONAL CARE											
Al-Shaheer Corporation Limited	370,500	202,000	85,000	249,000	408,500	11,052	5,147	(5,905)	0.41	0.44	0.29
Shezan International Limited	35,300	43,600	7,890	200	86,590	44,869	36,581	(8,288)	2.88	3.11	0.99
						55,921	41,728	(14,193)	3.29	3.55	
REFINERY											
National Refinery Limited	-	900	65,000	4,100	61,800	10,090	7,012	(3,078)	0.55	0.60	0.08
						10,090	7,012	(3,078)	0.55	0.60	
LEATHER & TANNERIES											
Service Industries Limited	-	16,640	20,535	-	37,175	22,805	18,338	(4,467)	1.44	1.56	0.25
						22,805	18,338	(4,467)	1.44	1.56	
MISCELLANEOUS											
Synthetic Products Enterprises Limited	484,500	-	105,000	-	589,500	28,259	13,081	(15,178)	1.03	1.11	0.69
Tri-Pack Films Limited	-	39,000	-	-	39,000	5,343	2,588	(2,755)	0.20	0.22	0.10
						33,602	15,669	(17,933)	1.23	1.33	
TECHNOLOGY & COMMUNICATION											
Avanceon Limited	35,938	-	575	34,500	2,013	95	99	4	0.01	0.01	0.00
Systems Limited	-	210,000	32,550	-	242,550	22,456	23,278	822	1.83	1.98	0.20
						22,551	23,377	826	1.84	1.99	
COMMERCIAL BANKS											
Meezan Bank Limited	439,500	26,370	450,602	176,500	739,972	52,360	64,496	12,136	5.08	5.49	0.06
						52,360	64,496	12,136	5.08	5.49	
Total Value as at June 30, 2019						1,470,676	1,174,608	(296,068)			
Total Value as at June 30 2018						1,129,590	935,006	(194,584)			

6.1.1 The above equity securities include 0.070 million shares (June 30, 2018: 0.075 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 11.87 million (June 30, 2018: Rs. 8.59 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 Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, filed a petition in Honorable 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 Honorable 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. 1.02 million (2018: Rs. 1.82 million) at year end. Such shares have not been deposited in the CDC account of the department of Income tax. The Pension Fund Manager is of the view that the decision will be in its favor 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	Transferred in from Available for sale (Note 4.1)	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
			----- Number of rights -----				----- Rupees '000 -----			----- % -----	
CHEMICAL											
Engro Polymer & Chemicals	289,490	-	-	289,490	-	-	-	-	0.00	0.00	0.00
Total-June 30, 2019						-	-	-			
Total-June 30, 2018						-	2,553	2,553			

6.3 Listed equity securities - Available for sale

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

Sector and Name of Security	As at July 1, 2018	Purchased / bonus received during the year	Transferred to Fair value through Profit & Loss during the year (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
	Note	----- (Number of shares) -----			----- (Rupees '000) -----		----- % -----			
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Limited	34,350	-	34,350	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
CEMENT										
Cherat Cement Company Limited	39,500	-	39,500	-	-	-	-	0.00	0.00	0.00
Lucky Cement Limited	1,500	-	1,500	-	-	-	-	0.00	0.00	0.00
D.G. Khan Cement Company Limited	56,300	-	56,300	-	-	-	-	0.00	0.00	0.00
Pioneer Cement Limited	78,900	-	78,900	-	-	-	-	0.00	0.00	0.00
Fauji Cement Company Limited	25,000	-	25,000	-	-	-	-	0.00	0.00	0.00
Kohat Cement Limited	283,100	-	283,100	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
FERTILIZER										
Engro Corporation Limited	225,600	-	225,600	-	-	-	-	0.00	0.00	0.00
Fauji Fertilizer Company Limited	13,000	-	13,000	-	-	-	-	0.00	0.00	0.00
Engro Fertilizers Limited	143,000	-	143,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
POWER GENERATION & DISTRIBUTION										
Hub Power Company Limited	413,500	-	413,500	-	-	-	-	0.00	0.00	0.00
K-Electric Limited (ordinary shares of Rs. 3.5/- each)	1,000,000	-	1,000,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00

