

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Fixed Income Composite
 March 02, 2006 through September 30, 2016

Composite:	UBL Fixed Income Composite			Creation Date:	15-Apr-10	
Benchmark:	6M Rolling Average of 6M Kibor			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	2.7	1.6	<5	2,600	4.2	62,354
FY16	11.8	7.0	<5	1,165	2.2	53,854
FY15	11.9	10.0	<5	3,384	7.9	42,838
FY14	17.4	10.0	<5	3,762	9.0	41,848
FY13	10.6	10.4	<5	3,740	10.8	34,638
FY12	-12.3	12.7	<5	2,805	5.9	47,792
FY11	-10.4	12.9	<5	3,431	13.1	26,165
FY10	9.3	12.5	<5	7,343	36.9	19,874
FY09	6.4	13.5	<5	15,859	66.7	23,777
FY08	9.5	10.0	<5	14,626	51.5	28,400
FY07	11.5	10.0	<5	11,479	48.8	23,515

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm -wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

UBL Funds Fixed Income Composite shall seek to provide its investors attractive daily returns from investment in low risk assets while maintaining comparatively high liquidity. In line with the investment objective UBL Funds Fixed Income Composite will invest in Government Securities, Investment grade Term Finance Certificates, rated Corporate Debt, Certificates of Investment, other money market instruments and other instruments. UBL Funds Fixed Income Composite initially comprises of United Money Market Fund (UMF) and United Growth and Income Funds (UGIF). However on June 29, 2009 both the Funds were merged and now it comprises of UGIF and UBL Income Opportunity Fund (UIOF) *Formerly* UBL Financial Sector Bond Fund (UFBF).

Benchmark

The Benchmark of UBL Funds Fixed Income Composite is 6M Rolling Average of 6M Kibor. Prior to June 29, 2009 Benchmark returns of UGIF were 6 Month rolling average of 6 Month KIBOR and UMF 6 Month rolling average of 1 month KIBOR.

The Benchmark of UBL Income Opportunity Fund (UIOF) shall be based on 75% 6M Rolling average of 6M KIBOR & 25% average of 6M deposit rate of 3 banks rated A and above for the period of return. The Fund's performance will be compared to its benchmark after deducting from the return all expenses which are charged to the Fund as per the Regulations.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. On June 29, 2009, UMF was merged into United Growth & Income Fund (UGIF). The Unit Holdings of all UMF investors (as of June 29, 2009) were converted to UGIF Income Units.
2. Securities and Exchange Commission of Pakistan issued Circular number 1 Dated January 6, 2009 regarding Valuation of Debt Securities Provisioning Criteria of Non Performing Debt Securities. The Provisioning Policy of UBL Fund Managers Limited is in accordance of the same. The Debt securities held by Collective Investment Schemes managed by UBL Fund Managers Limited were marked down during the year 2008-2009. As of September 30, 2016, Rs. 1,331.27 million provisioning and mark to market adjustment were made in UGIF against NPA's and other corporate debt instruments, in conformity with the SECP circular 1 of 2009.
3. Further sale of units in United Growth & Income Fund was temporarily suspended on 12th October 2011.
4. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

During the current period, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF. The unrecognized amount of WWF as at May 29, 2013 amounts to Rs. 46.396 million and 0.138 million for UGIF and UFBF respectively.

However, considering the open ended nature of the Fund, the Board of Directors (BoD) of the Management Company in their meeting held on May 29, 2013, have decided that accumulated unrecorded WWF provision from the date of its application till May 29, 2013 will be borne by the Management Company subject to the court decision.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs. 19.1509 million for UGIF as at June 30, 2015 and Rs. 0.635 Million for UIOF Formerly (UFBF) as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

5. The management company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding 3 percent of the average annual net assets of the Fund and is paid in arrears on monthly basis during the first five years of the Fund's existence and thereafter an amount equal to 2 percent of such assets of the Fund. The management company charged remuneration at the rate of 1.5 percent per annum of the average daily net assets of the Fund during the period. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
6. As of June 30, 2015, the UBL Financial Sector Bond Fund (UFBF) has been removed from the composite since it does not qualify the criteria for inclusion in the composite as minimum portfolio size is less than Rs. 100 million. However, as at September 30, 2015, UFBF again included in the composite since minimum portfolio criteria has been met.
7. The Board of Directors of UBL Fund Managers Limited, the Management Company of UGIF has removed the temporary suspension on sale of units which was imposed on October 12, 2011 effective from **April 27, 2015**.
8. Effective from April 05, 2016, the Name of UBL Financial Sector Bond Fund (UFBF) has been changed to UBL Income Opportunity Fund (UIOF) vide SECP approval dated December 03, 2015. The Fund was converted into generic income scheme thereby investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments.

9. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses. (Please refer to Schedule)

Fee Schedule

Before Merger

United Money Market Fund **1.5%**

United Growth and Income Fund **1.5%**

After Merger (applicable currently)

Management Fee is

United Growth & Income Fund 1.50%

UBL Income Opportunity Fund 1.50%

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/ Fund	Rs. 100 million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 million per Managed Account

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	2.85%	0.08%
2016	2.82%	0.07%
2015	2.96%	0.04%
2014	8.92%	0.08%
2013	9.09%	0.06%
2012	9.02%	0.03%
2011	5.19%	0.04%
2010	4.42%	0.08%
2009	4.34%	0.09%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established. Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Subjective Unobservable Inputs

UBL Fund Managers Limited uses subjective unobservable inputs for valuing some of its debt instruments i.e., Sukuks and Term Finance Certificates. The criteria used for valuation is in accordance with the Guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the company. The Provisioning Policy will also be made available to clients upon request.

Proprietary Assets in the Composite

The Composite also contain investments of UBL Fund Managers Limited and UBL (UBL Fund Managers Limited Parent Company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the

income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Equity Composite
August 4, 2006 through September 30, 2016

Composite:		UBL Equity Composite			Creation Date:		15-Apr-10
Benchmark:		KSE100 Index			Reporting Currency:		Pak Rupees
	Total Net Return (%)	Benchmark Return (%)	Internal Dispersion (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	7.5	7.3		10	5,579	8.9	62,354
FY16	15.6	9.8	3.83	8	4,459	8.3	53,854
FY15	25.2	16.0		6	3,091	7.2	42,838
FY14	32.4	41.2		<5	1,972	4.7	41,848
FY13	55.6	52.2		<5	1,228	3.5	34,638
FY12	12.4	10.4		<5	940	2.0	47,792
FY11	35.5	28.5		<5	1,232	4.7	26,165
FY10	24.1	35.7		<5	1,042	5.3	19,874
FY09	-35.3	-41.7		<5	1,649	6.9	23,777
FY08	-4.1	-10.8		<5	2,521	8.9	28,400
FY07*	29.7	29.1		<5	1,254	5.3	23,515

*Returns are from August 04, 2006 to June 30, 2007

COMPLIANCE STATEMENT

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm -wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

UBL Funds Equity Composite includes Equity Portfolios with local equity and International Investment mandates that will aim to provide investors long-term capital appreciation by investing primarily in a mix of equities that offer capital gains and dividend yield potential. The Management Company will aim to maximize total returns and outperform its Benchmark. The composite currently comprises of United Stock Advantage Fund (USF), UBL Retirement Savings Fund – Equity Sub Fund (URSF-ESF) and eight Separately Managed Account.

At times of high volatility or when the Fund Manager feels that equities as an asset class are in the over-valued zone, they may seek short term opportunities in authorized fixed income and money market instruments to reduce the risk profile of the composite and provide industry leading returns. This composite enables the investor with limited knowledge of direct investment in the equity market to attain diversification and capitalize on the professional fund management expertise available with UBL Fund Managers Limited.

Benchmark

The Benchmark of UBL Funds Equity composite is KSE - 100 Index and returns of Benchmark are not net of withholding taxes. The Portfolios in

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

this composite also may have International Exposure, whereas Benchmark does not represent the same.

List of Composites

A list of all composite descriptions is available upon request

Significant Event

1. The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter was taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. As the management is confident that the matter will be eventually settled in its favour and the WWF will not be levied on the Fund, no provision has been made in respect of any WWF liability.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs 35.341 million for US\$ as

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

However, fund has recorded a provision for WWF of Rs. 13.793 million in URSF-ESF as at September 30, 2016.

2. In FY 2012, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 1, 2011. Management fee charged during the period includes general sales tax.
3. Management Fee of the United Stock Advantage Fund included in this portfolio has been reduced to 2% from August 2011.
4. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fees Schedule

Management Fee is **2% (USF)**

Management Fee is **1.5% (URSF-ESF)**

Minimum Account Size

The Minimum Portfolio size for inclusion in the composite is:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement)
---------------------------	--

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

	to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	14.41%	13.16%
2016	15.27%	13.94%
2015	15.19%	13.38%
2014	15.53%	13.91%
2013	15.37%	14.00%
2012	16.81%	16.50%
2011	22.39%	22.75%
2010	24.01%	25.22%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite also contain investments of UBL Fund Managers Limited and UBL (UBL Fund Managers Limited Parent Company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Islamic Balance Composite
 December 24, 2006 through September 30, 2016

Composite:	UBL Islamic Balance Composite			Creation Date:	15-Apr-10	
Benchmark:	50% KMI Index + 20% Avg Placement rate of 3 Islamic banks + 30% 6M Kibor			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	3.4	2.8	<5	2,816	4.5	62,354
FY16	9.1	11.1	<5	2,235	4.2	53,854
FY15	18.6	14.6	<5	1,155	2.7	42,838
FY14***	5.6	6.6	<5	194	0.5	41,848
1QFY13**	4.7	2.6	<5	551	1.4	44,793
FY12	17.7	12.7	<5	531	1.1	47,792
FY11	26.4	26.5	<5	478	1.8	26,165
FY10	16.4	27.6	<5	524	2.6	19,874
FY09	-18.4	-13.7	<5	823	3.5	23,777
FY08	0.8	5.9	<5	1,218	4.3	28,400
FY07*	14.8	13.3	<5	965	4.1	23,515
<p>**Returns are from 1st July 2012 to 17th July 2012 * Returns are from December 24, 2006 to June 30, 2007 ***Returns are from 4th January 2014 as the composite did not have any portfolios in the interim period 1QFY13 to 1H'FY14</p>						

