

AICF

Al-Ameen Islamic Cash Fund

INVESTMENT OBJECTIVE

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

| Management Company | UBL Fund Managers Limited |
|-----------------------|--|
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditors | BDO Ebrahim & Co. Chartered Accountants |
| Bankers | Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited |
| Management Co. Rating | AM2++ (JCR-VIS) |
| Fund Rating | AA (f) (JCR - VIS) |

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

Description of the Collective Investment Scheme category and type
 Shariah Compliant Money Market / Open-end

ii) Statement of Collective Investment Scheme's investment objective

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

- iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective

 The Collective Investment Scheme achieved its stated objective.
- iv) Statement of benchmark(s) relevant to the Collective Investment Scheme 3M Average deposit rates of 3 AA rated Islamic banks/windows as selected by MUFAP.
- v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

| Monthly Yield | Jul'16 | Aug'16 | Sep'16 | Oct'16 | Nov'16 | Dec'16 | Jan'17 | Feb'17 | Mar'17 | Apr'17 | May'17 | Jun'17 | FYTD |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| AICF | 4.33% | 4.96% | 5.12% | 5.05% | 5.05% | 5.01% | 5.32% | 4.12% | 4.75% | 4.91% | 3.59% | 4.17% | 4.70% |
| Benchmark | 4.67% | 4.65% | 4.39% | 2.74% | 2.71% | 2.74% | 2.68% | 2.67% | 2.56% | 2.46% | 2.54% | 2.55% | 3.12% |

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

The Fund is an Islamic open-end Money Market Fund" that offers competitive returns with high liquidity and relatively low sensitivity to interest rates than longer duration portfolios. The fund seeks to invest in Shariah Compliant placements with Islamic Banks and eligible GoP Ijarah Sukuks. The fund yielded a return of 4.70% p.a. against the benchmark return of 3.12%. At the end of FY17, the Fund Manager maintained around 95% exposure in cash.

vii) Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

| Asset Allocation (% of Total Assets) | Jun-16 | Jun-17 |
|--------------------------------------|--------|--------|
| Commercial Papers | 0% | 0% |
| Cash | 80% | 95% |
| GoP Ijara Sukuks | 0% | 0% |
| Others | 1% | 5% |
| Placements with banks | 19% | 0% |
| Leverage | Nil | Nil |
| Total | 100% | 100% |

viii) Analysis of the Collective Investment Scheme's performance

FY'17 Return: 4.70% Standard Deviation (12m trailing): 0.18% Sharpe Ratio (12m trailing): (6.66)

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

| | Net Asset Valu | e | NAV per unit | | |
|-----------|----------------|--------|--------------|----------|--------|
| 30-Jun-17 | 30-Jun-16 | Change | 30-Jun-17 | Change | |
| Rupee | s (000) | % | Rupees | | % |
| 4,013,428 | 1,982,403 | 102.45 | 100.2424 | 100.2414 | 0.0010 |

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

Debt Market Review - FY17

The International Crude Oil prices oscillated between USD 40 to 55 per barrel and closed the year at USD 46/barrel. Historically low oil prices along with stable commodity prices and exchange rate helped keep inflation under check at 4.1% as compared to 2.9% last year. Core measures of inflation witnessed a slight upward trajectory where NFNE which is somewhat sticky in nature increased to 5.5% compared to 4.6% posted in same period last year. Taking cues from lower inflation, the SBP decided to keep the policy rate at 5.75%.

In twelve PIB auctions conducted during the year, the government raised PKR869.3 billion (PKR 928 billion in FY16) against target of PKR 800 billion. Participation in the auctions was largely skewed towards three and five year paper with the participation ratio of 60% and 26% respectively. Cut off yields in June auction were 6.41%, 6.90% and 7.94% for three, five and ten year PIB instruments respectively.

The yield curve shifted upwards during FY17. Since the start of the fiscal year the secondary market yields for 3 Year, 5 Year and 10 Year PIB have come up by ~40bps, ~46bps and ~50bps respectively. The spread between annualized yields of 1-year T-bills (6.04% p.a.) and 10-year PIBs (8.17% p.a.) stood at 2.13% as of 30 June 2017.

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

| Distribution | | | | Per unit | |
|---------------|--------------|--------|----------|----------|---------|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | Rupees (000) | | | | |
| June 19, 2017 | NO. | 10,781 | 4.71 | 104.9464 | 100.236 |
| | | | | | |

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

xiii) Breakdown of unit holdings by size

| Dance of Units | Number of Investors |
|-----------------------------|---------------------|
| Range of Units | AICF |
| 0.0001 - 9,999.9999 | 1,194 |
| 10,000.0000 - 49,999.9999 | 69 |
| 50,000.0000 - 99,999.9999 | 11 |
| 100,000.0000 - 499,999.9999 | 11 |
| 500,000.0000 & Above | 5 |
| Total | 1,290 |

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

There were no unit splits during the period.

- xv) Disclosures of circumstances that materially affect any interests of unit holders Investment are subject to market risk.
- xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

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

PERFORMANCE TABLE

AL-AMEEN ISLAMIC CASH FUND

| | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 4,013,428 | 1,982,403 | 4,282,847 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees | | | |
| Class A units - Offer * - Redemption | 100.2424 100.2424 | 100.2414 100.2414 | 100.2523 100.2523 |
| | | | |
| RETURN OF THE FUND - % | | | |
| Total Return of the Fund | 4.7 | 4.81 | 6.55 |
| Capital Growth (per unit) Date of Income Distribution | (0.01) 19-Jun-17 | (0.04) 27-Jun-16 | (0.03) 26-Jun-15 |
| Income Distribution | 19-Jun-17 4.71 | 27-Jun-16 4.85 | 20-Jun-13 6.58 |
| income Distribution | 4./1 | 4.65 | 0.56 |
| AVERAGE ANNUAL RETURN - % | | | |
| One Year | 4.70 | 4.81 | 6.55 |
| Second Year | 4.76 | 5.68 | 6.50 |
| Third Year | 5.35 | 5.93 | 6.58 |
| Since Inception | 5.81 | 5.93 | 6.58 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees | | | |
| Highest price per unit - Class A units - Offer | 104.9327 | 104.9634 | 106.8443 |
| Highest price per unit - Class A units - Redemption | 104,9327 | 104.9634 | 106.8443 |
| | | | |
| Lowest price per unit - Class A units - Offer | 100.2364 | 100.1534 | 100.1915 |
| Lowest price per unit - Class A units - Redemption | 100.2364 | 100.1534 | 100.1915 |
| | | | |
| PORTFOLIO COMPOSITION - % Percentage of Net Assets as at 30 June | | | |
| PORTFOLIO COMPOSITION BY CATEGORY - % | | | |
| Bank balances | 95.00 | 80.00 | 89.00 |
| Placements and Term Deposit Receipts | × × | 19.00 | 8.00 |
| Others | 5.00 | 1.00 | 3.00 |
| PORTFOLIO COMPOSITION BY MARKET - % | | | |
| Debt Market | 100 | 100 | 100 |
| | | | |

Note:

DISCLAIMER

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

⁻ The Launch date of Fund is 19 September 2012.

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC CASH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Cash Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 18, 2017



REPORT OF THE SHARIAH ADVISORY COMMITTEE

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

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

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

In light of the above, we hereby certify that:

- We have reviewed and approved the modes of investments of AICF in light of the shariah guidelines.
- All the provisions of the Scheme and investments made on account of AICF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AICF for the year ended 30 June 2017 have been in compliance with the Shariah principles.

During the year, Rs. 46,674 has been recognized as charity.

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

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Mufti Muhammad Hassaan Kaleem Member, Shariah Advisory Committee

KARACHI:

DATE: 22 July 2017

(11)

Mufti Muhammad Najeeb Khan Member, Shariah Advisory Committee

STATEMENT OF COMPLIANCE BY UBL FUND MANAGERS LIMITED WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code"), contained in Chapter 5 (clause 5.19.24) of Rule Book of Pakistan Stock Exchange Limited, for the purpose of establishing a framework of good governance, whereby, a listed entity is managed in compliance with the best practices of Corporate Governance.

The Board of Directors (the "Board") of UBL Fund Managers Limited (the "Management Company"), which is an unlisted public company, manages the affairs of Al Ameen Islamic Cash Fund (the "Fund"). The Fund being a unit trust open end scheme does not have its own Board of Directors. The units of the Fund are listed as a security on the Pakistan Stock Exchange Limited; therefore, the Management Company has applied the principles contained in the Code to the Fund in the following manner:

01. The Management Company encourages representation of independent non-executive directors. All the directors except the Chief Executive Officer of the Management Company are non-executive directors, two of whom are independent non-executive directors.

| Category | Name |
|---------------------------|-------------------------------------|
| Independent Directors | Mr. Tariq Kirmani |
| | Mr. Shabbir Hussain Hashmi |
| Executive Directors | Mr. Yasir Qadri |
| Non - Executive Directors | Mr. Zia Ijaz |
| | Mr. Zulfiqar Alavi |
| | Syed Furrukh Zaeem |
| | Mirza Muhammad Sadeed Hassan Barlas |

The independent directors meet the criteria of independence under regulation 5.19.1(b) of the Rule Book of Pakistan Stock Exchange Limited.

- 02. The existing directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company.
- 03. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- 04. No casual vacancy occurred on the Board during the year.
- 05. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

- 06. The Board has developed a vision / mission statement, overall corporate strategy and significant policies for the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
- 07. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
- 08. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 09. In order to apprise the directors on their duties and responsibilities and the requirements of the Code, the Management Company has a process in place to conduct formal orientations for new directors. Furthermore, five directors on the Board have completed the Director Training Program (DTP) and are certified directors, while two Independent directors are exempt from the DTP under the Code of Corporate Governance 2012. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
- 10. There was no appointment of CFO, Company Secretary and Head of Internal Audit during the year.
- 11. The Directors' report relating to the Fund for the year ended June 30, 2017 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
- 13. The Directors, CEO, and executives do not hold any interest in the units of the Fund other than that being disclosed in the Directors' Report.
- 14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
- 15. The Board has formed a Board Audit Committee which comprises of five members, all of whom are non-executive directors including the chairman of the Committee who is an independent non-executive director.
- 16. The meetings of the Board Audit Committee were held, at least, once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference have been approved in the meeting of the Board of Directors and the Committee has been advised to ensure compliance with those terms of reference.

- 17. The Management Company has an in-house internal audit function. The internal audit team is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund and they are involved in the internal audit function on a full time basis.
- 18. The Board has formed a Human Resource and Compensation Committee. It comprises of four members, of whom three are non-executive directors, one is an executive director and the chairman of the Committee is an independent non- executive director.
- 19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company or units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Fund's securities, was determined and intimated to directors, employees and stock exchange.
- 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- 23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24. We confirm that all other material principles contained in the Code have been complied with.

YASIR QADRI Chief Executive Karachi.

Dated: August 23, 2017



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REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES CONTAINED IN THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of AL-AMEEN ISLAMIC CASH FUND ("the Fund") for the year ended June 30, 2017 to comply with the requirements of Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited where the Fund is listed.

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

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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2017.

KARACHI

DATED: AUGUST 23, 2017

CHARTERED ACCOUNTANTS

Engagement partner: Zulfikar Ali Causer



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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of Al-Ameen Islamic Cash Fund ("the Fund"), which comprise of the statement of assets and liabilities as at June 30, 2017 and the income statement, statement of comprehensive income, distribution statement, cash flow statement and statement of movement in unit holders' fund for the year ended June 30, 2017 and summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company ("UBL Fund Managers Limited") of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, either due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BE.

and forms part of the international BDO network of independent member firms.