Sector and Name of Security	As at July 1, 2018	Purchased / bonus received during the year	Transferred to Fair value through Profit & Loss during the year (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
Note	----- (Number of shares) -----				----- (Rupees '000) -----			----- % -----		
OIL & GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	160,000	-	160,000	-	-	-	-	0.00	0.00	0.00
Pakistan Oilfields Limited	62,200	-	62,200	-	-	-	-	0.00	0.00	0.00
Mari Petroleum Company Limited	6,100	-	6,100	-	-	-	-	0.00	0.00	0.00
Pakistan Petroleum Limited	85,000	-	85,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	94,200	-	94,200	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
TEXTILE COMPOSITE										
Kohinoor Textile Mills Limited	275,000	-	275,000	-	-	-	-	0.00	0.00	0.00
Nishat Mills Limited	71,000	-	71,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
ENGINEERING										
Amreli Steels Limited	75,000	-	75,000	-	-	-	-	0.00	0.00	0.00
International Steels Limited	60,000	-	60,000	-	-	-	-	0.00	0.00	0.00
Ittefaq Iron industries Limited	56,500	-	56,500	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
CHEMICAL										
Engro Polymer and Chemicals Limited	782,500	-	782,500	-	-	-	-	0.00	0.00	0.00
Sitara Chemical Industries Limited	23,000	-	23,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
AUTOMOBILE PARTS & ACCESSORIES										
General Tyre and Rubber Co. of Pakistan Limited	89,500	-	89,500	-	-	-	-	0.00	0.00	0.00
Millat Tractors Limited	2,000	-	2,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
FOOD AND PERSONAL CARE										
Al-Shaheer Corporation Limited	202,000	-	202,000	-	-	-	-	0.00	0.00	0.00
Shezan International Limited	43,600	-	43,600	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
LEATHER & TANNERIES										
Service Industries Limited	16,640	-	16,640	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
REFINERY										
National Refinery Limited	900	-	900	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
TECHNOLOGY & COMMUNICATION										
Systems Limited	210,000	-	210,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
COMMERCIAL BANKS										
Meezan Bank Limited	26,370	-	26,370	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
MISCELLANEOUS										
Tri-Pack Films Limited	39,000	-	39,000	-	-	-	-	0.00	0.00	0.00
					-	-	-	0.00	0.00	0.00
Total Value as at June 30, 2019										
Total Value as at June 30, 2018					487,365	471,886	(15,479)			

2019 **2018**
Note -----**(Rs. in '000)**-----

6.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale

Market value of investments	6.3	-	471,886
Less: cost of investments	6.3	-	(487,365)
Unrealised loss on re-measurement of investments classified as available for sale - net		-	(15,479)
Impairment loss on equity securities classified as available for sale	6.3.2	-	9,760
		-	(5,719)

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

Opening balance	-	-
Add: charge for the year	-	9,760
Less: reversal of provision due to recovery	-	-
Closing balance	-	9,760

6.4 Government securities - Ijarah Sukuk Certificates

At fair value through profit and loss

The details of investment in Ijarah Sukuk Certificates of Rs. 100,000 each are as follows:

Particulars	Note	As at July 1, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019	Cost as at June 30, 2019	Market value as at June 30, 2019	Unrealized (loss) / gain as at June 30, 2019	Percentage in relation to	
									Market value as a percentage of Total Investment of the Sub Fund	Market value as a percentage of net assets of the Sub Fund
<div>-----Number of certificates-----</div> <div>----- (Rs in "000") -----</div> <div>----- % -----</div>										
Government securities - held by Debt Sub-Fund										
		1,565	1,150	2,715	-	-	-	-	0.00	0.00
		55	-	55	-	-	-	-	0.00	0.00
Total as at June 30, 2019						-	-	-	0.00	0.00
Total as at June 30, 2018						164,313	162,618	(1,695)		
Government securities - held by Money Market Sub-Fund										
		700	1,300	2,000	-	-	-	-	0.00	0.00
Total as at June 30, 2019						-	-	-	0.00	0.00
Total as at June 30, 2018						71,005	70,266	(789)		

6.5 Debt securities - Privately placed sukuk certificates - at fair value through profit and loss - held for trading

The details of investment in Sukuk certificates of Rs 5,000 each unless indicated otherwise are as follows:

Particulars	Note	As at July 1, 2018	Purchased during the Year	Sold/ matured during the year	As at June 30, 2019	Cost as at June 30, 2019	Market value as at June 30, 2019	Unrealized gain / (loss) as at June 30, 2019	Percentage in relation to		
									Market value as a percentage of net assets of the Sub Fund	Market value as a percentage of Total Investment of the Sub Fund	Market value as a percentage of issued amount of security
-----Number of certificates-----											
----- (Rs in 000) -----											
----- (%) -----											
Held by Debt Sub-Fund											
Wapda (Certificates of Rs 2,143 each)		1,500	-	1,500	-	-	-	-	0.00	0.00	0.00
Fatima Fertilizer (Certificates of Rs 3,000 each)		1,800	-	1,800	-	-	-	-	0.00	0.00	0.00
Total As at June 30, 2019						-	-	-	0.00	0.00	0.00
Total As at June 30, 2018						10,516	10,318	(198)			