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether

- (1) The firm has complied with all the composite construction requirements of the GIPS standards on a firm -wide basis and
- (2) The firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Funds Islamic Balanced Composite is to offer its investors an opportunity to invest in diversified Portfolio of Shariah Compliant investments with the objective of maximizing medium to long term returns for a given level of risk. The investments in the composite will be diversified both in terms of securities within an asset class as well as across asset classes. The composite would strictly follow Islamic Shariah in selection of investments under the supervision of its Shariah Advisory Board. Currently, the composite includes one Portfolio i.e. Al-Ameen Islamic Asset Allocation Fund (AIAAF).

Benchmark

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

The Benchmark of UBL Funds Islamic Balanced Composite is 50% KMI Index + 20% Avg Placement rate of 3 Islamic banks + 30% 6M Kibor and returns of Benchmark are not net of withholding taxes. Benchmark was changed on 1st March 2010 from 50% DJIMPK Index + 20% 1Yr Placement rate of 3 Islamic banks + 30% 6M Kibor to 50% KMI Index + 20% Avg Placement rate of 3 Islamic banks + 30% 6M Kibor Since, DJIMPK index cease to exist.

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought on the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs.3.6459 million for AIAAF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee is **1.00% p.a.**

Minimum Account Size

The Minimum Portfolio size for inclusion in the composite is:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement)
---------------------------	--

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

	to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY13	11.20%	8.49%
2012	11.26%	8.56%
2011	13.85%	11.97%
2010	14.75%	13.01%

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

to receive the dividend is established. Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on accrual basis.

Subjective Unobservable Inputs

UBL Fund Managers Limited uses subjective unobservable inputs for valuing some of its debt instruments i.e., Sukuks and Term Finance Certificates. The criteria used for valuation is in accordance with the Guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through “**Provisioning Policy**” on the website of the company. The Provisioning Policy will also be made available to clients upon request.

Proprietary Assets in the Composite

The Composite does not contain investment of UBL Fund Managers Limited and only contain investment of UBL (UBL Fund Managers Limited Parent Company) as at September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax stated, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment unless any SMA is recognized as tax-exempted by the Commissioner of Income Tax. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Islamic Income Composite
 October 20, 2007 through September 30, 2016

Composite:	UBL Islamic Income Composite			Creation Date:	15-Apr-10	
Benchmark:	Average 6M Placement rate of 3 Islamic Banks			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	1.3	1.2	<5	1,892	3.0	62,354
FY16	6.0	5.6	<5	1,274	2.4	53,854
FY15	7.7	7.7	<5	1,296	3.0	42,838
FY14	12.8	7.5	<5	1,669	4.0	41,848
FY13	6.9	8.1	<5	595	1.7	34,638
FY12	6.1	9.0	<5	313	0.7	47,792
FY11	-4.0	7.8	<5	341	1.3	26,165
FY10	5.4	7.7	<5	890	4.5	19,874
FY09	3.3	8.7	<5	1,445	6.1	23,777
FY08*	6.4	7.3	<5	1,814	6.4	28,400
*Returns are from October 20, 2007 to June 30, 2008						

Compliance Statement

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm -wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Funds Islamic Income Composite is to provide attractive returns to its investors by investing in Shariah Compliant Income instruments while taking into account capital security and liquidity considerations. The composite currently comprises of 2 funds .i.e. Al Ameen Islamic Aggressive Income Fund (AIAIF), Al Ameen Islamic Retirement Saving Fund - Debt Sub Fund (AIRSF-DSF) and one Separately Managed Account (SMA).

The composite shall strive to take advantage of available opportunities in Shariah Compliant Income Instruments in order to realize a high level of total return from a diversified Portfolio. The composite shall not invest directly in equity securities or those instruments which add volatility to its performance.

Benchmark

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

The benchmark of the portfolio is Weighted average of 12 Month deposit rates of 3 different Islamic Banks and returns of Benchmark are not net of withholding taxes. Previously; the benchmark of the portfolio was Weighted average of 6 Month deposit rates of 3 different Islamic Banks and returns of Benchmark are not net of withholding taxes

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. Securities and Exchange Commission of Pakistan issued Circular number 1 Dated January 6, 2009 regarding Valuation of Debt Securities Provisioning Criteria of Non Performing Debt Securities. The Provisioning Policy of UBL Fund Managers Limited is in accordance of the same. The Debt securities held by Collective Investment Schemes managed by UBL Fund Managers Limited were marked down during the year 2008-9. As of September 30, 2016, Rs. 167.9793 Million provisioning and mark to market adjustment were made in AIAIF against NPA's and other corporate debt instruments, in conformity with the SECP circular 1 of 2009.
2. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Ministry and the response filed by the Ministry in the SHC.