.......ed, a UK company limited by guarantee,



Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2017 and of its financial performance, cash flows and transactions for the year ended June 30, 2017 in accordance with the approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

KARACHI

DATED: 2 3 AUG 2017

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

AL-AMEEN ISLAMIC CASH FUND STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

| | | 2017 | 2016 |
|---|---------|------------|------------|
| | Note | (Rupees in | '000' |
| ASSETS | | | |
| Bank balances | £ | 2 010 222 | 1 570 402 |
| | 5 | 3,818,223 | 1,578,403 |
| Term deposit receipts | 6 | 20.045 | 405,000 |
| Profit receivable | 7 | 30,845 | 15,301 |
| Advance tax | 8 | 5,952 | 5,802 |
| Preliminary expenses and floatation costs | 9 | 123 | 677 |
| Prepayments and other receivables | | 180,267 | 3,303 |
| TOTAL ASSETS | | 4,035,410 | 2,008,486 |
| LIABILITIES | g | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 | 4,036 | 4,797 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 491 | 330 |
| Payable to Securities and Exchange Commission of Pakistan | 12 | 2,237 | 3,439 |
| Accrued expenses and other liabilities | 13 | 15,218 | 17,517 |
| TOTAL LIABILITIES | | 21,982 | 26,083 |
| NET ASSETS | | 4,013,428 | 1,982,403 |
| UNIT HOLDERS FUNDS (AS PER STATEMENT ATTACHED) | | 4,013,428 | 1,982,403 |
| CONTINGENCIES AND COMMITMENTS | 28 | | |
| CONTINGENCIES AND COMMITMENTS | 20 | | |
| NUMBER OF UNITS IN ISSUE | 14 _ | 40,037,246 | 19,776,298 |
| | 6500000 | (Rupees) | |
| NET ASSETS VALUE PER UNIT | No. | 100.2424 | 100.2414 |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

| | Note | 2017 (Rupees in | 2016 '000) |
|---|---|--------------------|--|
| INCOME | | | |
| Profit on bank balances | | 144,231 | 222,759 |
| Profit on term deposit receipts | | 23,170 | 38,429 |
| Income on investment | | 23,170 | 1,149 |
| Capital loss on sale of investments - net | | - | (213) |
| Other income | | - | 97 |
| Total income | _ | 167,401 | 262,221 |
| Expenses | | 107,401 | 20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 |
| Remuneration of UBL Fund Managers Limited - Management Company | Г | 16,957 | 26,089 |
| Sales tax on remuneration of Management Company | | 2,204 | 3,653 |
| Provision for indirect duties and taxes | | 2,204 | 4,759 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 3,367 | 4,775 |
| Annual fee of Securities and Exchange Commission of Pakistan | | 2,237 | 3,439 |
| Allocated expenses | 10.2 | 2,983 | 2,608 |
| Amortisation of preliminary expenses and floatation costs | 10.2 | 554 | 550 |
| Bank charges | | 43 | 34 |
| Auditors' remuneration | 15 | 372 | 386 |
| Shariah advisory fee | 10.3 | 337 | 165 |
| Legal and professional charges | 10.5 | 181 | 75 |
| Fees and subscription | | 97 | 196 |
| Printing expenses | | 17 | - 1 |
| Other expenses | | _ ' | 7 |
| Total expenses | L | 29,349 | 46,736 |
| Net operating income | | 138,052 | 215,485 |
| Element of income and capital gains included in the prices of units issued less | | , | , |
| those in units redeemed - net | | (128,935) | (127,548) |
| Reversal of Provision for Worker's Welfare Fund | 13.2 | 6,451 | _ |
| Provision for Sindh Workers' Welfare Fund | 13.2 | (4,748) | _ |
| Net income for the year before taxation | | 10,820 | 87,937 |
| Taxation | 17 | | ´- |
| Net income for the year after taxation | - | 10,820 | 87,937 |
| • | ======================================= | | |
| Earnings per unit | 18 | - | - |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

| | 2017 (Rupees in '0 | 2016 00) |
|--|-----------------------|-------------|
| Net income for the year | 10,820 | 87,937 |
| Other comprehensive income Items that may be reclassified subsequently to income statement Items that may not be reclassified subsequently to income statement | - | - - |
| Total comprehensive income for the year | 10,820 | 87,937 |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

| | 2017 | 2016 |
|--|----------|----------|
| | (Rupees | in '000) |
| Excess distributed income brought forward comprising of: | | |
| Excess distributed / realized income | (1,287) | (892) |
| Unrealised income | - | 38 |
| Excess distributed / realized income | (1,287) | (854) |
| Net income for the year | 10,820 | 87,937 |
| Distributions during the year Rs. 4.71 per unit declared on June 19, 2017 as cash dividend | (40.704) | (00.000) |
| (2016: Rs. 4.85 per unit declared on June 27, 2016) | (10,781) | (88,370) |
| Excess distributed income carried forward | (1,248) | (1,287) |
| Excess distributed income carried forward comprising of: | | |
| Excess distributed income | (1,248) | (1,287) |
| | (1,248) | (1,287) |
| | | |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND STATEMENT OF MOVEMENT IN UNIT HOLDERS FUND FOR THE YEAR ENDED JUNE 30, 2017

| | 2017 | 2016 |
|--|--------------|--------------|
| | (Rupees i | n '000) |
| Net assets at beginning of the year | | |
| Rs. 100.2414 per unit (2015: Rs. 100.2632 per unit) | 1,982,403 | 5,301,519 |
| Issue of 327,243,796 units (2016: 165,969,985 units) | 33,401,052 | 17,006,324 |
| Redemption of 306,982,848 units (2016: 199,069,696 units) | (31,499,001) | (20,452,555) |
| | 1,902,051 | (3,446,231) |
| | 3,884,454 | 1,855,288 |
| Element of income and capital gains included in the | | |
| prices of units issued less those in units redeemed - net | 128,935 | 127,548 |
| Capital loss on sale of investments - net | - | (213) |
| Other income for the year | 10,820 | 88,150 |
| | 10,820 | 87,937 |
| Interim cash distribution to unit holders during the year | (10,781) | (88,370) |
| Net assets at end of the year | | |
| Rs. 100.2424 per unit (June 30, 2016: Rs. 100.2414 per unit) | 4,013,428 | 1,982,403 |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

| FOR THE TEAR ENDED JUNE 30, 2017 | 2017 (Rupees in | 2016 '000) ——— |
|---|------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 10,820 | 87,937 |
| Adjustments: | | |
| Profit on bank balances and term deposit receipts | (167,401) | (261,188) |
| Income on investments | - | (1,149) |
| Capital loss on sale of investments - net | - | 213 |
| Element of income and capital gains included in the prices of | 100 00 0 | |
| units issued less those in units redeemed - net | 128,935 | 127,548 |
| Amortisation of preliminary expenses and flotation cost | 554 | 550 |
| Provision for indirect duties and taxes | - | 4,759 |
| Provision for Sindh Workers' Welfare Fund | 4,748 | (100.0(7) |
| | (33,164) | (129,267) |
| (Increase) / Houses & court | (22,344) | (41,330) |
| (Increase) / decrease in assets Investments - net | | 175 000 |
| Advance tax | (150) | 175,990 (5,802) |
| Prepayments and other receivables | (176,964) | (2,400) |
| r repayments and other receivables | (177,114) | 167,788 |
| (Decrease) / increase in liabilities | (177,114) | 107,788 |
| Payable to UBL Fund Managers Limited - Management Company | (761) | 3,051 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 161 | 88 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | (1,202) | 2,202 |
| Accrued expenses and other liabilities | (7,047) | 1,005 |
| The trade of period and other modified | (8,849) | 6,346 |
| Profit received on bank balances, term deposit receipts and investments | 151,857 | 266,198 |
| Net cash (used in) / generated from operating activities | (56,450) | 399,002 |
| | (-1,-1,-1, | , |
| CASH FLOWS FROM FINANCING ACTIVITIES | 22.401.052.1 | 17.00(224 |
| Receipts from issuance of units | 33,401,052 | 17,006,324 |
| Payments on redemption of units | (31,499,001) | (20,452,555) |
| Dividend paid Not each generated from / (weed in) financing activities | (10,781) | (88,370) |
| Net cash generated from / (used in) financing activities | 1,891,270 1,834,820 | (3,534,601) (3,135,599) |
| Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the year | 1,983,403 | 5,119,002 |
| Cash and cash equivalents at beginning of the year | 3,818,223 | 1,983,403 |
| Cash and cash equivalents at end of the year | J,010,423 | 1,703,403 |
| CASH AND CASH EQUIVALENTS | | |
| Bank balances | 3,818,223 | 1,578,403 |
| Term deposit receipts | .m. | 405,000 |
| | 3,818,223 | 1,983,403 |
| | | |

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AL-AMEEN ISLAMIC CASH FUND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Cash Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and the Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on May 29, 2012 and the Fund was authorized by the Securities and Exchange Commission of Pakistan ("SECP") on July 26, 2012 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"). The registered office of the Management Company is situated at the 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi. Previously it was situated at 8th Floor, State Life Building No. 1, I.I. Chundrighar Road, Karachi, Pakistan. The Fund commenced it's operations from September 19, 2012.

The Management Company of the Fund is registered with SECP as a Non-Banking Finance Company under NBFC Rules.

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

The Fund provides high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund has been categorised by the Management Company as Shariah Compliant Money Market Fund.

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

JCR-VIS Credit Rating Company has assigned management quality rating of "AM2++" (stable outlook) to the Management Company as at December 30, 2016 and a stability rating "AA (f)" to the Fund as at December 30, 2016.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

During the year, the Companies Act, 2017 was promulgated and enacted on May 30, 2017. However, SECP has notified through Circular No. 17 dated July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance), hence these financial statements are prepared in accordance with the Ordinance.

2.2 Basis of measurement

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

These financial statements have been prepared under the following accrual basis of accounting except for cash flows informations.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

Classification and valuation of investments

For details please refer notes 4.2 and 20 to these financial statements.

Impairment of investment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. This objective evidence of impairment of fixed income securities is determined in accordance with provisioning criteria for non performing exposures as per the requirements of Circular No. 33 of 2012 dated October 24, 2012.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net

For details please refer note 4.11 to these financial statements.

Provision for taxation

For details please refer notes 4.8 and 17 to these financial statements.

Workers' Welfare Fund

For details please refer note 13.2 to these financial statements.

Other assets

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

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

3.1 Amendments that are effective in current year but not relevant to the Fund

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

Effective date (annual periods beginning on or after)

- IFRS 10 Consolidated Financial Statements Amendments regarding application of the consolidation exception
- January 01, 2016
- IFRS 11 Joint Arrangements Amendments regarding the accounting for acquisitions of an interest in a joint operation

January 01, 2016

Effective date (annual periods beginning on or after)

| IFRS 12 | Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception | January 01, 2016 |
|---------|--|------------------|
| IAS 1 | Presentation of Financial Statements - Amendments resulting from the disclosure initiative | January 01, 2016 |
| IAS 16 | Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16 | January 01, 2016 |
| IAS 27 | Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements | January 01, 2016 |
| IAS 28 | Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception | January 01, 2016 |
| IAS 38 | Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation | January 01, 2016 |
| IAS 41 | Agriculture - Amendments bringing bearer plants into the scope of IAS 16 | January 01, 2016 |
| 04 4 | | , • 4 |

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

Annual Improvements to IFRSs (2012 – 2014) Cycle:

| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
|---------------|--|
| IFRS 7 | Financial Instruments: Disclosures |
| IAS 19 | Employee Benefits |
| IAS 34 | Interim Financial Reporting |

3.2 Amendments not yet effective

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

| | | Effective date (annual periods beginning on or after) |
|-------------------|---|--|
| IFRS 2 | Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions | January 01, 2018 |
| IFRS 4 | Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 | January 01, 2018 |
| IFRS 10 | Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture | Deferred indefinitely |
| IAS 7 | Statement of Cash Flows - Amendments resulting from the disclosure initiative | January 01, 2017 |
| IAS 12 | Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses | January 01, 2017 |
| IAS 28 | Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture | Deferred indefinitely |
| IAS 40 | Investment Property - Amendments to clarify transfers or property to, or from, investment property | January 01, 2018 |
| | ual Improvements to IFRSs that are effective for annual periods beginned and the periods beginned are as follows | nning on or after |
| Annual I | mprovements to IFRSs (2014 – 2016) Cycle: | |
| IFRS 12 IAS 28 | Disclosure of Interests in Other Entities Investments in Associates and Joint Ventures | January 01, 2017 January 01, 2018 |

3.3 Standards or interpretations not yet effective

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

- IFRS 1 First Time Adoption of International Financial Reporting
- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IFRS 17 Insurance Contracts

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial assets

4.2.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and re-evaluates this classification on regular basis.

Investments are categorised 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 category.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (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 which may be sold in response to the needs for liquidity or change in price.

4.2.2 Regular way contracts

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

4.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

4.2.4 Subsequent measurement

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

Subsequent to initial recognition, investments 'at fair value through profit or loss' and investments classified as 'available for sale' are valued as follows:

- Basis of valuation of Government securities

The investment of the Fund in Government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value and on sale of financial assets 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 unit holder's fund through other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in unit holder's fund 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 on these instruments are also recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

4.2.5 Impairment

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

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP. For certain other financial assets, a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against those amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

4.2.6 Derecognition

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

4.3 Financial liabilities

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

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

4.4 Offsetting of financial assets and liabilities

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

4.5 Derivatives

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

4.6 Provisions

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

4.7 Preliminary expenses and floatation costs

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

4.8 Taxation

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

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

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

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

4.9 Proposed distributions

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

4.10 Issuance and redemption of units

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

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

4.11 Element of income / (loss) and capital gains / (losses) 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'.

4.12 Net asset value per unit

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

4.13 Revenue recognition

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

4.14 Foreign currency transactions

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

4.15 Transactions with related parties / connected persons

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

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

| | | | 2017 | 2016 |
|---|----------------------------------|------|------------|-----------|
| | | Note | (Rupees in | ı '000) |
| 5 | BANK BALANCES | | | |
| | Cash at bank | | | |
| | Current accounts | 5.1 | 16,207 | 17,638 |
| | Profit and loss sharing accounts | 5.2 | 3,802,016 | 1,560,765 |
| | | | 3,818,223 | 1,578,403 |

- 5.1 This includes an amount held with a related party (United Bank Limited) amounting to Rs. 15.366 million (June 30, 2016: Rs. 17.638 million).
- 5.2 Profit rates on these profit and loss sharing accounts range between 3.9% to 5.5% per annum (June 30, 2016: 4% to 6.35% per annum). This includes an amount held by a related party (United bank Limited) amounting to Rs. 3,282.637 million (June 30, 2016: Rs. 589.474 million) on which return is earned at 5.75% (June 30, 2016: 5.75%) per annum.

| | 2017 | 2016 |
|------|------------|-------|
| Note | (Rupees in | '000) |

6 TERM DEPOSIT RECEIPTS

Term deposit receipts (TDRs)

6.1 - 405,000

6.1 These Term Deposit Receipts (TDRs) matured on September 29, 2016 and carried profit range between 6.05% to 6.4% per annum.