7. DIVIDEND AND OTHER RECEIVABLES

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Dividend receivable	7,210	-	-	7,210	4,495	-	-	4,495
Profit receivable on bank balances and Term Deposit Receipts	432	5,629	5,942	12,003	677	3,746	2,924	7,347
Profit receivable on investments	-	-	-	-	-	637	158	795
Receivable against main collection account against issuance of units	13,562	14,978	22,283	50,823	9,190	11,605	15,280	36,075
Security deposit with the Central Depository Company Limited	100	100	100	300	100	100	100	300
NCCPL deposit	2,500	-	-	2,500	2,500	-	-	2,500
Receivable against sale of investment	2,464	-	-	2,464	3,691	-	-	3,691
Other receivables	-	-	-	-	4,493	6	1	4,500
	26,268	20,707	28,325	75,300	25,146	16,094	18,463	59,703

8. ADVANCE TAX

The income of the Fund is exempt from tax under clause 57(3)(viii) 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). 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, 150A and 151 of ITO 2001. The Pension Fund Manager is confident that the same shall be refunded.

9. PAYABLE TO UBL FUNDS MANAGERS LIMITED - PENSION FUND MANAGER

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)				(Rupees in '000)			
Remuneration fee (including Sindh Sales Tax there against)	9.1 & 9.2	1,790	866	906	3,562	2,140	867	550	3,557
Sales load and conversion charges		333	74	143	550	301	145	231	677
Other payable		1	5	6	12	-	5	5	10
		2,124	945	1,055	4,124	2,441	1,017	786	4,244

9.1 As per the provisions of the Voluntary Pension System Rules, 2005, the Pension Fund Manager, is allowed to charge an annual management fee of 1.5% of the average of the values of the net assets of each of the Sub-Funds. Accordingly, the management fee has been accrued at 1.5% per annum of the average daily net assets of the Sub-Funds. The amount of remuneration is being paid monthly in arrears.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to remuneration of 0.15% per annum of the net assets value of the Fund, where the net assets are upto Rs. 1 billion. The rates applicable for Trustee's remuneration on net assets exceeding Rs. 1 billion are as follows:

Net assets	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% p.a of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% p.a of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% p.a of NAV exceeding Rs. 6,000 million

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) in accordance with rule 36 of the Voluntary Pension Rules, 2005 whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of the average annual net asset value of each of the Sub-funds.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

		2019				2018			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		(Rupees in '000)				(Rupees in '000)			
Auditors' remuneration payable		69	69	69	207	60	60	60	180
Brokerage and other payable		2,312	1,539	3,293	7,144	2,284	842	4,280	7,406
Provision for indirect taxes and duties	12.1	5,019	2,481	1,340	8,840	5,019	2,481	1,340	8,840
Provision for Sindh Workers' Welfare Fund	12.2	13,389	727	353	14,469	13,389	727	353	14,469
		20,789	4,816	5,055	30,660	20,752	4,110	6,033	30,895

12.1 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager was applied with effect from June 13, 2013. The Pension Fund Manager 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 Pension Fund Manager 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 June 30, 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after the 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Honorable Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Pending the adjudication in the SCP, the Pension Fund Manager, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 4.051 million (2018: Rs. 4.051 million), Rs. 1.836 million (2018: Rs. 1.836 million) and Rs. 1.097 million (2018: Rs. 1.097 million) for Equity sub-fund, Debt sub-fund and Money Market sub-fund respectively. Had the provision not been made, the net asset value per unit of Equity sub-fund, Debt sub-fund and Money Market sub-fund as at June 30, 2019 would have been higher by Rs. 1.66, Rs. 0.50 and Rs. 0.28 (June 30, 2018: Rs. 1.72, Rs. 0.47 and Rs. 0.40) respectively.

12.2 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 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 Pension Fund Manager, 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 Equity sub-fund, Debt sub-fund and Money Market sub-fund has recorded provision of Rs. Nil (June 2018: Rs. Nil) for the year and Rs. 13.389 million, Rs. 0.727 million and Rs. 0.353 million (June 2018: Rs. 13.389 million, Rs. 0.727 million and Rs. 0.353 million), respectively, 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. 5.47, Rs. 0.20 and Rs. 0.09 (30 June 2018: Rs. 5.67, Rs. 0.19 and Rs. 0.13) of Equity sub fund, Debt sub fund and Money Market sub fund, respectively.