During the current period, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF. The unrecognized amount of WWF as at March 31, 2013 is Rs. 3.717million.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs 3.7127 million for AIAIF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

However, fund has recorded a provision for WWF of Rs. 0.90 million in AIRSF-DSF as at September 30, 2016.

3. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
4. Effective from April 2011 the benchmark of the composite was changed from weighted average of 6 Month deposit rates of 3 different Islamic Banks to weighted average of 12 Month deposit rates of 3 different Islamic Banks.
5. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee is: **AIAIF: 1.5% p.a**
AIRSF – DSF: 1.5% p.a

Minimum Account Size

The Minimum Portfolio size for inclusion in the composite is:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the Minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Since, number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	1.40%	0.06%

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

2016	1.41%	0.05%
2015	2.03%	0.02%
2014	9.39%	0.02%
2013	10.21%	0.03%
2012	10.13%	0.03%
2011	6.95%	0.03%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Subjective Unobservable Inputs

UBL Fund Managers Limited uses subjective unobservable inputs for valuing some of its debt instruments i.e., Sukuks and Term Finance Certificates. The criteria used for valuation is in accordance with the Guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through **“Provisioning Policy”** on the website of the company. The Provisioning

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Policy will also be made available to clients upon request.

Proprietary Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited, as of September 30, 2016 and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax stated the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Capital Protected Composite
 April 15, 2008 through September 30, 2012

Composite:	UBL Capital Protected Composite			Creation Date:	15-Apr-10	
Benchmark:	85% TDR + 15% KSE 30 Index			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
FY12**	6.3	8.8	<5	0	0	47,792
FY11	8.0	11.8	<5	205	0.8	26,165
FY10	9.5	12.2	<5	787	3.9	19,874
FY09	4.2	-0.9	<5	730	3.1	23,777
FY08*	-1.4	-2.3	<5	689	2.4	28,400
<small>*Returns are from April 15, 2008 to June 30, 2008 **Only surviving portfolio in the composite matured on 22nd May 2012</small>						

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
2012	2.85	2.85

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Principal Protected Composite
 July 01, 2009 to September 30, 2016

Composite:		UBL Principle Protected Composite			Creation Date:		15-Apr-10
Benchmark:		Refer to Benchmark disclosure			Reporting Currency:		Pak Rupees
	Total Net Return (%)	Internal Dispersion (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)	
1QFY17	4.2	N/A	14	1,299	2.1	62,354	
FY16	10.2	3.23	14	2,067	3.8	53,854	
FY15	12.3	4.69	14	4,111	9.6	42,838	
FY14	20.5		6	3,512	8.4	41,848	
FY13	39.4		<5	689	2	34,638	
FY12	10.9		<5	504	1.1	47,792	
FY11	8.8		<5	608	2.3	26,165	
FY10	19.5		<5	887	4.4	19,874	

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95



KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of the composite is to earn potentially high returns through dynamic asset allocation between Equity mutual funds and Money Market/ fixed income based funds while providing capital protection of the Initial Investment Value, at completion of the duration of the fund.

The Management envisages the provision of 100% Principal Protection through the use of the Constant Proportion Portfolio Insurance (CPPI) Methodology. The CPPI Methodology is an internationally recognized, tried and tested methodology with a highly versatile and flexible framework, which allocates the Portfolio between equity and fixed income in a manner that increases exposure to equity as Portfolio value increases and reduces exposure to equity as Portfolio value decreases. Currently, the composite consists of Fourteen Separately Managed Accounts (SMAs).

Benchmark

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

No benchmark has been assigned to this composite.

List of Composites

A list of all composite descriptions is available upon request.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses. (Please refer to Schedule)

Fee schedule

The fee on the portfolio is based on the asset allocation between equity and money market/ fixed income funds which changes on daily basis.

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Year	Composite 3-Yr St Dev (%)
1QFY17	8.96%
2016	9.39%
2015	10.22%
2014	10.48%
2013	8.94%
2012	7.66%

Significant Event:

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab -initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought on the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs. 4.3381 million and Rs 4.8273 million for UPPF-II and UPPF-III respectively as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. UBL Principal Protected Fund – I (UPPF-I) has matured as on 3rd Feb' 14,
4. UBL Principal Protected Fund – II (UPPF-II) has matured as on July 22, 2015.
5. UBL Principal Protected Fund – III (UPPF-III) has matured as on March 05, 2016.
6. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan. Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Propriety Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited and investment of UBL (UBL Fund Managers Limited parent company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37 (A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Liquid Composite
 July 1, 2009 through September 30, 2016

Composite:	UBL Liquid Composite			Creation Date:	15-Apr-10	
Benchmark:	50% 3M PKRV + 50% 3M TDR (with AA bank)			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	1.3	1.4	<5	4,550	7.3	62,354
FY16	5.4	6.1	<5	4,195	7.8	53,854
FY15	8.3	8.6	<5	5,664	13.2	42,838
FY14	8.0	9.3	<5	11,900	28.4	41,848
FY13	8.9	8.2	<5	15,610	45.1	34,638
FY12	11.4	9.8	<5	27,897	58.4	47,792
FY11	11.9	10.3	<5	15,773	60.3	26,165
FY10	10.6	8.5	<5	7,967	40.1	19,874

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the period July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Funds Liquid Composite is to provide investors competitive returns by investing in low risk short duration assets while maintaining high liquidity. The composite primarily invests in money market instruments and government holding. Currently, the composite comprises of three Portfolios i.e. UBL Liquidity Plus Fund (ULPF), UBL Retirement Savings Fund-Money Markey Sub Fund (URSF-MMSF) and UBL Money Market Fund (UMMF) *Formerly* UBL Savings Income Fund which category has been changed from Income Scheme to Money Market Scheme with the approval of Securities and Exchange

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Commission of Pakistan effective from May 23rd 2014.