7 PROFIT RECEIVABLE

Profit receivable on:

| Term deposit receipts | - | 1,027 |
|----------------------------------|--------|--------|
| Profit and loss sharing accounts | 30,845 | 14,274 |
| | 30,845 | 15,301 |

8 ADVANCE INCOME TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2017.

| | 2017 | 2016 |
|------|------------|-------|
| Note | (Rupees in | '000) |

9 PRELIMINARY EXPENSES AND FLOATATION COST

| Balance as at July 1, 2016 | 677 | 1,227 |
|------------------------------|-------|-------|
| Amortisation during the year | (554) | (550) |
| Balance as at June 30, 2017 | 123 | 677 |

Preliminary expenses and floatation cost represents expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from September 18, 2012 as per the requirements set out in the Trust Deed.

10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | | 4,036 | 4,797 |
|---------------------------------------|-------------|-------|-------|
| Other payables | 10.2 & 10.3 | 894 | 2,810 |
| Sales tax) | 10.1 | 3,142 | 1,987 |
| Remuneration payable (including Sindh | | | |

10.1 As per NBFC Regulation dated November 25, 2015 the Management Company is entitled to remuneration of an amount not exceeding 1% of average annual net assets of the fund.

The Management Company has charged remuneration at the rate of 10% of gross earnings of the fund, calculated on a daily basis subject to minimum of 0.5% and maximum of 1% of the average daily net assets of the Fund.

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

10.2 As per regulation 60(3)(s) of NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly the Management Company has charged 0.1% of the average annual net assets with effect from November 25, 2015 being the lower.

| | | | | 2017 | 2016 |
|-----|--|------------------------------|-----------------|----------------------|--------------------|
| | | | Note | (Rupees i | in '000) |
| 1 | PAYABLE TO CENTRA COMPANY OF PAKIST | | | | |
| | Trustee fee payable | | = | 491 | 330 |
| | The Trustee is entitled to a the provisions of the Trus therein, based on the daily monthly in arrears. | t Deed and Offe | ering Document | as per the tariff st | tructure specified |
| | As per the Trust Deed and respect of the Trustee fee d | _ | | | le to the Fund in |
| | - up to Rs. 1,000 million | 0.15% p.a. of | fNAV | | |
| | - Rs. 1,000 million to Rs. 10,000 million | Rs. 1.5 milli million | on plus 0.075% | 6 p.a. of NAV exc | eeding Rs. 1,000 |
| | - exceeding Rs. 10,000 mil | llio Rs. 8.25 mil million | lion plus 0.06% | p.a. of NAV exce | eding Rs. 10,000 |
| 2 | PAYABLE TO SECURITE EXCHANGE COMMISS | | STAN | | |
| | Annual fee payable | | 12.1 | 2,237 | 3,439 |
| 2.1 | Under the provisions of the money market scheme is re | | | | |

As per NBFC Regulations, the Management Company is entitled to charge Shariah Advisory

10.3

| | | Note | 2017 (Rupees i | 2016 in '000) |
|----|---|------|-------------------|------------------|
| 13 | ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| | Auditors' remuneration payable | | 255 | 267 |
| | Capital gain tax payable | | 630 | 920 |
| | Charity payable | | 122 | 75 |
| | Provision for indirect duties and taxes | 13.1 | 7,812 | 7,812 |
| | Legal and professional charges payable | | _ | |
| | Dividend payable | | - | • |
| | Withholding tax payable | | 1,377 | 1,789 |
| | Provision for Worker's Welfare Fund | 13.2 | - | 6,451 |
| | Provision for Sindh Worker's Welfare Fund | 13.2 | 4,748 | - |
| | Others | | 274 | 203 |
| | | | 15,218 | 17,517 |

13.1 Provision for indirect duties and taxes

This represents provision for indirect duties and taxes amounting to Rs. 7.812 million. As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED upto June 30,

On June 30, 2016 the Honorable Sindh High Court had passed a judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 7.812 million until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2017 would have been higher by Rs. 0.195 per unit (June 30, 2016: Rs. 0.395) per unit.

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

13.2 Provision For Workers' Welfare Fund

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

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). During the period, the Honorable SCP passed a judgment on November 10, 2016, 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 Honorable SCP against the said judgment, which is pending adjudication.

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

In view of the above developments regarding the applicability of WWF and SWWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice has recommended to all its members on January 12, 2017 the following:

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

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

The cumulative net effect of the above two adjustments, if had not been made, would resulted in increase in the net assets value per unit by Re. 0.12 per unit.

| its |
|-------------|
| |
| 52,876,009 |
| 65,969,985 |
| 99,069,696) |
| 19,776,298 |
| |
| 158 |
| 79 |
| 17 |
| 26 |
| _ |
| 53 |
| 70 |
| 386 |
| - |

| | | Note | 2017 (Rupees in | 2016 (1000) |
|----|---------------------------|------|--------------------|----------------|
| 16 | CASH AND CASH EQUIVALENTS | | | |
| | Balances with banks | | 3,818,223 | 1,578,403 |
| | Term deposit receipts | | 988 | 405,000 |
| | | | 3,818,223 | 1,983,403 |
| | | | | |

17 TAXATION

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

18 EARNINGS PER UNIT

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

19 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan the Total Expense Ratio of the Fund is 1.14% as on June 30, 2017 and this includes 0.32% representing Government Levy, Worker's Welfare Fund and SECP Fee.

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2017, the financial assets carried on the statement of assets and liabilities are categorised either as 'Loans and receivables' or 'financial assets at fair value through profit or loss and available for sale'. The financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

| | | | e 30, 2017 | |
|--|---|-----------------------|----------------------|--|
| Particulars | Loans and | Financial assets 'at | Financial assets | |
| r articulars | receivables | fair value through | 'available for sale' | Total |
| | receivables | profit or loss' | | |
| • | . ENGINEEN 15% (CE) ENGINEENS (CE) 20% (CENTROLET CE) 20% (CENTROLET) 50% (CE) 401 102 50 | Rupees | in '000 | 0000 EK 50 (0 H) 2000 OC EC EC 00 COUNTY (1) EC 00 COUNTY (C) AN EC EC |
| Financial assets | | | | |
| Balances with banks | 3,818,223 | | - | 3,818,223 |
| Profit receivable | 30,845 | - | - | 30,845 |
| Other receivables | 179,919 | No. | | 179,919 |
| = | 4,028,987 | | | 4,028,987 |
| | | | | |
| | | Financial liabilities | | |
| Particulars | | 'at fair value | Other financial | |
| | | through profit or | liabilities | Total |
| | | loss' | naomues | |
| | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers | | | | |
| Limited - Management Company | | - | 3,572 | 3,572 |
| Payable to the Central Depository | | | | |
| Company of Pakistan Limited - | | | | |
| Trustee | | - | 435 | 435 |
| Accrued expenses and other liabilities | | | | |
| | | | 651 | 651 |
| | | _ | 4,657 | 4,657 |
| | | As at Jun | e 30, 2016 | |
| Particulars | Loans and | Financial assets 'at | Financial assets | |
| Farticulars | | fair value through | | Total |
| | receivables | profit or loss' | 'available for sale' | |
| • | | Rupees | in '000 | |
| Financial assets | | | | |
| Balances with banks | 1,578,403 | - | - | 1,578,403 |
| Term deposit receipts | 405,000 | - | - | 405,000 |
| Profit receivable | 15,301 | - | - | 15,301 |
| Other receivables | 3,303 | | | 3,303 |
| = | 2,002,007 | 56 | * | 2,002,007 |
| | | | | |
| | | Financial liabilities | | |
| Particulars | | 'at fair value | Other financial | |
| an wan water with the total larger than the same of th | | through profit or | liabilities | Total |
| | | loss' | implifics | |
| F70 | | | | |
| Financial liabilities Payable to UBL Fund Managers | | | | |
| | | | A 707 | A "70" |
| Limited - Management Company Barrahla to the Control Depositors | | - | 4,797 | 4,797 |
| Payable to the Central Depository | | | | |
| Company of Pakistan Limited - | | | 440 | *** |
| Trustee | | - | 330 | 330 |
| Accrued expenses and other liabilities | | | 545 | 545 |
| | | | | |
| | | _ | 5,672 | 5,672 |

21 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

| S. No. | Name | Designation | Experience in years | Qualification |
|--------|---------------------|--|---------------------|---------------|
| 1 | Wests O. 4st | Chieff or the Office | 17 | MBA |
| | Yasir Qadri | Chief Executive Officer | | |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 18 | MBA, CFA |
| 3 | Farhan Bashir | Head of Research | 11 | MBA |
| 4 | Shabbir Sardar Zidi | Fund Manager | 11 | CFA |
| 5 | Asim Wahab Khan | Head of Investment Strategy and Equities | 11 | MBA, CFA |

Shabbir Sardar Zidi is the Fund Manager of the Fund. He is also the Fund Manager of Al Ameen Islamic Sovereign Fund, Al Ameen Islamic Financial Planning Fund II and Al Ameen Islamic Retirement Saving Funds.

22 PATTERN OF UNIT HOLDING

| | 9000 0000 1000 10 10 10 10 10 10 10 10 10 | June 30, 2017 | 0 2000 0 200 |
|------------------------------------|---|----------------------|--|
| Category | Number of unit holders | Number of units held | Percentage of units held |
| | | | |
| Individuals | 1,247 | 3,404,158 | 8.50% |
| Associated companies and directors | 6 | 30,378,863 | 75.88% |
| Insurance companies | 6 | 340,144 | 0.85% |
| Banks and DFIs | - | - | 0.00% |
| NBFCs | - | | 0.00% |
| Retirement funds | 19 | 2,648,763 | 6.62% |
| Public Limited Companies | 7 | 732,443 | 1.83% |
| Others | 5 | 2,532,875 | 6.33% |
| | 1,290 | 40,037,246 | 100.00% |
| | | June 30, 2016 | |
| Catagory | | | |

| | June 30, 2016 | | | | |
|------------------------------------|------------------------|----------------------|--------------------------|--|--|
| Category | Number of unit holders | Number of units held | Percentage of units held | | |
| | | | | | |
| Individuals | 706 | 1,161,843 | 5.88% | | |
| Associated companies and directors | 5 | 16,377,604 | 82.81% | | |
| Insurance companies | - | - | 0.00% | | |
| Banks and DFIs | - | - | 0.00% | | |
| NBFCs | - | - | 0.00% | | |
| Retirement funds | 6 | 754,274 | 3.81% | | |
| Public Limited Companies | 7 | 1,482,068 | 7.50% | | |
| Others | 1 | 509 | 0.00% | | |
| | 725 | 19,776,298 | 100.00% | | |

23 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected persons / related parties |
|--|-----------------------|-------------------------|---------|-------------------------------|---------------------------------|---|
| Transactions during the year | | | | , | | |
| ended June 30, 2017 | | | | | | |
| Profit on bank balances | - | 118,472 | - | - | - | - |
| Bank charges | - | 36 | - | - | - | - |
| Units issued | | 12 | - | 30,830,180 | 2,944 | - |
| Units redeemed | - | 14,887 | - | 29,534,242 | 3,623 | - |
| Remuneration | 19,161 | - | 3,367 | - | - | - |
| Dividend paid | - | 16 | - | - | - | - |
| Allocated expenses | 2,983 | = | - | - | = | - |
| Balances held as at June 30, 2017 | | | | | | |
| Units held (In units '000) | - | 4 | - | 30,375 | - | - |
| Units held (In rupees '000) | - | 401 | - | 3,044,863 | - | - |
| Bank balances | - | 3,298,003 | - | - | - | - |
| Remuneration payable including | | | | | | |
| Sindh Sales Tax | 3.142 | _ | 491 | _ | _ | - |
| Other payables | 35 | - | - | - | - | - |
| Allocated expenses payable | 811 | | _ | _ | | |
| Shariah Advisory fee payable | 48 | - | - | - | _ | _ |
| Profit receivable | - | 28,101 | - | - | - | - |
| Transactions during the year | | | | | | |
| ended June 30, 2016 | | 107.701 | | | | |
| Profit on bank balances | - | 197,291 | ~ | - | • | - |
| Bank charges Units issued | - | 32 | - | 10 444 405 | | - |
| Units redeemed | - | 2,503,000 | - | 12,444,495 | 9,899 9,872 | - |
| Sale of securities | • | 3,265,168 | - | 15,332,557 | | - |
| Remuneration | 29,742 | - | 4,775 | 150,990 | - | - |
| Dividend paid | 29,742 | - 567 | 4,775 | 75,243 | - 31 | - |
| Allocated expenses | 2,608 | 367 | - | 75,243 | - 31 | - |
| Balances held as at June 30, 2016 | | | | | | |
| Units held (In units '000) | | 147 | | 16,233 | 7 | |
| Units held (In rupees '000) | - | 14,735 | - | 1,627,219 | 702 | - |
| Bank balances | | 607,072 | - | 1,021,219 | 702 | 40 |
| Remuneration payable including | - | 007,072 | - | - | - | ₩. |
| Sindh Sales Tax | 1.007 | | 770 | | | |
| | 1,987 | = | 330 | - | - | - |
| Other payables | 37 | • | - | - | - | - |
| Allocated expenses payable Shariah Advisory fee payable | 2,608 165 | - | - | - | - | - |
| Profit receivable | 103 | 9.942 | - | - | - | - |
| T TOTH TECEIARDIE | - | フ,フサム | - | - | - | - |

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

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

| Particulars | August 25, 2016 | October 28, 2016 | December 6, 2016 | February 13, 2016 | March 20, 2017 | April 11, 2017 | Total meetings attended |
|------------------------|--------------------|---------------------|---------------------|----------------------|-------------------|-------------------|-------------------------------|
| Name of Directors | | | | | | | |
| Tariq Kirmani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Shabbir Hussain Hashmi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Zia Ijaz | ✓ | × | ✓ | x | × | × | 2 |
| Syed Furrukh Zaeem | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Zulfiqar Alavi | ✓ | ✓ | ✓ | ✓ | × | ✓ | 5 |
| Sadeed Barlas | ✓ | ✓ | ✓ | × | ✓ | ✓ | 5 |
| Name of Key Executives | | | | | | | |
| Hasnain R Nensey* | ✓ | ✓ | ✓ | _ | _ | _ | 3 |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Fawaz Siddiqui | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |

Resignation effective on February 28, 2017.