13. CONTINGENCIES AND COMMITMENTS

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

14. NUMBER OF UNITS IN ISSUE

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Total units outstanding at the beginning of the year	2,360,849	3,899,731	2,750,091	9,010,671	2,333,120	3,028,072	1,828,383	7,189,575
Units issued during the year	845,630	1,915,016	3,316,097	6,076,743	1,179,423	3,339,461	2,930,801	7,449,685
Effect of reallocation	8,136	(97,588)	69,020	(20,432)	(45,360)	152,896	54,723	162,259
Units redeemed during the year	(768,617)	(2,049,785)	(2,160,698)	(4,979,100)	(1,106,334)	(2,620,698)	(2,063,816)	(5,790,848)
Total units in issue at the end of the year	2,445,998	3,667,374	3,974,510	10,087,882	2,360,849	3,899,731	2,750,091	9,010,671

15. CONTRIBUTION TABLE

Contribution (net of front end fee) received during the year.

From:	2019							
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total	
	Units	Rupees (000)	Units	Rupees (000)	Units	Rupees (000)	Units	Rupees (000)
Individuals	845,630	513,164	1,915,016	322,691	3,316,097	541,861	6,076,743	1,377,716

From:	2018							
	Equity Sub Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees (000)	Units	Rupees (000)	Units	Rupees (000)	Units	Rupees (000)
Individuals	1,179,423	773,984	3,339,461	535,870	2,930,801	455,873	7,449,685	1,765,727

16. FINANCIAL INCOME

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Profit on Government of Pakistan - Ijarah Sukuk	-	6,223	3,574	9,797	-	11,823	2,930	14,753
Profit on Privately Placed Sukuks	-	557	-	557	-	956	-	956
Profit on bank balances	7,114	40,233	35,402	82,749	5,709	14,901	8,135	28,745
Profit on Term Deposit Receipts	-	6,891	6,323	13,214	-	4,605	7,389	11,994
	7,114	53,904	45,299	106,317	5,709	32,285	18,454	56,448

17. AUDITOR'S REMUNERATION

	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Annual Audit fee	64	64	64	192	56	56	56	168
Half yearly review fee	39	39	39	117	34	34	34	102
Out of pocket expenses	15	15	15	45	9	9	9	27
	118	118	118	354	99	99	99	297

18. TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Super tax and any other taxes introduced in Finance Act, 2015 are also not applicable on Fund.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 19.1** Connected persons / related parties comprise of United Bank Limited (holding Company of Pension Fund Manager), UBL Fund Managers Limited (Pension Fund Manager), Al - Ameen Financial Services (Private) Limited (subsidiary of Pension Fund Manager), collective investment schemes managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager, entities under common management or directorships, and Central Depository Company of Pakistan Limited (Trustee).
- 19.2** Remuneration of the Pension Fund Manager and trustee is determined in accordance with the provisions of VPS Rules, and the Trust Deed.
- 19.3** Other transactions with the related parties / connected persons are carried out at agreed / commercial terms.
- 19.4** Details of transaction with related parties / connected persons carried out during the year, and balances with them at the year end are as follows:

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2019

Equity Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	5,590	-	-	-
Bank charges	-	54	-	-	-
Units issued	-	-	-	-	5,038
Units redeemed	-	-	-	-	2,065
Remuneration including Sindh Sales Tax	24,652	-	1,964	-	-
CDS expense	-	-	69	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	21
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	10,899
Bank balances	-	45,661	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	334	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	1,790	-	143	-	-
Sales load and conversion charges payable	333	175	-	-	-
Other payable	1	-	-	-	-

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2018

Equity Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	2,936	-	-	-
Bank charges	-	41	-	-	-
Units issued	-	-	-	-	11,468
Units redeemed	-	-	-	-	4,851
Remuneration including Sindh Sales Tax	25,397	-	2,046	-	-
CDS expense	-	-	65	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	28
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	17,699
Bank balances	-	11,212	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	146	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	2,140	-	170	-	-
Sales load and conversion charges payable	301	142	-	-	-

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2019

Debt Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	6,046	-	-	-
Bank charges	-	65	-	-	-
Units issued	-	-	-	-	1,844
Units redeemed	-	-	-	-	1,089
Remuneration including Sindh Sales Tax	10,287	-	820	-	-
CDS expense	-	-	7	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	53
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	9,299
Bank balances	-	88,339	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	758	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	866	-	69	-	-
Sales load and conversion charges payable	74	57	-	-	-
Other payable	5	-	-	-	-