Benchmark

Benchmark is a combination of 50% PKRV average Yields for 3 months & 50% 3M TDR with AA or above rated bank for ULPF and 75% 3M PKRV + 25% 3M TDR (with AA or above rated banks)

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 6, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC.

Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF and, hence, provision in respect of WWF has not been made by the management.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs. 28.3860 million and 4.7818 million for ULPF & UMMF respectively as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

However, fund has recorded a provision for WWF of Rs. 1.3194 million in URSF-MMSF as at September 30, 2016.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee of UBL Funds Liquidity Composite is:

ULPF	: 1.00 %
URSF-MMSF	: 1.50%
UMMF	: 1.00 %

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Since, number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
-------------	----------------------------------	----------------------------------

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

1QFY17	0.18%	0.08%
2016	0.18%	0.08%
2015	0.22%	0.04%
2014	0.21%	0.06%
2013	0.20%	1.03%
2012	0.26%	0.35%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite as at September 30, 2016, does not contain investments of UBL Fund Managers Limited and only contain investment of UBL (UBL Fund Managers Limited parent company).

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

The income of the newly added portfolio, being a pension fund, is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Funds under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Conventional Balance Composite
 December 1, 2008 through September 30, 2016

Composite:	UBL Conventional Balance Composite				Creation Date:	15-Apr-10
Benchmark:	Refer to Benchmark Disclosure				Reporting Currency:	Pak Rupees
	Total Net Return (%)	Internal Dispersion (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	3.1	N/A	17	4,961	8.0	62,354
FY16	14.8	4.44	17	4,371	8.1	53,854
FY15	23.5	3.53	12	2,295	5.4	42,838
FY14	16.9		12	2,445	5.8	41,848
FY13	29.8		<5	201	0.6	34,638
FY12	12.4		<5	88	0.2	47,792
FY11	20.1		<5	41	0.2	26,165
FY10	18.6		<5	31	0.2	19,874
FY09*	20.3		<5	20	0.1	23,777

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The objective of the UBL Funds Conventional Balanced Composite is income and growth by investing in Domestic listed equities & Domestic fixed income instruments. Secondary objective is to grow the value of assets over the long-term. UBL Funds Conventional Balanced Composite currently comprises of Sixteen Separately Managed Accounts and UBL Asset Allocation Fund (UAAF).

Benchmark

Currently no Benchmark has been assigned to UBL Funds Conventional Balanced Composite.

List of Composites

A list of all composite descriptions is available upon request.

Fees

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fees Schedule

Fees are charged as per different agreements as agreed with the clients.

UAAF : 1%

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Significant Event:

1. The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs 5.9470 million for UAAF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.
2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)
1QFY17	5.11%
2016	5.40%
2015	9.81%
2014	9.64%
2013	9.48%
2012	5.1%

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite also contain investments of UBL Fund Managers Limited and UBL (UBL Fund Managers Limited Parent Company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

subsequent tax years.

Treatment of Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment unless any SMA is recognized as tax-exempted by the Commissioner of Income Tax. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.



Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Savings Composite
October 14, 2010 through September 30, 2016

Composite:	UBL Savings Composite		Creation Date:	14-Oct-10		
Benchmark:	Average of 6M KIBOR		Reporting Currency:	Pak Rupees		
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	1.2	1.5	<5	15,219	24.4	62,354
FY16	9.0	6.6	<5	13,616	25.3	53,854
FY15	15.5	9.3	<5	5,330	12.4	42,838
FY14	7.95	10.2	<5	5,448	13.0	41,848
FY13	9.6	9.8	<5	4,401	12.7	34,638
FY12	12.1	12.2	<5	10,173	21.4	47,792
FY11*	8.4	9.3	<5	2,151	8.2	26,165
* Returns since 14 th October, 2010						

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Savings Composite is to provide investors competitive returns by investing in low risk short duration assets while maintaining high liquidity. The composite primarily invests in money market instruments and government holding. Currently, the composite comprise of one Portfolio i.e. UBL Government Securities Fund (UGSF). Further, UBL Saving Income Fund has been categorized as "Money Market Scheme" with the approval of Securities and Exchange Commission of Pakistan effective from May 23rd 2014.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



Benchmark

Benchmark is Average of 6M KIBOR.

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of his amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC.

Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF and, hence, provision in respect of WWF has not been made by the management.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs. 19.5056 million for UGSF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016. **Fees**

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee of UGSF is: **1.25%**

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
-------------------------------	---

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Deleted: ¶

¶
¶

For SMA Rs. 25 Million per Managed Account

Internal Dispersion

Since, the number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	1.54%	0.09%
FY16	1.54%	0.08%
FY15	1.43%	0.05%
FY14	0.74%	0.07%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite also contains investments of UBL Fund Managers Limited and UBL (UBL Fund Managers Limited parent company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Islamic Savings Composite
 November 07, 2010 through September 30, 2016

Composite:	UBL Islamic Savings Composite			Creation Date:	07-Nov-10	
Benchmark:	Average of 6M Placement rates of 3 Islamic Banks			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	1.5	1.2	<5	1,876	3.0	62,354
FY16	4.4	5.6	<5	2,131	4.0	53,854
FY15	6.2	7.7	<5	1,365	3.2	42,838
FY14	8.1	7.5	<5	3,592	8.6	41,848
FY13	9.1	6.9	<5	4,092	11.8	34,638
FY12	11.4	7.8	<5	3,478	7.3	47,792
FY11*	7.6	4.8	<5	2,185	8.4	26,165
* Returns since 7 th November, 2010						

Compliance Statement

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95



UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether;

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
- (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Islamic Savings Composite is to provide investors competitive returns by investing in low risk short duration assets while maintaining high liquidity. The composite primarily invests in money market instruments and government holding. Currently, the composite comprise of one Portfolio i.e. Al-Ameen Islamic Sovereign Fund (AISF) (Formerly; UBL Islamic Sovereign Fund (UISF) (formerly; UBL Islamic Savings Fund).

Benchmark

Benchmark is Average of 6M Placement rates of 3 Islamic Banks.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab -initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought on the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs 7.6352 million for AISF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

4. The portfolio has been reconstituted from Islamic Income Fund to Islamic Government Securities Fund.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Fund: AISF: 1.00%

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

For Portfolio/Fund Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)

For SMA Rs. 25 Million per Managed Account.

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	0.52%	0.06%
FY16	0.52%	0.05%
FY15	0.43%	0.02%
FY14	0.30%	0.02%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established. Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite as of September 30, 2016 does not contain investments of UBL Fund Managers Limited and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate, applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37 (A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited
GIPS Compliant Presentation
UBL Bond Savings Composite
 November 4, 2011 through September 30, 2016

Composite:		UBL Bond Savings Composite			Creation Date:	30-Jun-12
					Reporting Currency:	Pak Rupees
	Total Net Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)	
1QFY17	0.9	6	1,912	3.1	62,354	
FY16	12.0	6	1,923	3.6	53,854	
FY15	20.1	<5	1,509	3.5	42,838	
FY14	8.5	<5	555	1.3	41,848	
FY13	11.5	<5	843	2.4	34,638	
FY12*	5.8	<5	535	1.1	47,792	
* Returns since 4 th November, 2011						

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

this report in compliance with the GIPS standards. UBL Fund Managers Ltd has been independently verified by KPMG Taseer Hadi & Co. for the periods July 2011 to June 2012. The verification report(s) is available upon request. Verification assesses whether

- (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and
 - (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.
- Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Bond Savings Composite is to provide investors with competitive returns by investing in debt market securities. The composite primarily invests in debt securities. Currently, the composite comprises UBL Retirement Savings Fund-Debt Sub Fund (URSF-DSF) and Five Separately Managed Accounts.

Benchmark

Currently no Benchmark has been assigned to UBL Bonds Saving Composite.

List of Composites

A list of all composite descriptions is available upon request.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee is **1.5% p.a. (URSF-DSF)**

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Significant Event

1. The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs. 4.6582 million for URSF - DSF as at September 30, 2016.
2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

the Judgment passed by Honorable Sindh High Court of Pakistan. Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)
1QFY17	2.32%
2016	2.32%
2015	2.20%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Proprietary Assets in the Composite

The Composite does not contain any investment of UBL Fund Managers Limited as at September 30, 2016. However, contain investment of UBL Bank Limited (Parent Company of UBL Fund Managers Limited).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment unless any SMA is recognized as tax-exempted by the Commissioner of Income Tax. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Islamic Equity Composite
July 17, 2012 through September 30, 2016

Composite:	UBL Islamic Equity Composite			Creation Date:	17-Jul-12	
Benchmark:	KMI-30 Index			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	6.8	4.2	<5	5,655	9.1	62,354
FY16	13.8	15.5	<5	4,796	8.9	53,854
FY15	28.3	20.1	<5	3,147	7.3	42,838
FY14	34.9	29.9	<5	1,387	3.3	41,848
FY'13*	43.6	48.2	<5	1,263	3.6	34,638
*Returns are from July 17, 2012 to June 30, 2013						

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

UBL Funds Islamic Equity Composite includes shariah compliant equities that seek to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. The composite currently comprises of three portfolios i.e., Al-Ameen Shariah Stock Fund (ASSF), Al-Ameen Islamic Retirement Savings Fund-Equity Sub Fund (AIRSF- ESF) and Al-Ameen Islamic Dedicated Equity Fund (AIDEF)

Benchmark

The Benchmark of UBL Funds Islamic Equity composite is KMI - 30 Index and returns of Benchmark are not net of withholding taxes.