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

25.1 Market risk

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

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

25.1.1 Currency risk

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

25.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2017, the Fund is exposed to such risk on its balances held with bank, investments in placements, and government securities. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain profit and loss sharing accounts and term deposit receipts, the interest rate on which range between 4.00% to 6.35% per annum and 6.05% to 6.40% per annum respectively.

The composition of the aforementioned Fund's investment portfolio and rates announced by the Financial Market Association are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

b) Sensitivity analysis for fixed rate instruments

The Fund currently does not have any fixed rate instruments that are impacted by market interest rates.

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

| | | | | 0 , 2017 | | |
|--|------------------------------------|---|----------------------|---|-----------------------|--|
| | | | Exp | osed to interest rate r | lak | |
| articulars | Effective yield / interest rate | Total | Upto three months | More than three months and upto one year | More than one year | Not exposed to interest rate risk |
| n-balance sheet financial instruments | % | | | (Rupees in '000) | | |
| inancial assets | | | | | | |
| Balances with banks | 4.00% - 6.35% | 3,818,223 | 3,818,223 | | | |
| Profit receivable | 4.0070 - 0.5570 | 30,845 | 3,020,223 | | | 30,84 |
| Other receivables | 1 | 179,919 | _ | | - | 179,91 |
| ub total | L. | 4,028,988 | 3,818,223 | - | * | 210,76 |
| inancial liabilities | _ | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | Γ | 4,036 | | - | | 4,03 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 1 | 491 | - | - | - | 49 |
| Accrued expenses and other liabilities | L | 651 | * | - 1 | * | 65 |
| ub total | | 5,178 | | - | - | 5,17 |
| n-balance sheet gap (a) | | 4,023,810 | 3,818,223 | - | - | 205,58 |
| M-balance sheet financial instrument | | | - | | | <u>-</u> |
| ff-balance sheet gap (b) otal interest rate sensitivity gap (a) + (b) | _ | 4,023,810 | 3,818,223 | <u> </u> | <u> </u> | 205,58 |
| umulative interest rate sensitivity gap (a) = (b) | _ | 4,023,610 | 3,818,223 | 3,818,223 | 3,818,223 | 203,36 |
| anymeters are properties and | | | э,огориго | 3,010,and | 3,020,000 | |
| | | | | | | |
| | | | | 00 , 2016———————————————————————————————————— | 4a). | |
| articulars | Effective vield / | | LIA | More they three | | Nat exposed to |
| as seema d | interest rate | Total | Upto three months | menths and upto | More than | interest rate risk |
| | 1 1 | | | | one vear | Interest rate rask |
| | | | | one year | one year | interest rate risk |
| n-balance sheet financial instruments | % | | | One year (Rupees in '900) | one year | Interest rate rask |
| | % | | | | one year | Interest rate rise |
| N-balance sheet financial instruments inancial assets Balances with banks | _ | 1 578 403 | 1 578 403 | (Rupees in '900) | one year | Interest rate 132 |
| inancini assets Balances with banks | 4.00% - 6.35% | 1,578,403 | 1,578,403 | | one year | Interest rate 1139 |
| inancini assets | _ | | 1,578,403 405,000 | (Rupees in '900)- | | |
| inancial assets Balances with banks Term depoeits receipts (TDRs) | 4.00% - 6.35% | 15,301 | | (Rapecs in '808) | - | 15,30 |
| innacial assets Balances with banks Term deposits receipts (TDRs) Profit receivable | 4.00% - 6.35% | | | (Rapecs in '808) | - | - - 15,30 3,30 |
| inancial assets Balances with banks Term depoeits receipts (TDRs) Profit receivable Other receivables ub total inancial liabilities | 4.00% - 6.35% | 15,301 3,303 1,597,007 | 405,000 | (Rapecs in '808) | - - - - | 15,30 3,30 18,60 |
| innucial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total innucial liabilities Payable to UBL Fund Managers Limited - Management Company | 4.00% - 6.35% | 15,301 3,303 1,597,007 | 405,000 | (Rapecs in '808) | - - - - | 15,30 3,30 18,60 |
| inancial assets Balances with banks Term depoeits receipts (TDRs) Profit receivable Other receivables ub total inancial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to UBL Central Depository Company of Pakistan Limited - Trustee | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 | 1,983,403 | (Rapees in '909)— | - - - - - | 15,30 3,30 18,60 4,79 33 |
| innacial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total innacial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 545 | 1,983,403 | (Rupes in '909) - - - - - - - - - - | | 15,30 3,30 18,60 4,79 33 54 |
| inancial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total inancial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities ub total | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 545 5,672 | 1,983,403 | (Rupees in '900) | | 15,36 3,30 18,60 4,79 33 54 5,67 |
| innacial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total innacial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities ub total Innacial liabilities | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 545 5,672 1,591,335 | 1,983,403 | (Rupees in '000) | | 15,30 3,30 18,60 4,79 33 54 5,67 12,93 |
| inancial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total inancial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities ub total in-balance sheet gap (a) iff-balance sheet financial instrument | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 545 5,672 1,591,335 | 1,983,403 | (Rupees in '000) | | 15,30 3,30: 18,60 4,79 330 54,567 12,93 |
| innacial assets Balances with banks Term deposits receipts (TDRs) Profit receivable Other receivables ub total innacial liabilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities ub total Innacial liabilities | 4.00% - 6.35% | 15,301 3,303 1,597,007 4,797 330 545 5,672 1,591,335 | 1,983,403 | (Rupees in '000) | | 15,301 3,032 18,600 4,799 333 544,5,677,71 12,93 |

25.1.3 Price risk

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

25.2 Liquidity risk

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

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

Management of liquidity risk

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

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances.

| | | June 3 | 0, 2017 | |
|---|----------------------|---|---------------|---------------------|
| Particulars | Upto three months | More than three months and upto one year | Over one year | Total |
| | | Rupees | in '000 ——— | |
| Financial liabilities | | - | | |
| Payable to UBL Fund Managers Limited - Management Company | 4,036 | - | - | 4,036 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 491 | - | ~ | 491 |
| Accrued expenses and other liabilities | 651 | - | | 651 |
| Total liabilities | 5,178 | œ | | 5,178 |
| | | June 3 | 0, 2016 | |
| Particulars | Upto three months | More than three months and upto one year | Over one year | Total |
| | | Rupees | in '000 | |
| Financial Habilities Payable to UBL Fund Managers Limited - Management Company Payable to the Central Depository Company of Pakistan Limited - Trustee Accrued expenses and other liabilities | 4,797 330 545 | - - - | - | 4,797 330 545 |
| Total liabilities | 5,672 | | ~ | 5,672 |

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

25.3 Credit risk

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

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules, the NBFC Regulations and guidelines given by the SECP from time to time.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2017 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'. Investment in government securities, however, are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

25.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2017:

Balances with banks by rating category

| Name of the bank | Rating agency | Balances held by the Fund as at June 30, 2017 Rupees in '000 | Latest available published rating as at June 30, 2017 |
|---|---------------|---|---|
| Bank Alfalah Limited - Islamic Banking | PACRA | 797 | AA |
| Deutsche Bank | FITCH | _ | A- |
| Bank Al Habib Limited - Islamic Banking | PACRA | 7 | AA+ |
| Habib Metropolitan Bank Limited - Islamic Banking | PACRA | 505 | AA+ |
| Meezan Bank Limited | JCR-VIS | 3,512 | AA |
| Faysal Bank Limited - Islamic Banking | JCR-VIS | 511,317 | AA |
| Habib Bank Limited | JCR-VIS | 3,241 | AAA |
| United Bank Limited | JCR-VIS | 3,298,003 | AA+ |
| MCB Bank Limited | PACRA | 841 | AAA |
| | | 3,818,223 | • |

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

| | 2017 | 2016 |
|---------------------------|--------|--------|
| Rating by rating category | (Perce | ntage) |
| AAA | 0.11 | 26.48 |
| AA- to AA+ | 99.89 | 73.52 |
| | 100.00 | 100.00 |

Concentration on credit risk

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

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

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

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

26 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

There were no financial instruments held by the Fund which are measured at fair value as of June 30, 2017 and June 30, 2016.

28 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2017 and June 30, 2016.

29 DATE OF AUTHORIZATION

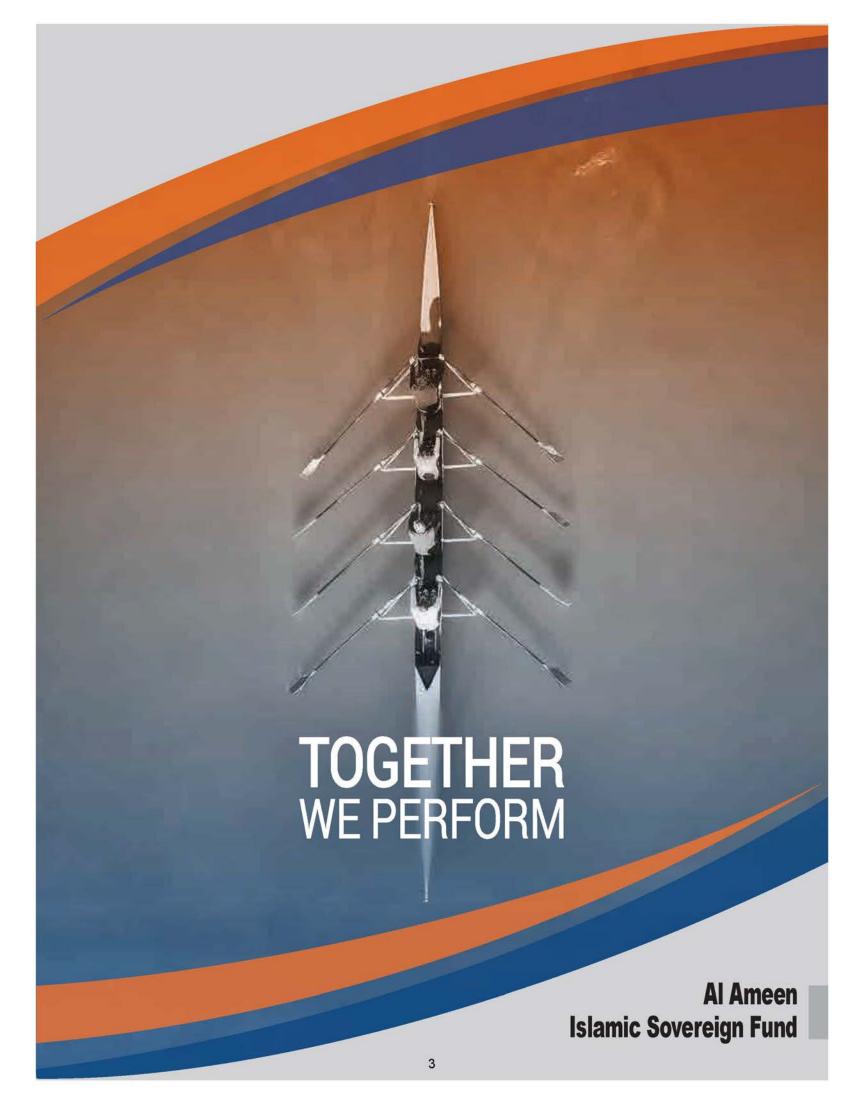
These financial statements were authorized for issue by Board of Directors of the Management Company on August 23, 2017

- 30 GENERAL
- 30.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR

CHIEF FINANCIAL OFFICER



AISF

Al-Ameen Islamic Sovereign Fund

INVESTMENT OBJECTIVE

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

| Management Company | UBL Fund Managers Limited | | | | |
|---------------------------|---|--|--|--|--|
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500 | | | | |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) | | | | |
| Auditors | KPMG Taseer Hadi and Co., Chartered Accountants | | | | |
| Bankers | Bank Al Habib Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Islamic Banking Habib Metropolitan Bank Limited Meezan Bank Limited Soneri Bank Limited - Islamic Banking United Bank Limited | | | | |
| Management Co. Rating | AM2++ (JCR-VIS) | | | | |
| Fund Rating | AA - (f) (JCR-VIS) | | | | |