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2018

Debt Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	4,150	-	-	-
Bank charges	-	51	-	-	-
Units issued	-	-	-	-	3,427
Units redeemed	-	-	-	-	449
Remuneration including Sindh Sales Tax	9,596	-	774	-	-
CDS expense	-	-	7	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	54
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	8,841
Bank balances	-	100,605	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	457	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	867	-	70	-	-
Sales load and conversion charges payable	145	79	-	-	-
Other payable	5	-	-	-	-

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2019

Money Market Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	6,923	-	-	-
Bank charges	-	80	-	-	-
Units issued	-	-	-	-	570
Units redeemed	-	-	-	-	360
Remuneration including Sindh Sales Tax	8,458	-	677	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	16
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	2,710
Bank balances	-	123,126	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	1,121	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	906	-	75	-	-
Sales load and conversion charges payable	143	38	-	-	-
Other payable	6	-	-	-	-

Particulars	Pension Fund Manager	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**
-------------	----------------------	----------------------------------	---------	-------------------------------	--------------------------------

2018

Money Market Sub Fund

Transactions during the year

(Rupees in '000)

Profit on PLS accounts	-	2,715	-	-	-
Bank charges	-	53	-	-	-
Units issued	-	-	-	-	1,411
Units redeemed	-	-	-	-	200
Remuneration including Sindh Sales Tax	5,690	-	459	-	-

Balances held

(Units in '000)

Units held	-	-	-	-	20
------------	---	---	---	---	----

(Rupees in '000)

Units held	-	-	-	-	3,162
Bank balances	-	83,644	-	-	-
Deposits	-	-	100	-	-
Profit receivable	-	361	-	-	-
Remuneration fee (including Sindh Sales Tax there against)	550	-	44	-	-
Sales load and conversion charges payable	231	15	-	-	-
Other payable	5	-	-	-	-

* This represents parent (including the related subsidiaries of the parent) of the Pension Fund Manager, associated companies / undertakings of the Pension Fund Manager, its parents and the related subsidiaries.

** 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 Pension Fund Manager during the year.

20.

2019													
Particulars	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total			
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total				
(Rupees in '000)													
Financial assets													
Bank balances	91,635	-	91,635	628,450	-	628,450	651,037	-	651,037			1,371,122	
Investments - net	-	1,174,608	1,174,608	-	-	-	-	-	-			1,174,608	
Dividend and profit receivable	26,268	-	26,268	20,707	-	20,707	28,325	-	28,325			75,300	
	117,903	1,174,608	1,292,511	649,157	-	649,157	679,362	-	679,362			2,621,030	
2018													
Particulars	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables		At fair value through profit or loss	Available for sale	Total
(Rupees in '000)													
Financial assets													
Bank balances	81,042	-	-	81,042	454,539	-	-	454,539	352,788	-	-	352,788	888,369
Investments - net	-	937,559	471,886	1,409,445	-	172,936	-	172,936	-	70,266	-	70,266	1,652,647
Dividend and profit receivable	25,146	-	-	25,146	16,094	-	-	16,094	18,463	-	-	18,463	59,703
	106,188	937,559	471,886	1,515,633	470,633	172,936	-	643,569	371,251	70,266	-	441,517	2,600,719

2019											
Particulars	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total	
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total		
	(Rupees in '000)										
Financial liabilities											
Payable to UBL Fund Manager Limited - Pension Fund Manager	-	2,124	2,124	-	945	945	-	1,055	1,055	4,124	
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	143	143	-	69	69	-	75	75	287	
Accrued expenses and other liabilities	-	2,381	2,381	-	1,608	1,608	-	3,362	3,362	7,351	
Net assets attributable to redeemable units	-	1,269,513	1,269,513	-	643,480	643,480	-	673,293	673,293	2,586,286	
	-	1,274,161	1,274,161	-	646,102	646,102	-	677,785	677,785	2,598,048	
2018											
Particulars	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total	
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total		
	(Rupees in '000)										
Financial liabilities											
Payable to UBL Fund Manager Limited - Pension Fund Manager	-	2,441	2,441	-	1,017	1,017	-	786	786	4,244	
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	170	170	-	70	70	-	44	44	284	
Accrued expenses and other liabilities	-	2,344	2,344	-	902	902	-	4,340	4,340	7,586	
Net assets attributable to redeemable units	-	1,492,286	1,492,286	-	638,457	638,457	-	434,735	434,735	2,565,478	
	-	1,497,241	1,497,241	-	640,446	640,446	-	439,905	439,905	2,577,592	

21. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risks is the creation and protection of participants' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability.

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 the 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 The policy of the Fund is to make investments only in designated authorised investments approved by the Investment Committee.

The Fund primarily invests in listed equity securities, government securities, term finance certificates, sukuk certificates and deposits with scheduled banks. These activities are exposed to a variety of financial risks such as: market risks, credit risk and liquidity risks.

21.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will effect the Fund's income or the fair value of its financial instruments. 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 of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund has no financial instruments as at the balance sheet date which exposes it to currency risk.

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) Sensitivity analysis for fixed rate

As at June 30, 2019, the Fund does not hold any fixed rate instruments that could expose the Fund to fair value interest rate risk.

b) Sensitivity analysis for variable rate instruments

The Fund's interest rate risk arises from the balances in savings accounts, term deposit and KIBOR based profit bearing Sukuks exposing each of the Sub-Funds to cash flow interest rate risk.

For the year, income would have increased / (decreased) by Rs. 0.535 million, 5.144 million and 5.528 million (2018: Rs.0.667 million, 4.526 million and 2.805) of Equity sub-fund, Debt sub-fund and Money Market sub-fund, respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

For the year, income would have increased / (decreased) by Rs. 1.14 million and 0.98 million (2018: Rs. Nil, 0.720 million) of Debt sub-fund and Money Market sub-fund, respectively, had the interest rates on term deposit with bank increased / (decreased) by 100 basis points.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

	Equity Sub Fund						Debt Sub Fund						Money Market Sub Fund						Total
	Exposed to yield / interest rate risk						Exposed to yield / interest rate risk						Exposed to yield / interest rate risk						
	Yield / Interest rate	Upton three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Up to 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) -----					%	----- (Rupees in '000) -----					%	----- (Rupees in '000) -----					
On-balance sheet financial instruments																			
Financial assets																			
Bank balances	3.7 - 12.25	51,862	-	-	39,773	91,635	3.7 - 12.25	512,363	-	-	2,087	514,450	3.7 - 12.25	548,020	-	-	5,017	553,037	1,159,122
Term Deposit Receipts		-	-	-	-	-	6.40-12.50	114,000	-	-	-	114,000	6.40-12.50	98,000	-	-	-	98,000	212,000
Investments - net		-	-	-	1,174,608	1,174,608		-	-	-	-	-		-	-	-	-	-	1,174,608
Dividend and other receivable		-	-	-	26,268	26,268		-	-	-	20,707	20,707		-	-	-	28,325	28,325	75,300
		51,862	-	-	1,240,649	1,292,511		626,363	-	-	22,794	649,157		646,020	-	-	33,342	679,362	2,621,030
Financial liabilities																			
Payable to UBL Asset Management Limited - Pension Fund Manager		-	-	-	2,124	2,124		-	-	-	945	945		-	-	-	1,055	1,055	4,124
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	143	143		-	-	-	69	69		-	-	-	75	75	287
Accrued expenses and other liabilities		-	-	-	2,381	2,381		-	-	-	1,608	1,608		-	-	-	3,362	3,362	7,351
Net assets attributable to redeemable units		-	-	-	1,269,513	1,269,513		-	-	-	643,480	643,480		-	-	-	673,293	673,293	2,586,286
		-	-	-	1,274,161	1,274,161		-	-	-	646,102	646,102		-	-	-	677,785	677,785	2,598,048
On-balance sheet gap		51,862	-	-	(33,512)	18,350		626,363	-	-	(623,308)	3,055		646,020	-	-	(644,443)	1,577	22,982
Off-balance sheet financial instruments		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-