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

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

| Monthly Yield | Jul'16 | Aug'16 | Sep'16 | Oct'16 | Nov'16 | Dec'16 | Jan'17 | Feb'17 | Mar'17 | Apr'17 | May'17 | Jun'17 | FYTD |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| AISF | 6.30% | 6.80% | 4.78% | 10.55% | 14.66% | -1.01% | 4.88% | 1.60% | -0.01% | 2.16% | 2.99% | 14.40% | 5.56% |
| Benchmark | 4.91% | 4.94% | 4.75% | 4.74% | 4.12% | 3.63% | 3.84% | 3.96% | 4.27% | 4.70% | 5.19% | 7.00% | 4.67% |

- vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance.
 - AISF continued to offer competitive returns to investors while being less sensitive to interest rates owing to investment in GoP Ijarah which are floater securities. The fund generated a return of 5.56% p.a. during the period under review against the benchmark return of 4.67%. At the end of Jun-17, the Fund Manager maintained 72% exposure in Cash and 28% in GoP Ijara Sukus.
- vii) Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

| Asset Allocation (% of Total Assets) | Jun-16 | Jun-17 |
|--------------------------------------|--------|--------|
| GoP Ijara Sukuks | 63% | 28% |
| Cash | 32% | 72% |
| Others | 1% | 1% |
| Placements with banks | 4% | 0% |
| Leverage | Nil | Nil |
| Total | 100% | 100% |

viii) Analysis of the Collective Investment Scheme's performance

FY'17 Return: 5.56% Standard Deviation (12m trailing): 0.84% Sharpe Ratio (12m trailing): (0.43)

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

| Net Asset Value | | | NAV per unit | | | | |
|-----------------|-----------|--------|--------------|----------|--------|--|--|
| 30-Jun-17 | 30-Jun-16 | Change | 30-Jun-17 | Change | | | |
| Rupee | s (000) | % | Rupees | | % | | |
| 7,746,302 | 3,684,237 | 110.26 | 100.8615 | 101.0818 | (0.22) | | |

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

Debt Market Review – FY17

The International Crude Oil prices oscillated between USD 40 to 55 per barrel and closed the year at USD 46/barrel. Historically low oil prices along with stable commodity prices and exchange rate helped keep inflation under check at 4.1% as compared to 2.9% last year. Core measures of inflation witnessed a slight upward trajectory where NFNE which is somewhat sticky in nature increased to 5.5% compared to 4.6% posted in same period last year. Taking cues from lower inflation, the SBP decided to keep the policy rate at 5.75%.

In twelve PIB auctions conducted during the year, the government raised PKR869.3 billion (PKR 928 billion in FY16) against target of PKR 800 billion. Participation in the auctions was largely skewed towards three and five year paper with the participation ratio of 60% and 26% respectively. Cut off yields in June auction were 6.41%, 6.90% and 7.94% for three, five and ten year PIB instruments respectively.

The yield curve shifted upwards during FY17. Since the start of the fiscal year the secondary market yields for 3 Year, 5 Year and 10 Year PIB have come up by ~40bps, ~46bps and ~50bps respectively. The spread between annualized yields of 1-year T-bills (6.04% p.a.) and 10-year PIBs (8.17% p.a.) stood at 2.13% as of 30 June 2017.

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

| Distribution | | | | Per unit | |
|---------------|--------------|--------|----------|----------|----------|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | Rupees (000) | | Rupees | | |
| June 29, 2017 | | 75,598 | 5.85 | 106.9205 | 101.0705 |
| | | | | | |

xii) Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

xiii) Breakdown of unit holdings by size

| Danna of Units | Number of Investors |
|-----------------------------|---------------------|
| Range of Units | AISF |
| 0.0001 - 9,999.9999 | 3,206 |
| 10,000.0000 - 49,999.9999 | 143 |
| 50,000.0000 - 99,999.9999 | 22 |
| 100,000.0000 - 499,999.9999 | 15 |
| 500,000.0000 & Above | 3 |
| Total | 3,389 |

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

There were no unit splits during the period.

- xv) Disclosures of circumstances that materially affect any interests of unit holders Investment are subject to market risk.
- xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

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

PERFORMANCE TABLE

Al - Ameen Islamic Sovereign Fund

| | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 7,746,302 | 3,684,237 | 1,504,183 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees * | | | |
| Class C units - Offer * | 102.0012 | 102.4161 | 102.0370 |
| - Redemption | 100.8615 | 101.0818 | 100.6977 |
| RETURN OF THE FUND - % | | | |
| Total Return of the Fund | 5.56 | 4.35 | 6.15 |
| Capital Growth (per unit) | (0.29) | 0.35 | (0.58) |
| Date of Income Distribution | 26-Jun-17 | 23-Jun-16 | 23-Jun-15 |
| Income Distribution | 5.85 | 4.00 | 6.73 |
| | | | |
| AVERAGE ANNUAL RETURN - % | | | |
| Since Launch/ One Year | 5.56 | 4.35 | 6.15 |
| Second Year | 4.96 | 5.25 | 7.13 |
| Third Year | 5.35 | 6.20 | 7.78 |
| Since inception | 8.09 | 8.51 | 9.34 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees * | | | |
| Highest price per unit - Class C units - Offer | 108.1287 | 106.3428 | 108.8204 |
| Highest price per unit - Class C units - Redemption | 106.9205 | 104.9574 | 107.3921 |
| | | | |
| Lowest price per unit - Class C units - Offer | 102.0012 | 102.0427 | 101.9473 |
| Lowest price per unit - Class C units - Redemption | 100.8615 | 100.7133 | 100.6092 |
| * Front-end load @1% is applicable | | | |
| PORTFOLIO COMPOSITION - % Percentage of Net Assets as at 30 June | | | |
| 1 stochage of 1 (or 1 labour as at 50 state | | | |
| PORTFOLIO COMPOSITION BY CATEGORY - % | | | |
| Bank Balances | 72.00 | 33.00 | 52.00 |
| Government Securities | 28.00 | 63.00 | 41.00 |
| Placements with Banks | 0.00 | 4.00 | 7.00 |
| PORTFOLIO COMPOSITION BY MARKET - % | | | |
| Debt market | 100 | 100 | 100 |
| Note: | | | |
| The Launch date of Fund is 07 November 2010 | | | |

⁻ The Launch date of Fund is 07 November 2010.

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e Faisal, Karachi - 74400, Pakistan Tel. (92-21) 111-111-500 Fax. (92-21) 34326020 - 23 URL www.cdcpakistan.com Email: info@cdcpak.com





TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC SOVEREIGN FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Sovereign Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi September 18, 2017



REPORT OF THE SHARIAH ADVISORY COMMITTEE

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

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

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

In light of the above, we hereby certify that:

- We have reviewed and approved the modes of investments of AISF in light of the shariah guidelines.
- All the provisions of the Scheme and investments made on account of AISF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AISF for the year ended 30 June 2017 have been in compliance with the Shariah principles.

During the year, PKR 33,007 has been recognized as charity.

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

Mufti Muhammad Hassaan Kaleem Member, Shariah Advisory Committee

Mufti Muhammad Najeeb Khan Member, Shariah Advisory Committee

KARACHI:

DATE: 22 July 2017

STATEMENT OF COMPLIANCE BY UBL FUND MANAGERS LIMITED WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code"), contained in Chapter 5 (clause 5.19.24) of Rule Book of Pakistan Stock Exchange Limited, for the purpose of establishing a framework of good governance, whereby, a listed entity is managed in compliance with the best practices of Corporate Governance.

The Board of Directors (the "Board") of UBL Fund Managers Limited (the "Management Company"), which is an unlisted public company, manages the affairs of Al Ameen Islamic Sovereign Fund (the "Fund"). The Fund being a unit trust open end scheme does not have its own Board of Directors. The units of the Fund are listed as a security on the Pakistan Stock Exchange Limited; therefore, the Management Company has applied the principles contained in the Code to the Fund in the following manner:

01. The Management Company encourages representation of independent non-executive directors. All the directors except the Chief Executive Officer of the Management Company are non-executive directors, two of whom are independent non-executive directors.

| Category | Name | | | |
|---------------------------|-------------------------------------|--|--|--|
| Independent Directors | Mr. Tariq Kirmani | | | |
| 0.00 | Mr. Shabbir Hussain Hashmi | | | |
| Executive Directors | Mr. Yasir Qadri | | | |
| Non - Executive Directors | Mr. Zia Ijaz | | | |
| | Mr. Zulfiqar Alavi | | | |
| | Syed Furrukh Zaeem | | | |
| | Mirza Muhammad Sadeed Hassan Barlas | | | |

The independent directors meet the criteria of independence under regulation 5.19.1(b) of the Rule Book of Pakistan Stock Exchange Limited.

- 02. The existing directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company.
- 03. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- 04. No casual vacancy occurred on the Board during the year.
- 05. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

- 06. The Board has developed a vision / mission statement, overall corporate strategy and significant policies for the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
- 07. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
- 08. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 09. In order to apprise the directors on their duties and responsibilities and the requirements of the Code, the Management Company has a process in place to conduct formal orientations for new directors. Furthermore, five directors on the Board have completed the Director Training Program (DTP) and are certified directors, while two Independent directors are exempt from the DTP under the Code of Corporate Governance 2012. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
- 10. There was no appointment of CFO, Company Secretary and Head of Internal Audit during the year.
- 11. The Directors' report relating to the Fund for the year ended June 30, 2017 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
- 13. The Directors, CEO, and executives do not hold any interest in the units of the Fund other than that being disclosed in the Directors' Report.
- 14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
- 15. The Board has formed a Board Audit Committee which comprises of five members, all of whom are non-executive directors including the chairman of the Committee who is an independent nonexecutive director.
- 16. The meetings of the Board Audit Committee were held, at least, once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference have been approved in the meeting of the Board of Directors and the Committee has been advised to ensure compliance with those terms of reference.

- 17. The Management Company has an in-house internal audit function. The internal audit team is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund and they are involved in the internal audit function on a full time basis.
- 18. The Board has formed a Human Resource and Compensation Committee. It comprises of four members, of whom three are non-executive directors, one is an executive director and the chairman of the Committee is an independent non-executive director.
- 19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company or units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Fund's securities, was determined and intimated to directors, employees and stock exchange.
- 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- 23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24. We confirm that all other material principles contained in the Code have been complied with.

YASIR QADRI Chief Executive Karachi.

Dated: August 23, 2017



KPMG Tasser Hadf & Co. Chartered Accountains Sheikh Sullian Trust Building No. 2 Beaumont Road (Grech: 75530 Paluston Telephone + 92 (21) 3566 5847 Fis. + 92 (21) 3566 5895 Internet www.kemp.com.pk

Review report to the Unit holders of Al-Ameen Islamic Sovereign Fund ("the Fund") on the Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of UBL. Fund Managers Limited ("the Management Company") of the Fund for the year ended 30 June 2017 to comply with the requirements of Clause No. 5.19,24 of Rule Book of Pakistan Stock Exchange Limited where the Fund is listed.

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

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

The Code requires the Management Company of the Fund to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2017.

Date: 23 August 2017

Karachi

KPMG Taseer Hadi & Co. Chartered Accountants

(400) (400)



KPMG Tasser Hadi & Ca. Chartered Accountants Sheken Sultan Trust Building No. 2 Sugamont Road Karache, 75530 Pakesan Telephone + 92 (21) 3566 5847 Fax + 92 (21) 3566 595 Internet www.kpmg.com.px

Independent Auditors' Report to the Unit holders

Report on the Financial Statements

We have audited the accompanying financial statements of Al-Ameen Islamic Sovereign Fund ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2017, and the related income statement, statement of comprehensive income, distribution statement, each flow statement, statement of movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2017, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

The state of the s



KPMG Tasser Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

Date: 23 August 2017

Karachi

KPMG Taseer Hadi & Co. Chartered Accountants Mazhar Saleem

Al - Ameen Islamic Sovereign Fund Statement of Assets and Liabilities

As at 30 June 2017

| | | Note | 30 June 2017 | 30 June 2016 |
|--|---|--------|-----------------|-----------------|
| Assets | | | (Rupees i | n '000) |
| Bank balances | | 5 | 5,575,113 | 1,181,370 |
| Term deposit musharika | | v | - | 160,000 |
| Investments | | 6 | 2,164,162 | 2,329,255 |
| Profits receivable | | 7 | 38,463 | 39,038 |
| Prepayments and other receivables | | 8 | 7,287 | 12,025 |
| Advance tax | | 9 | 458 | 443 |
| Total assets | | | 7,785,483 | 3,722,131 |
| Liabilities | | | , | |
| Payable to the Management Company | | 10 | 4,948 | 5,026 |
| Payable to Central Depository Company of Pakis | | 11 | 400 | 324 |
| Payable to Securities and Exchange Commission | of Pakistan | 12 | 2,548 | 1,422 |
| Accrued expenses and other payables | | 13 | 31,285 | 31,122 |
| Total liabilities | | | 39,181 | 37,894 |
| Net assets | | | 7,746,302 | 3,684,237 |
| Unit holders' fund (as per the statement attache | d) | | 7,746,302 | 3,684,237 |
| Contingency | | 19 | | |
| | | | (Num) | ber) |
| Number of units in issue (face value of units is | Rs. 100 each) | | 76,801,368 | 36,448,063 |
| | | | (Rupe | ees) |
| Net asset value per unit | | 4.9 | 100.8615 | 101.0818 |
| The annexed notes from 1 to 29 form an integral | part of these financial statem | nents. | | |
| | JBL Fund Managers Limite Management Company) | ed | | |
| Chief Executive Officer | Chief Financial Officer | | Direc | etor |