2018

	Equity Sub Fund						Debt Sub Fund						Money Market Sub Fund						Total		
	Exposed to yield / interest rate risk							Exposed to yield / interest rate risk							Exposed to yield / interest rate risk						
Yield / Interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total		Yield / Interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total		Yield / Interest rate	Up to 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) -----						%	----- (Rupees in '000) -----						%	----- (Rupees in '000) -----						
On-balance sheet financial instruments																					
Financial assets																					
Bank balances	3.75 - 6.20	66,683	-	-	14,359	81,042	3.75 - 6.20	452,550	-	-	1,989	454,539	3.75 - 6.20	280,538	-	-	-	250	280,788	816,369	
Term Deposit Receipt		-	-	-	-	-		-	-	-	-	-	5.81 - 7.61	72,000	-	-	-	-	72,000	72,000	
Investments - net		-	-	-	1,409,445	1,409,445	5.51 - 6.33	-	172,936	-	-	172,936	7.06 - 7.25	-	70,266	-	-	-	70,266	1,652,647	
Dividend and profit receivable		-	-	-	25,146	25,146		-	-	-	16,094	16,094		-	-	-	-	18,463	18,463	59,703	
		66,683	-	-	1,448,950	1,515,633		452,550	172,936	-	18,083	643,569		352,538	70,266	-	-	18,713	441,517	2,600,719	
Financial liabilities																					
Payable to UBL Asset Management Limited - Pension Fund Manager		-	-	-	2,441	2,441		-	-	-	1,017	1,017		-	-	-	-	786	786	4,244	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	170	170		-	-	-	70	70		-	-	-	-	44	44	284	
Accrued expenses and other liabilities		-	-	-	2,344	2,344		-	-	-	902	902		-	-	-	-	4,340	4,340	7,586	
Net assets attributable to redeemable units		-	-	-	1,492,286	1,492,286		-	-	-	638,457	638,457		-	-	-	-	434,735	434,735	2,565,478	
		-	-	-	1,497,241	1,497,241		-	-	-	640,446	640,446		-	-	-	-	439,905	439,905	2,577,592	
On-balance sheet gap		66,683	-	-	(48,291)	18,392		452,550	172,936	-	(622,363)	3,123		352,538	70,266	-	-	(421,192)	1,612	23,127	
Off-balance sheet financial instruments		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	
Off-balance sheet gap		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	

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 manages this risk by limiting its investment exposure in the following ways:

- 5% of NAV or paid-up capital of the investee company, whichever is lower.
- higher of 30% of NAV or index weight of a single stock exchange sector, subject to a maximum limit of 35% of NAV.

A summary analysis of local investments by industry sector, the percentage in relation to Fund's assets and the issued capital of the investee company is presented in note 6.1 to these financial statements. Further, the Fund's policy requires that the overall Fund position is monitored on a daily basis by the Fund Manager and is reviewed on bi-monthly basis by the Investment Committee and by the Board of Directors in every meeting of the Board. Non - compliance with the Fund's investment policies is reported to the Board of Directors.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

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. 58.73 million (2018: Rs. 46.88 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

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 loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the national clearing company system. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment is limited as these are issued by the Federal Government.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in liquid debt securities that have at minimum an investment grade as rated by a credit rating agency approved by the SECP. In the absence of issue rating, the Fund ensures that the entity has an investment grade as rated by a credit rating agency approved by the SECP.
- The risk of counter party exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.

Concentration of Credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in deposits held with a commercial bank.

21.2.1 Credit quality of investment in bank balances

The credit quality of balances with banks that are neither past due nor impaired can be assessed by reference to the external credit ratings or to the historical information about counterparty default rates:

Rating*	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2019	2018	2019	2018	2019	2018
AAA	51.04	17.64	17.48	23.06	22.64	30.27
AA+	48.80	81.66	21.90	26.31	19.32	36.08
AA	0.14	0.69	38.82	0.16	39.52	0.19
AA-	-	-	21.80	24.33	18.50	3.96
A+	0.02	0.02	0.01	26.14	0.01	29.50
A	-	-	-	-	-	-
A-	-	-	-	-	-	-
Non rated	-	-	-	-	-	-
	100	100	100	100	100	100

The maximum exposure to credit risk before any credit enhancement is the carrying amount of the financial assets.

21.2.2 There are no financial assets that are past due or impaired.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations and commitments associated with financial instruments. The Pension Fund Manager manages liquidity risk by continuously analysing the maturities of its financial liabilities.

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 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 in 90 days of such borrowings. No such borrowings were made during the year.

The table below 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:

2019													
Particulars	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	
	(Rupees in '000)												
Financial Liabilities													
Payable to UBL Asset Management Limited - Pension Fund Manager	2,124	-	-	2,124	945	-	-	945	1,055	-	-	1,055	4,124
Payable to the Central Depository Company of Pakistan Limited - Trustee	143	-	-	143	69	-	-	69	75	-	-	75	287
Accrued expenses and other liabilities	2,381	-	-	2,381	1,608	-	-	1,608	3,362	-	-	3,362	7,351
Net assets attributable to redeemable units	1,269,513	-	-	1,269,513	643,480	-	-	643,480	673,293	-	-	673,293	2,586,286
	1,274,161	-	-	1,274,161	646,102	-	-	646,102	677,785	-	-	677,785	2,598,048
2018													
Particulars	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	
	(Rupees in '000)												
Financial Liabilities													
Payable to UBL Fund Manager Limited - Pension Fund Manager	2,441	-	-	2,441	1,017	-	-	1,017	786	-	-	786	4,244
Payable to the Central Depository Company of Pakistan Limited - Trustee	170	-	-	170	70	-	-	70	44	-	-	44	284
Accrued expenses and other liabilities	2,344	-	-	2,344	902	-	-	902	4,340	-	-	4,340	7,586
Net assets attributable to redeemable units	1,492,286	-	-	1,492,286	638,457	-	-	638,457	434,735	-	-	434,735	2,565,478
	1,497,241	-	-	1,497,241	640,446	-	-	640,446	439,905	-	-	439,905	2,577,592

The above mentioned financial liabilities do not carry any mark-up.

Units of the Fund are redeemable on demand at the participants' option. However, unit holders typically retain them from medium to long term.

22. PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 21, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represents an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

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.

	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				(Rupees in '000)			
Equity Sub Fund								
At fair value through profit or loss								
Equity Securities	1,174,608	-	-	1,174,608	935,006	-	-	935,006
Available for sale								
Equity Securities	-	-	-	-	471,886	-	-	471,886
Debt Sub Fund								
At fair value through profit or loss								
Government securities - Ijarah Sukuk Certificates	-	-	-	-	-	162,618	-	162,618
Debt securities - Privately Placed Sukuk Certificates	-	-	-	-	-	10,318	-	10,318
	-	-	-	-	-	172,936	-	172,936

	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				(Rupees in '000)			
Money Market Sub Fund								
At fair value through profit or loss								
Government securities - GoP Ijarah								
Sukuk Certificates	-	-	-	-	-	70,266	-	70,266
	-	-	-	-	-	70,266	-	70,266

24. FINANCIAL PERFORMANCE

24.1 Equity sub-fund

	Equity Sub Fund				
	2019	2018	% Change	2017	2016
	(Rupees in '000)			(Rupees in '000)	
Net (loss) / income for the year	(276,596)	(238,613)	16%	400,598	192,339
Realized (losses) / gains on sale of investments	(30,120)	(75,765)	-60%	217,415	51,692
Unrealized gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss - net	(296,068)	(192,031)	54%	110,899	103,827
Dividend income	66,779	64,466	4%	43,519	31,417
Financial Income	7,114	5,709	25%	3,696	3,136
Impairment loss on equity securities classified as available for sale	-	(9,760)	-100%	-	-
NAV per unit (Rupees)	519.02	632.10	-18%	735.60	563.90
Total contributions received - gross	513,164	773,984	-34%	541,696	588,484

24.2 Debt sub-fund

	Debt Sub Fund				
	2019	2018	% Change	2017	2016
	(Rupees in '000)			(Rupees in '000)	
Net income for the year	43,065	17,283	149%	20,969	13,395
Realized (losses) / gains on sale of investments	(358)	(3,499)	-90%	729	(530)
Unrealized gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss - net	-	(1,893)	-100%	4,081	1,073
Financial Income	53,904	32,285	67%	23,796	18,045
NAV per unit (Rupees)	175.46	163.72	7%	159.82	152.36
Total contributions received - gross	322,691	535,870	-40%	263,050	273,664

24.3 Money market sub-fund

	Money Market Sub Fund				
	2018	2018	% Change	2017	2016
	(Rupees in '000)			(Rupees in '000)	
Net income for the year	45,001	13,979	222%	10,842	5,822
Realized (losses) / gains on sale of investments	174	-	-	-	(378)
Unrealized gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss - net	-	(789)	-100%	600	395
Financial Income	45,299	18,454	145%	12,666	9,455
NAV per unit (Rupees)	169.40	158.08	7%	153.00	147.07
Total contributions received - gross	541,861	455,873	19%	233,865	128,697

24.4 Highest and lowest issue price of units during the year

	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund	
	2019	2018	2019	2018	2019	2018
	(Rupees in '000)					
Highest issue price	654.72	747.66	175.46	163.72	622.97	158.08
Lowest issue price	500.40	580.75	163.63	158.52	158.11	153.01

25. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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 by the Board of Directors of the Pension Fund Manager on 30-AUG-2019.

**For UBL Fund Managers Limited
(Pension Fund Manager)**

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

Supplementary Non - Financial Information

Summary of Actual proxy voted by the Fund

The proxy voting policy of the Fund is available on the website of the Pension Fund Managers and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Fund is also available without charge, upon request, to all participants.

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









Holding	Resolution	For	Against	Abstain*
	<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>			
728,157	<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>	✓		









**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android
and ios devices