Income Statement

For the year ended 30 June 2017

Chief Executive Officer

| Income | Note | 30 June 2017 (Rupees in | 30 June 2016 1 '000) |
|---|------|-------------------------------|----------------------------|
| Financial income | 14 | 194,759 | 107,759 |
| Net capital gain / (loss) on redemption and sale of investments | | 26,015 | (5,948) |
| Net unrealised gain on revaluation of investments classified as 'at fair | | | |
| value through profit or loss' | 6.2 | 12,610 | 19,194 |
| Other income | _ | 45 | ene |
| Total income | | 233,429 | 121,005 |
| Expenses | | | |
| Remuneration of the Management Company | 10.1 | 33,973 | 18,961 |
| Sindh Sales Tax on the Management Company's remuneration | 10.3 | 4,416 | 2,655 |
| Allocation of expenses relating to the Fund | 10.2 | 3,397 | 1,332 |
| Provision for indirect duties and taxes | 13.1 | - | 3,459 |
| Remuneration of the Central Depository Company of | | | 2 00 6 |
| Pakistan Limited - Trustee | 11 | 4,209 | 2,806 |
| Annual fee of Securities and Exchange Commission of Pakistan | 12 | 2,548 | 1,422 |
| Auditors' remuneration | 15 | 778 | 611 |
| Shariah advisory fee | | 345 | 165 |
| Brokerage expenses Amortisation of preliminary expenses and floatation costs | | 623 | 471 91 |
| Listing fee | | 50 | 25 |
| Legal and professional charges | | 335 | 75 |
| Bank charges | | 124 | 107 |
| Other expenses | | 287 | 564 |
| Total operating expenses | L | 51,085 | 32,744 |
| Total oper sering expenses | _ | | |
| Net income from operating activities | | 182,344 | 88,261 |
| Net element of (loss) / income and capital (losses) / gains included | | | |
| in prices of units issued less those in units redeemed | | (128,057) | 14,821 |
| Reversal of provision for Workers' Welfare Fund | 13.2 | 7,635 | |
| Provision for Sindh Workers' Welfare Fund | 13.2 | (3,241) | - |
| | | 4,394 | |
| Net income for the year before taxation | - | 58,681 | 103,082 |
| Taxation | 16 | - | - |
| Net income for the year after taxation | - | 58,681 | 103,082 |
| Net meane for the year after taxation | | 30,001 | 103,002 |
| The annexed notes from 1 to 29 form an integral part of these financial statements. | | | |

| rui | ODL Fund Managers Limited |
|-----|---------------------------|
| | (Management Company) |
| | |
| | |
| | |

Director

Chief Financial Officer

Al - Ameen Islamic Sovereign Fund Statement of Comprehensive Income

For the year ended 30 June 2017

| | | 30 June 2017 (Rupees i | 30 June 2016 n '000) |
|--------------------------------------|--|------------------------------|----------------------------|
| Net income for the year after taxati | ion | 58,681 | 103,082 |
| Other comprehensive income for the | year | •• | - |
| Total comprehensive income for th | e year = | 58,681 | 103,082 |
| The annexed notes from 1 to 29 form | an integral part of these financial statements. | | |
| | For UBL Fund Managers Limited (Management Company) | | |
| Chief Executive Officer | Chief Financial Officer | Direc | etor |

Al - Ameen Islamic Sovereign Fund Distribution Statement

For the year ended 30 June 2017

Chief Executive Officer

| | 30 June 2017 | 30 June 2016 |
|--|------------------|-----------------|
| | (Rupees in '000) | |
| Undistributed income brought forward comprises of: | | |
| - Realised income | 32,301 | 48,357 |
| - Unrealised income / (loss) | 19,194 | (10,864) |
| Undistributed income brought forward | 51,495 | 37,493 |
| Net income for the year after taxation | 58,681 | 103,082 |
| Distribution to unit holders' of the Fund | | |
| Interim cash distribution at the rate of Rs. 5.85 per unit declared on | | |
| 29 June 2017 (23 June 2016: Rs. 4) | (75,598) | (89,080) |
| | | |
| Undistributed income carried forward | <u>34,579</u> | 51,495 |
| Undistributed income carried forward comprises of: | | |
| - Realised income | 21,968 | 32,301 |
| - Unrealised income | 12,610 | 19,194 |
| Undistributed income carried forward | 34,579 | 51,495 |
| | | |
| The annexed notes from 1 to 29 form an integral part of these financial stater | nents. | |
| For UBL Fund Managers Limited | | |
| (Management Company) | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Chief Financial Officer

Director

Statement of Movement in Unit Holders' Funds

For the year ended 30 June 2017

| | 30 June | 30 June |
|---|------------------|-------------|
| | 2017 | 2016 |
| | (Rupees in '000) | |
| Net assets at beginning of the year | 3,684,237 | 1,504,184 |
| Proceeds from issuance of 261,483,615 units during the year (30 June 2016: 67,082,747 units) Payments on redemption of 221,130,310 units during the year | 27,012,944 | 6,878,162 |
| (30 June 2016: 45,572,302 units) | (23,062,019) | (4,697,290) |
| | 3,950,925 | 2,180,872 |
| | 7,635,162 | 3,685,056 |
| Net element of loss / (income) and capital losses / (gains) in prices of units issued less those in units redeemed | 128,057 | (14,821) |
| Net capital gain / (loss) on redemption and sale of investments | 26,015 | (5,948) |
| Net unrealised gain on revaluation of investments classified as 'at fair 'at fair value through profit or loss' | 12,610 | 19,194 |
| Other net income for the year | 20,056 | 89,836 |
| Distribution during the year | (75,598) | (89,080) |
| Net income for the year less distribution | (16,917) | 14,002 |
| Net assets at end of the year | 7,746,302 | 3,684,237 |
| | (Rupees) | |
| Net assets value per unit at beginning of the year | 101.0818 | 100.6977 |
| Net assets value per unit at end of the year | 100.8615 | 101.0818 |
| The annexed notes from 1 to 29 form an integral part of these financial statements | 3. | |

For UBL Fund Managers Limited (Management Company)

| Chief Executive Officer | Chief Financial Officer | Director |
|--------------------------------|-------------------------|----------|

Cash Flow Statement

For the year ended 30 June 2017

| | | 30 June 2017 | 30 June 2016 |
|--|-------------------------------------|--------------------------|-------------------------|
| | | (Rupees in | |
| | S CHANGE | | |
| CASH FLOWS FROM OPERATING ACTIV Net income for the year before taxation | VIIIES | 58,681 | 103,082 |
| | | | |
| Adjustments for non-cash and other items: Financial income | | (194,759) | (107,759) |
| Net unrealised gain on revaluation of investment | ts classified as 'at fair | (== ,,,==) | (,) |
| value through profit or loss' | | (12,610) | (19,194) |
| Net element of loss / (income) and capital losses prices of units issued less those in units redeen | | 128,057 | (14,821) |
| Net capital (gain) / loss on redemption and sale of | | (26,015) | 5,948 |
| Amortisation of preliminary expenses and floatat | tion costs | - | 91 |
| Provision for Sindh Workers' Welfare Fund Reversal of Provision for Workers' Welfare Fund | 1 | 3,241 (7,635) | - |
| Provision for indirect duties and taxes | * | (7,033) | 3,459 |
| Shariah advisory fee | | 345 | 165 |
| Allocation of expenses relating to the Fund | | (105,979) | 1,332 (130,779) |
| Net cash used in operations before working ca | apital changes | (47,298) | (27,697) |
| | | , | ` , , |
| Working capital changes | | | |
| Decrease / (increase) in assets Investments | | 203,718 | (1,682,188) |
| Prepayments and other receivables | | 4,738 | 7,665 |
| Advance tax | | (15) | (443) |
| | | 208,441 | (1,674,966) |
| Increase / (decrease) in liabilities | | | |
| Payable to the Management Company | | (3,821) | 1,912 |
| Payable to Central Depository Company of Pakis Payable to Securities and Exchange Commission | | 76 1,126 | 139 (258) |
| Accrued expenses and other payables | of Pakistan | 4,557 | 846 |
| | | 1,938 | 2,639 |
| Profit received | | 195,335 | 81,406 |
| Net cash generated from / (used in) operating | activities | 358,416 | (1,618,618) |
| CASH FLOWS FROM FINANCING ACTIV | TTIES | | |
| Proceeds from issuance of units | | 27,012,944 | 6,878,162 |
| Payments on redemption of units Cash distribution to unit holders | | (23,062,019) (75,598) | (4,697,290) (89,080) |
| Net cash generated from financing activities | | 3,875,327 | 2,091,792 |
| | | | , , |
| Net increase in cash and cash equivalents | | 4,233,743 | 473,174 |
| Cash and cash equivalents at beginning of the ye Cash and cash equivalents at end of the year | ar | 1,341,370 5,575,113 | 868,196 1,341,370 |
| Cubin mana cubin equit means no sua or suc your | | | |
| CASH AND CASH EQUIVALENTS | | | |
| Bank balances Term deposit musharika | | 5,575,113 | 1,181,370 160,000 |
| rom deposit mushansa | | 5,575,113 | 1,341,370 |
| | | | |
| The annexed notes from 1 to 29 form an integral | part of these financial statements. | | |
| | For UBL Fund Managers Limited | | |
| | (Management Company) | | |
| | | | |
| Chief Executive Officer | Chief Financial Officer | Director | |

Notes to the Financial Statements

For the year ended 30 June 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Sovereign Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange commission of Pakistan (SECP). It was constituted under the Trust deed dated 25 August 2010 between UBL Funds Managers Limited (a wholly owned subsidiary of United Bank Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beamount road, Civil lines, Karachi.

The Fund is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from other Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is categorized as an open-end Shariah Compliant (Islamic) income scheme in accordance with Circular 7 of 2009 issued by SECP.

The Fund has been formed to provide a competitive rate of return with a moderate level of risk to its investors by investing in designated authorised investments approved by the Shariah Advisory Board. Under the provisions of the Trust Deed, all activities of the Fund shall be undertaken in accordance with Shariah.

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

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008) and directives issued by the SECP. Wherever, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, 2008 and the said directives differ with the requirements of these Standards, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, 2008 and the said directives shall prevail. (refer note 3.4).

3. BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention, except those financial assets that have been carried at fair values in accordance with the requirements of International Accounting Standard (IAS) 39.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the Management Company to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable in the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- (a) Classification and valuation of financial assets (note 4.1.1, 4.1.4, 6 & 20)
- (b) Impairment of financial assets (note 4.1.5)

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative
 and are effective for annual periods beginning on or after 1 January 2017. The amendments require
 disclosures that enable users of financial statements to evaluate changes in liabilities arising from
 financial activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or
 after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income
 tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be
 reflected in the measurement of current and deferred tax.
- The Securities and Exchange Commission of Pakistan (SECP), vide their S.R.O 756(I)/2017, dated 3 August 2017, changed the definition of accounting income in regulation (63) sub-regulation (I), which now states that accounting income excludes element of income (as defined in the S.R.O), at the close of the financial year or in case of interim distribution, any interim date at which the financial statements of the fund are drawn up. Moreover, the S.R.O also deleted 'Distribution Statement' and its contents, along with certain additional break-ups and disclosures, to be included on the face of 'Income Statement' and 'Statement of Movements in Reserves or Unit holders' Fund'.

The aformentioned changes will be applied from 1 July 2017 and will effect the charge for Sindh Workers' Welfare Fund (SWWF) and consequently, the Net Asset Value per unit of the Fund.

The above amendments are not likely to have an impact on the Fund's financial statements.

- In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 01 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the

Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. The application of Companies Act 2017 is not likely to have financial impact on the Fund's financial statements except extended disclosures.

- SECP through SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The amendments require additional disclosures and recording of element of income / loss included in price of unit issued or redeemed in Statement of Movements in Reserves or Unit holders' Fund instead of Income Statement. The SRO also deleted 'Distribution Statement' and its contents along with certain additional break-ups and disclosures to be included on the face of 'Income Statement' and 'Statement of Movements in Reserves or Unit holders' Fund'.

Further, new amendments changed the definition of accounting income in regulation (63) sub-regulation (I) which is now to be determined after taking into account the element of income / loss relating to the redemption of units. This change will be applied prospectively and may affect the charge for Sindh Workers' Welfare Fund (SWWF) and consequently, the Net Asset Value per unit of the Fund in future.

4. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Financial assets

4.1.1 Classification

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

a) Financial assets as '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 category.

b) Available-for-sale financial assets

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

c) Loans and receivables

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

4.1.2 Regular way contracts

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

4.1.3 Initial recognition and measurement

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

4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss' and 'available-for-sale financial assets'

Basis of valuation of debt securities

Investment 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 the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

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 (PKRV and PKISRV rates) which are based on the remaining tenor of the securities.

4.1.5 Impairment

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

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

Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circulars, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

4.1.6 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

4.2 Financial liabilities

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

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

4.3 Offsetting of financial instruments

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

4.4 Unitholders' fund

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

4.5 Securities under repurchase / resale agreement

Transactions of sale under repurchase (repo), of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the Statement of Assets and Liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

Transactions of purchase under resale (reverse repo), of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a simultaneous commitment to resale at a specified future date (reverse repos) are not recognised in the Statement of Assets and Liabilities.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, prevalent on the day on which the applications for purchase of units are received (however units are issued on the receipt of cash / realisation of cheques). The offer price represents the net asset value per unit as of the close of the business day plus the allowable front-end sales load. The front-end sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

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

4.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

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

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the unitholders' Funds in a separate account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

4.8 Provisions

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

4.9 Net asset value per unit

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

4.10 Taxation

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

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in the form of cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

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

4.11 Revenue recognition

- Capital gains / (losses) arising on redemption and sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Dividend income is recognised when the right to receive the dividend is established.

- Unrealized gains / (losses) arising on revaluation of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed is included in income statement on the date of issue and redemption of units.
- Income on debt and government securities is recognised on time proportion basis using the effective yield.
- Profit on saving accounts and term deposits is recognised taken into account the effective yield.

4.12 Expenses

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

4.13 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, the determination of weighted average units for calculating EPU is not practicable.

4.14 Cash and cash equivalents

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

4.15 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.16 Other assets

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

| | | | JO JUNE | 30 June |
|---|------------------------------------|-----|------------|-----------|
| 5 | BANK BALANCES | | 2017 | 2016 |
| | | | (Rupees | in '000) |
| | In current accounts | 5.1 | 22,623 | 10,313 |
| | In profit and loss sharing account | 5.2 | 5,552,490_ | 1,171,057 |
| | | | 5,575,113 | 1,181,370 |

20 Tuna

20 Turno

- 5.1 This includes balance with United Bank Limited of Rs. 15.770 million (30 June 2016: Rs. 10.293 million), holding company of the Management Company.
- 5.2 These carry profit rates ranging from 4% to 6.35% (30 June 2016: 4% to 6.35%) per annum. It includes balance with United Bank Limited of Rs. 4,718 million (30 June 2016: Rs. 1,022 million) carrying profit rate of 5.5% (30 June 2016: 5.75%) per annum.

6 INVESTMENTS

| Designated at fair value through profit or loss | | | |
|---|-----|-----------|-----------|
| Government Securities | 6.1 | 2,164,162 | 2,329,255 |

6.1 Government Securities - designated at fair value through profit or loss

| | | As at 01 July 2016 | Acquired during the year | Sold / matured during the year | As at 30 June 2017 | Carrying value as at 30 June 2017 | Market value as at 30 June 2017 | Market value as at 30 June 2016 | Percentage of total investments | % of net assets |
|------------------------------|-------|-----------------------|--------------------------------|---|-----------------------|--|--|--|---------------------------------------|-----------------|
| | | ~ | (No. of | Holdings) | | (J | Rupees in '00 | 0) | | |
| Government of Pakistan | | | | | | | | | | |
| Ijarah Sukuk XV - 3 years | | 500 | - | (500) | - | - | - | 49,480 | _ | - |
| Ijarah Sukuk XVI - 3 years | 6.1.2 | 7,500 | 25,150 | (24,500) | 8,150 | 824,362 | 831,218 | 755,925 | 38% | 11% |
| Ijarah Sukuk XVII - 3 years | 6.1.3 | 15,000 | 123,730 | (125,780) | 12,950 | 1,327,190 | 1,332,944 | 1,523,850 | 62% | 17% |
| Ijarah Sukuk XVIII - 3 years | | _ | 1,535 | (1,535) | - | - | - | _ | _ | - |
| | | | | | | 2,151,552 | 2,164,162 | 2,329,255 | 100% | 28% |

- **6.1.1** The cost of investment in government securities, designated at fair value through profit or loss, is Rs. 2,152 million (30 June 2016: Rs. 2,311 million).
- 6.1.2 These Ijarah sukuk certificates have face value of Rs. 815 million and were issued in December 2015. These carry profit equal to the rate of latest weighted average yield of six-month Market Treasury Bills (MTBs) per annum, receivable semi-annually in arrears with no floor or cap and will mature in December 2018. These sukuk certificates carry the sovereign guarantee of the Government of Pakistan and are redeemable in full on maturity. As at 30 June 2017, profit at 5.45% (30 June 2016: 5.45%) per annum was due on these sukuk certificates.
- 6.1.3 These Ijarah sukuk certificates have face value of Rs.1,295 million and were issued in February 2016. These carry fixed profit rate of 6.10% per annum, receivable semi-annually in arrears and will mature in February 2019. These sukuk certificates carry the sovereign guarantee of the Government of Pakistan and are redeemable in full on maturity.
- 6.1.4 The nominal value of each GOP Ijarah Sukuk is Rs. 100,000.

6.2 Net unrealized gain on revaluation of investments classified as 'at fair value through profit or loss'

| | | Note | 30 June | 30 June |
|---|--|------|-----------|-----------|
| | | | 2017 | 2016 |
| | | | (Rupees | in '000) |
| | Market value of investments | | 2,164,162 | 2,329,255 |
| | Less: cost / carrying value of investments | | 2,151,552 | 2,310,061 |
| | | | 12,610 | 19,194 |
| 7 | PROFITS RECEIVABLE | | | |
| | Profits receivable on: | | | |
| | - GOP Ijarah Sukuk | | 30,917 | 35,730 |
| | - Bank balances | | 7,546 | 3,281 |
| | - Term deposit musharika | | - | 27 |
| | | | 38,463 | 39,038 |
| 8 | PREPAYMENTS AND OTHER RECEIVABLES | | | |
| | Balance held in main collection account | | 7,174 | 11,906 |
| | Prepayments | | 113 | 119 |
| | | | 7,287 | 12,025 |

9 ADVANCE TAX

The income of the fund is exempt under clause 99 of Part I of the Second schedule of the Income Tax Ordinance 2001 and funds are exempt under clause 47(B) of Income Tax Ordinance 2001 from withholding of tax under section 150, 151 and 233 of Income Tax Ordinance 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Income Tax Ordinance, 2001 from Commissioner Inland Revenue. During the year various withholding agents have deducted advance tax under section 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filing return for tax year 2017.

10 PAYABLE TO THE MANAGEMENT COMPANY

| Management remuneration payable | 10.1 | 3,494 | 2,525 |
|---|------|-------|-------|
| Payable against allocation of expenses relating to the Fund | 10.2 | 614 | 1,332 |
| Sindh Sales Tax on management remuneration | 10.3 | 454 | 353 |
| Shariah Advisory Fee | | 57 | 165 |
| Sales load and other payables | | 329 | 651 |
| | | 4,948 | 5,026 |

- 10.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 % of average annual net assets in case of Income Scheme. The Management Company has charged remuneration at the rate of 1 % per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.
- 10.2 As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the Management Company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) upto a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly such expenses have been charged effective from 25 November 2015.
- 10.3 Sindh Sales Tax has been charged at 13% (30 June 2016: 14%) on the management fee charged during the year.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2017 is as follows:

| On net assets: | Tariff per annum |
|--------------------------------|---|
| - up to Rs.1 billion | 0.17% per annum of Net Asset Value |
| - Rs.1 billion to Rs.5 billion | Rs.1.7 million plus 0.085% per annum of Net Asset Value exceeding Rs.1 billion. |
| - exceeding Rs.5 billion | Rs.5.1 million plus 0.07% per annum of Net Asset Value exceeding Rs.5 billion. |

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

| | | Note | 30 June | 30 June |
|----|---|------|---------|----------|
| 13 | ACCRUED EXPENSES AND OTHER PAYABLES | | 2017 | 2016 |
| | | | (Rupees | in '000) |
| | Provision for indirect duties and taxes | 13.1 | 16,613 | 16,613 |
| | Withholding tax deducted at source | | 8,203 | 4,047 |
| | Provision for Workers' Welfare Fund | 13.2 | _ | 7,635 |
| | Provision for Sindh Workers' Welfare Fund | 13.2 | 3,241 | - |
| | Capital gains tax payable | | 1,493 | 768 |
| | Zakat deducted at source | | 771 | 780 |
| | Auditors' remuneration payable | | 486 | 420 |
| | Brokerage payable | | 231 | - |
| | Withholding Sindh Sales Tax payable | | 5 | 5 |
| | Charity payable | | 33 | 86 |
| | Sales load payable | | 209 | 768 |
| | | | 31,285 | 31,122 |

13.1 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 % on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Since the appeal is pending in the Honorable Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying amount payable in respect to FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs. 16.613 million (30 June 2016: Rs. 16.613 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.22 (30 June 2016: Rs. 0.46) per unit.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provincial sales tax. Accordingly, no FED is payable with effect from 01 July 2016.

13.2 Through Finance Act 2008, the Federal Government introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of industrial establishment was extended to 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. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. Appeals against these orders were filed in the Supreme Court of Pakistan(SCP).

During the current year, the SCP vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers' Welfare Fund were not lawful as this is not in the nature of tax and therefore could not have been introduced through the money bill. The Federal Board of Revenue has filed review petitions against the above judgment which are currently pending with the SCP.

Further, as a consequence of passage of 18th amendment to the Constitution, levy for WWF was also introduced by the Government of Sindh(SWWF). The said Act includes any concern engaged in the Banking or Financial Institution, in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company based on an opinion obtained by the Mutual Fund Association of Pakistan (MUFAP) dated August 2016 believes that contribution to Workers' Welfare Fund under the Sindh Workers' Welfare Act, 2014 is not applicable on the mutual funds as they are not a Financial Institution as required under SWWF Act, 2014. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

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

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

The above decisions of MUFAP were communicated to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange on 12 January 2017. In response to the aforementioned letter, SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of mutual funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

The Management Company has provided for SWWF for the period from 21 May 2015 to 30 June 2017, amounting to Rs. 3.241 million. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.042.

| | | Note | 30 June | 30 June |
|----|--------------------------|------|---------|----------|
| 14 | FINANCIAL INCOME | | 2017 | 2016 |
| | | | (Rupees | in '000) |
| | Profit / income on: | | | |
| | - GOP Ijarah Sukuks | | 135,046 | 84,203 |
| | - Bank balances | | 33,180 | 20,745 |
| | - Term deposit musharika | 14.1 | 26,533 | 2,811 |
| | | | 194,759 | 107,759 |

14.1 Profit rate on term deposit musharika is 5.75% to 6.25% (30 June 2016: 6.05%) per annum with maturity upto 30 June 2017.

15 AUDITORS' REMUNERATION

| Annual audit fee | 325 | 253 |
|--|-----|-----|
| Half yearly review fee | 216 | 127 |
| Fee for certifications and other services | 162 | 143 |
| Out of pocket expenses including Sindh Sales Tax | 75 | 88 |
| | 778 | 611 |

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

17 TOTAL EXPENSE RATIO

In the current year, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended 30 June 2017 is 1.60% which include 0.32% representing government levy, Workers' Welfare Fund and SECP fee.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

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

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the year end, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

| | Management Company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties | |
|---|--|----------------------|-----------------|-------------------------------------|------------------------------------|---|--|
| | (Transactions during the year ended 30 June 2017) (Rupees in '000) | | | | | | |
| ** | | | (k | r | | | |
| Units issued | - | 3,758 | - | 22,915,731 | 4,294 | - | |
| Units redeemed | - | 65,341 20,760 | - | 17,944,136 | 4,966 - | - | |
| Profit on saving accounts Bank charges | | 30,769 110 | _ | | _ | _ | |
| Purchase of securities | | - | _ | | _ | _ | |
| Sale of securities | - | 1,963,075 | _ | _ | - | - | |
| Remuneration | 33,973 | = | 3,725 | NO. | • | MX | |
| Sales tax on remuneration | 4,416 | _ | 484 | _ | _ | _ | |
| Dividend paid to unit holders | - | 21 | - | - | 160 | 116 | |
| Allocation of expenses relating to the Fund | 3,397 | - | - | _ | - | _ | |
| Shariah advisory fee | 345 | - | - | - | - | - | |
| | *************************************** | (Ва | alances held as | s at 30 June 201 | 7) | | |
| Units held (in units '000) | - | 4 | - | 63,041 | 29 | | |
| Units held (in rupees '000) | - | 377 | - | 6,358,517 | 2,901 | - | |
| Remuneration payable | 3,494 | _ | 400 | _ | ·- | _ | |
| Sales load and other payables | 329 | 209 | - | _ | - | - | |
| Shariah fee | 57 | - | - | - | - | - | |
| Payable against allocated expenses | 614 | - | - | - | - | - | |
| Profit receivable | - | 7,406 | - | - | - | - | |
| | *************************************** | (Transact | ions during the | year ended 30 J | une 2016) | | |
| | | | | in '000) | | | |
| Units issued | - | 7,500 | - | 2,545,075 | 9,908 | 808,985 | |
| Units redeemed | 19,780 | 4,529 | - | 1,209,308 | 15,241 | 407,683 | |
| Profit on savings accounts | - | 11,854 | - | _ | - | - | |
| Bank charges | - | 100 | - | - | - | - | |
| Purchase of securities | • | 250,000 | - | xx | - | 150,990 | |
| Sale of securities | - | - | - | 455,190 | - | 150,990 | |
| Remuneration | 18,961 | - | 2,483 | - | - | - | |
| Sales tax on remuneration | 2,655 | - 220 | 323 | | - | - | |
| Dividend paid to unit holders | 1 222 | 2,238 | - | 51,032 | 33 | - | |
| Allocation of expenses relating to the Fund Shariah advisory fee | 1,332 165 | - | - | - | _ | - | |
| Dillian Baylory 100 | | | | | | | |
| | *************************************** | (Bala | ances held as a | t 30 June 2016) - | | | |
| Units held (in units '000) | - | 589 | | 12,940 | 43 | 4,035 | |
| Units held (in rupees '000) | - | 59,561 | - | 1,303,010 | 4,376 | 407,911 | |
| Remuneration payable | 2,878 | - | 324 | - | - | - | |
| Sales load and other payables | 651 | 768 | _ | - | - | - | |
| Shariah fee | 165 | - | - | - | - | - | |
| Payable against allocated expenses | 1,332 | - | - | - | - | - | |
| Profit receivable | - | 1,619 | - | - | - | - | |

19 CONTINGENCY

As at 30 June 2017, there is no contingency.

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis

The Fund's accounting policy on fair value measurements of investments is discussed in note 4.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On-balance sheet financial instruments

| 30 June 2017 | | | (| Carrying amou | ınt | | | Fair | value | |
|---|------|--|--------------------------|---|-----------------------------------|---|---------|-----------|---------|-----------|
| | Note | Fair value through profit or loss | Available for sale | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | (Rupees in '000) | | | | |
| Financial assets measured at fair value Investment in debt securities | | 2,164,162 | - | _ | - | 2,164,162 | | 2,164,162 | | 2,164,162 |
| Financial assets not measured at fair value | 20.1 | | | | | | | | | |
| Bank Balances | 2012 | _ | _ | 5,575,113 | | 5,575,113 | | | | |
| Profit receivable | | _ | _ | 38,463 | | 38,463 | | | | |
| | | | | 5,613,576 | ya | 5,613,576 | | | | |
| Financial liabilities not measured at fair value Payable to the Management Company | 20.1 | | | | 4,948 | 4,948 | | | | |
| Payable to Central Depository Company | | - | - | - | , | , | | | | |
| of Pakistan Limited - Trustee | | | - | - | 400 | 400 | | | | |
| Accrued expenses and other payables | | - | | - | 11,431 | 11,431 | | | | |
| | | - | - | - | 16,779 | 16,779 | | | | |
| 30 June 2016 | | | | Carrying amou | nt | | | Fair | value | |
| Alternative and the alternative and the alternative alternative | Note | Fair value | Available | Loans and | Other | Total | Level 1 | Level 2 | Level 3 | Total |
| | | through | for | receivables | financial | | | | | |
| | | profit or loss | sale | | liabilities | | | | | |
| | | | | | | (Rupees in '000) | | | | |
| Financial assets measured at fair value Investment in debt securities | | 2,329,255 | | • | _ | 2,329,255 | _ | 2,329,255 | | 2,329,255 |
| Financial assets not measured | | | | *************************************** | | | | | | |
| at fair value | 20.1 | | | | | | | | | |
| at fair value Bank Balances | 20.1 | | | 1,181,370 | on. | 1,181,370 | | | | |
| | 20.1 | - | - - | 1,181,370 39,038 | | | | | | |
| Bank Balances | 20.1 | | | | - - | 1,181,370 | | | | |
| Bank Balances | 20.1 | | | 39,038 | - | 1,181,370 39,038 | | | | |
| Bank Balances Profit receivable Financial liabilities not | | | | 39,038 | - | 1,181,370 39,038 | | | | |
| Bank Balances Profit receivable Financial liabilities not measured at fair value Payable to the Management Company | | | | 39,038 | <u>-</u> | 1,181,370 39,038 1,220,408 | | | | |
| Bank Balances Profit receivable Financial liabilities not measured at fair value Payable to the Management Company Payable to Central Depository Company | | | - | 39,038 1,220,408 | 5,026 324 2,047 | 1,181,370 39,038 1,220,408 5,026 324 2,047 | | | | |
| Bank Balances Profit receivable Financial liabilities not measured at fair value Payable to the Management Company Payable to Central Depository Company of Pakistan Limited - Trustee | | - - - | - - - | 39,038 1,220,408 | 5,026 | 1,181,370 39,038 1,220,408 5,026 | | | | |

20.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

21 FINANCIAL RISK MANAGEMENT

21.1 The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

21.2 Credit Risk

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

| | 30 June | 30 June |
|---|-----------|-----------|
| | 2017 | 2016 |
| Financial assets exposed to credit risk | (Rupees i | n '000) |
| Bank balances | 5,575,113 | 1,181,370 |
| Profit receivable | 7,546 | 3,307 |
| Term deposit musharika | | 160,000 |
| | 5,582,659 | 1,344,677 |

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Further, all transactions in securities are executed through approved brokers and in case of equity, transactions settled through National Clearing Company of Pakistan Limited (NCCPL), thus the risk of default is considered to be minimal. For Debt instruments settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. In accordance with the risk management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

Investment in government securities i.e. GOP Ijarah Sukuks is not exposed to credit risk.

The analysis below summarizes the credit quality of the Fund's portfolio in total as on 30 June 2017:

| | 30 June | 30 June |
|--------------------|---|---------|
| | 2017 | 2016 |
| Rating by category | an 200000000 No. 200000000 No. 2000000000 | % |
| AAA | 89.02 | 86.00 |
| AA- to AA+ | 10.98 | 13.99 |
| A- to A+ | | 0.01 |
| Total | 100.00 | 100.00 |

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

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

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

21.3 Liquidity risk

'Liquidity risk' is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

In accordance with the risk management policy of the Fund, the Fund manager monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets. However, no such borrowing has been obtained during the year.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008, to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue.

In addition to unitholders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2017:

| | | | 30 June 20 |)17 | |
|---------------------------------------|--------|----------------------|-----------------|---------------|--------|
| | N | Iaturity Upto |) | More than one | |
| | Three | Six | One | year | Total |
| | months | months | year | | |
| | | | - (Rupees in '(| 000) | |
| Financial Liabilities | | | • | | |
| Payable to Management Company | 4,948 | - | - | - | 4,948 |
| Payable to Central Depository Company | • | | | | - |
| of Pakistan Limited - Trustee | 400 | - | | | 400 |
| Accrued expenses and other payables | 11,431 | - | _ | - | 11,431 |
| Total Liabilities | 16,779 | | | - | 16,779 |
| | | | | | |
| | | | 30 June 20 | | |
| | | Maturity Upto | | More than one | |
| | Three | Six | One | year | Total |
| | months | months | year | | |
| | | | (Rupees in '0 | 000) | |
| Financial Liabilities | | | | | |
| Payable to Management Company | 5,026 | - | _ | - | 5,026 |
| Payable to Central Depository Company | | | | | |
| of Pakistan Limited - Trustee | 324 | - | _ | - | 324 |
| | | | | | |
| Accrued expenses and other payables | 506 | - | _ | | 506 |

21.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and debt security prices.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest rates. The Fund's interest rate risk is monitored on a daily basis by the board of directors. Since the Fund does not have investments in fixed rate security, therefore it is not exposed to interest rate fair value risk. As of 30 June 2017, the Fund is only exposed to interest rate cash flow risk.

As at 30 June 2017, the balances that may be exposed to interest rate risk are as follows:

| | 30 June | 30 June |
|---|------------------|-----------|
| | 2017 | 2016 |
| | (Rupees in '000) | |
| Variable rate instruments | | |
| Bank balances | 5,552,490 | 1,171,057 |
| Government Securities - designated at fair value through profit or loss | 2,164,162 | 2,329,255 |

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Fund's income and other comprehensive income:

| | Increase / (decrease) in basis points | Effect on income |
|------|---|--------------------|
| 2017 | 100 (100) | 77,167 (77,167) |
| 2016 | 100 (100) | 14,815 (14,815) |

ii) Foreign Currency risk

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

iii) Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the Fund in which the investment is made, change in business circumstances of the Fund, industry environment and / or the economy in general. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

21.5 Unit holders' fund risk management (Capital risk Management)

The Fund's objective when managing unit holder's funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market conditions. Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

| TOP TEN BROKERS / DEALERS BY PERCENTAGE | Commission |
|--|------------|
| OF COMMISSION PAID BY THE FUND | 2017 |
| | % |
| Name of Broker | |
| Invest Capital Markets Limited | 28.61 |
| Vector Capital (Private) Limited | 23.65 |
| Paramount Capital (Private) Limited | 15.19 |
| C & M Management (Private) Limited | 14.76 |
| Bright Capital (Private) Limited | 7.86 |
| Next Capital Limited | 6.51 |
| Currency Market Associates (Private) Limited | 3.31 |
| JS Global Capital Limited | 0.11 |
| | 100.00 |
| | Commission |
| | 2016 |
| | % |
| Name of Broker | |
| Paramount Capital (Private) Limited | 31.80 |
| C & M Management (Private) Limited | 27.60 |
| Invest Capital Markets Limited | 27.40 |
| Vector Capital (Private) Limited | 8.00 |
| JS Global Capital Limited | 5.20 |
| - | 100.00 |

23 INVESTMENT COMMITTEE

22

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

| S. No. | Name | Designation | Experience in years | Qualification |
|--------|----------------------|--------------------------|---------------------|---------------|
| 1 | Yasir Qadri | Chief Executive Officer | 17 | MBA |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 18 | MBA, CFA |
| 3 | Farhan Bashir Khan | Head of Research | 11 | MBA |
| 4 | Shabbir Sardar Zaidi | Fund Manager | 9 | CFA |

Shabbir Sardar Zaidi is also the Fund Manager of UBL Gold Fund, Al - Ameen Islamic Cash Fund, Al - Ameen Islamic Sovereign Fund, Al - Ameen Islamic Dedicated Equity Fund, Al - Ameen Islamic Financial Planning Fund, Al - Ameen Islamic Financial Planning Fund - II, and Al - Ameen Islamic Retirement Savings Fund.

24 DIRECTORS' MEETING ATTENDANCE

Meetings of the Board of Directors of the Management Company of the Fund are held at least once in a each quarter. During the year under review six meetings were held and the details of directors attended the meetings are as follows:

| Name of Director | Dates Meetings attended | 25 Aug 2016 | 28 Oct 2016 | 6 Dec 2016 | 13 Feb 2017 | 20 Mar 2017 | 11 Apr 2017 |
|--|-------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Tariq Kirmani | 6 | Yes | Yes | Yes | Yes | Yes | Yes |
| Yasir Qadri | 6 | Yes | Yes | Yes | Yes | Yes | Yes |
| Shabbir Hussain Hashmi | 6 | Yes | Yes | Yes | Yes | Yes | Yes |
| Zia Ijaz | 2 | Yes | No | Yes | No | No | No |
| Syed Furrukh Zacem | 6 | Yes | Yes | Yes | Yes | Yes | Yes |
| Zulfiqar Alavi | 5 | Yes | Yes | Yes | Yes | No | Yes |
| Mirza Muhammad Sadeed Hassan Barlas | 5 | Yes | Yes | Yes | No | Yes | Yes |
| Other Persons attending meetings of Board of | Directors | | | | | | |
| Hasnain Raza Nensey * | 3 | Yes | Yes | Yes | Resigned | - | - |
| Umair Ahmed | 6 | Yes | Yes | Yes | Yes | Yes | Yes |
| Fawaz Taj Siddiqui | 6 | Yes | Yes | Yes | Yes | Yes | Yes |

^{*} Resigned on 28 February 2017

25 PATTERN OF UNIT HOLDERS

| | 30 June 2017 Number of | | |
|------------------------------------|---|---------------------------|------------|
| Category | Unit holders | Units held | Percentage |
| Individuals | 3,353 | 11,499,692 | 14.97% |
| Associated Companies and Directors | 11 | 63,073,155 | 82.13% |
| Insurance Companies | 1 | 308,898 | 0.40% |
| Retirement Funds | 12 | 1,164,315 | 1.52% |
| Others | 12 | 755,308 | 0.98% |
| | 3,389 | 76,801,368 | 100% |
| | *************************************** | 30 June 2016 Number of | |
| Category | Unit holders | Units held | Percentage |
| Individuals | 3,318 | 15,354,092 | 42.13% |
| Associated companies / directors | 5 | 13,529,059 | 37.12% |
| Insurance companies | 6 | 1,002,089 | 2.75% |
| Retirement funds | 19 | 3,060,577 | 8.40% |
| Public Limited Companies | 7 | 1,611,492 | 4.42% |
| Other corporate entities | 16 | 1,890,754 | 5.19% |
| | 3,371 | 36,448,063 | 100% |

26 CREDIT RATING

The Management Company has been rated as AM2++ on 30 December 2016 by JCR - VIS.

The Fund has been rated as AA-(f) by JCR - VIS on 30 December 2016.

27 GENERAL

27.1 CORRESPONDING FIGURES

Prior year's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

27.2 DATE OF AUTHORISATION FOR ISSUE

These financials statements were authorized for issue by Board of Directors of the Management Company on August 23, 2017

For UBL Fund Managers Limited (Management Company)

| Chief Executive Officer | Chief Financial Officer | Director |
|-------------------------|-------------------------|----------|





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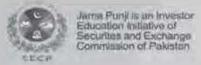
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