List of Composites

A list of all composite descriptions is available upon request.

Significant Events

1. As on July 17, 2012 the conversion from Islamic Balanced Fund to Islamic Equity Fund was affected and the portfolio was restructured. The name of the portfolio changed from United Composite Islamic fund (UCIF) to UBL Shariah Stock Fund (USSF) and accordingly, from July 18, 2012 the Islamic Equity Composite began.
2. Securities and Exchange Commission of Pakistan issued Circular number 1 Dated January 6, 2009 regarding Valuation of Debt Securities Provisioning Criteria of Non Performing Debt Securities. The Provisioning Policy of UBL Fund Managers Limited is in accordance of the same. The Debt securities held by Collective Investment Schemes managed by UBL Fund Managers Limited were marked down during the year 2008-9. As of March 31, 2013, Rs. 5.685 million provisioning and mark to market adjustment were made against NPA's and other corporate debt instruments, in conformity with the SECP circular 1 of 2009. Subsequent to conversion of category from Islamic Balanced to Islamic Equity, the investment in NPA was disposed-off and there was no provisioning held in ASSF.
3. Management Fee of the Islamic Equity Fund Composite (previously UBL Islamic Balanced Fund) was reduced to 2% from 24th December 2011.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

4. The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand were also issued to several other mutual funds and the matter was taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

Subsequent to the year ended June 30, 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. As the management is confident that the matter will be eventually settled in its favour and the WWF will not be levied on the Fund, no provision has been made in respect of any WWF liability.

The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs 50.5478 million for ASSF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

However, fund has recorded a provision for WWF of Rs. 11.6584 million in AIRSF-ESF as at September 30, 2016.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

5. Effective from 01 July 2011, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 1, 2011. Management fee charged during the period includes general sales tax.

6. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fees Schedule

Management Fee is

ASSF	: 2.00%
AIRSF-ESF	: 1.5%
AIDF	: 2.00%

Minimum Account Size

The Minimum Portfolio size for inclusion in the composite is

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	14.90%	14.85%
FY16	15.65%	15.50%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

The Composite also contains investments of UBL Fund Managers Limited and UBL (UBL Fund Managers Limited Parent Company) as of September 30, 2016.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate, applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

- (a) **Withholding Tax:**

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) **Capital Gains:**

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax year.



Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Islamic Liquid Composite
September 18, 2012 through September 30, 2016

Composite:	UBL Islamic Liquid Composite			Creation Date:	31-Mar-13	
Benchmark:	Average of 3 months placement rates of three Islamic Banks			Reporting Currency:	Pak Rupees	
	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	1.2	1.2	<5	460	0.7	62,354
FY16	4.8	5.2	<5	519	1.0	53,854
FY15	6.5	7.2	<5	1,046	2.4	42,838
FY14	6.5	7.3	<5	283	0.7	41,848
FY'13*	5.2	5.4	<5	138	0.4	34,638
*Returns are from September 18, 2012 to June 30, 2013						

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

(ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Islamic Liquid Composite is to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments. The composite primarily invests in short term government holding. Currently, the composite comprises of two Portfolios i.e. Al-Ameen Islamic Cash Fund (AICF) (Formerly; UBL Islamic Cash Fund (UICF) and Al-Ameen Islamic Retirement Saving Fund-Money Market Sub Fund (AIRSF-MMSF) (Formerly; UBL Islamic Retirement Savings Fund-Money Market Sub Fund (AIRSF-MMSF).

Benchmark

The benchmark of the composite is average of 3 Months Placement Rate of 3 Islamic Banks (with AA or better banks)

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal board of Revenue vide

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 6, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC.

Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF and, hence, provision in respect of WWF has not been made by the management. The unrecognized amount of WWF as on March 31, 2013 is Rs. 0.0118 million. The accumulated provision for WWF till May 29, 2013 amounted to Rs 0.0136 million. The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. The accumulated provision for WWF amounted to Rs 6.4513 million for AICF as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

However, fund has recorded a provision for WWF of Rs. 0.4675 million in AIRSF-MMSF as at September 30, 2016.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. Al Ameen Islamic Retirement Saving Fund- Money Market Sub Fund was added 31 March 2014.
4. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

AICF:	1.00%
AIRSF –MMSF:	1.50%

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark as of each year end is as follows:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
1QFY17	0.19%	0.05%
FY16	0.19%	0.05%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited as of September 30, 2016 and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate, applicable to a public company.

The income of the newly added portfolio, being a pension fund, is exempt from Income Tax under clause 57(3) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Funds under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37 (A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.



Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Commodity Composite
February 13, 2013 through September 30, 2016

Composite:		UBL Commodity Composite		Creation Date:	13-Feb-13
				Reporting Currency:	Pak Rupees
	Total Net Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	-0.7	<5	141	0.2	62,354
FY16	13.6	<5	133	0.2	53,854
FY15	-6.0	<5	139	0.3	42,838
FY14	12.9	<5	138	0.3	41,848
FY'13*	-17.1	<5	140	0.4	34,638
*Returns are from February 13, 2013 to June 30, 2013					

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

(ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of UBL Commodity Composite is to provide Unit-holders exposure to Gold as an asset class by investing significant portion of Fund's net assets in Gold based instruments, while investing the remaining portion in high-rated money market instruments. Currently the composite comprise of one Portfolio i.e. UBL Gold Fund (UGF).

Benchmark

(a) 80% Daily Closing Pakistan Rupee Spot Gold Prices at the Pakistan Mercantile Exchange Limited (PMEX) and

(b) 20% Average of three (3) month deposit rates of five (5), AA and above rated scheduled commercial banks for the period of return;

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab -initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought on the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF. The amount of WWF was Rs. 0.3245 Million as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.

3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fee Schedule

Management Fee is: **1.50%**

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)
1QFY17	12.70%
FY16	13.39%

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established. Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Proprietary Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited as of September 30, 2016 and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate, applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Savings | Mutual Funds | Advisory

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Dynamic Allocation Composite
 December 20, 2012 through September 30, 2016

Composite:	UBL Dynamic Allocation Composite			Creation Date:	20-Dec-12
				Reporting Currency:	Pak Rupees
	Total Net Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	4.8	12	709	1.1	62,354
FY16	3.2	6	342	0.6	53,854
FY15**	11.3	<5	33	0.1	42,838
1H'FY14	14.7	<5	38	0.1	34,057
FY'13*	33.3	<5	66	0.2	34,638
*Returns are from December 20, 2012 to June 30, 2013					
**Returns are from 4-Sep-14					

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The objective of the UBL Funds Dynamic Allocation Composite is income and growth by investing in Domestic listed equities & Domestic fixed income instruments. Secondary objective is to grow the value of assets over the long-term. UBL Dynamic Allocation Composite comprises of Twelve (12) SMA Portfolio's as at September 30, 2016.

Benchmark

Currently, no Benchmark has been assigned to UBL Funds Dynamic Composite.

List of Composites

A list of all composite descriptions is available upon request.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses.

Fees Schedule

Fees are charged as per different agreements as agreed with the clients

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Significant Event:

Nil

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not available.

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established. Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



Proprietary Assets in the Composite

The Composite neither contain investment of UBL Fund Managers Limited nor UBL (Parent Company of UBL Fund Managers Limited).

Treatment of Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment unless any SMA is recognized as tax-exempted by the Commissioner of Income Tax. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.



Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Islamic Principal Preservation Composite
April 26, 2013 through September 30, 2016

Composite:	UBL Islamic Principal Preservation Composite			Creation Date:	26-Apr-13
				Reporting Currency:	Pak Rupees
	Total Net Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	3.2	<5	2,099	3.4	62,354
FY16	3.8	<5	2,211	4.1	53,854
FY15	12.4	6	6,478	15.1	42,838
FY14	22.9	<5	2,150	5.1	41,848
FY'13*	7.45	<5	770	2.2	34,638
*Returns are from April 26, 2013 to June 30, 2013					

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

Head Office : 4th floor, STSM Building, Beaumont Road,
 Civil Lines, Karachi,
 Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
 Block 4, Clifton, Karachi.
 Tel: +92-213-5290080-95

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The investment objective of the composite is to earn potentially high returns through dynamic asset allocation between Equity mutual funds and Money Market/ fixed income based funds while providing capital protection of the Initial Investment Value, at completion of the duration of the fund.

The Management envisages the provision of 100% Principal Protection through the use of the Constant Proportion Portfolio Insurance (CPPI) Methodology. The CPPI Methodology is an internationally recognized, tried and tested methodology with a highly versatile and flexible framework, which allocates the Portfolio between equity and fixed income in a manner that increases exposure to equity as Portfolio value increases and reduces exposure to equity as Portfolio value decreases. Currently, the composite consists of 2 Funds i.e. Al-Ameen Islamic Principal Preservation Fund – IV (AIPPF-IV) and Al-Ameen Islamic Principal Preservation Fund – V (AIPPF-V) and One (1) Separately Managed Accounts.

Benchmark

No benchmark has been assigned to this composite.

List of Composites

A list of all composite descriptions is available upon request.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses. (Please refer to Schedule)

Fee schedule

The fee on the portfolio is based on the asset allocation between equity and money market/ fixed income funds which changes on daily basis. Further, Management Fee of 1% p.a. on the value of underlying Funds not managed by UBL Fund Managers.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)
1QFY17	9.16%
FY16	10.24%

Significant Events:

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes /mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR)

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

(being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds. On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC. During the current period, the Honorable Lahore High Court (LHC) in a similar constitutional petition relating to the amendments brought on the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. The BoD further resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, the fund has recorded a provision for WWF of Rs.5.7948 million, Rs. 7.0367 million, 3.7189 million and Rs. Nil / Zero for AIPPF-II, AIPPF-III, AIPPF-IV & AIPPF-V respectively as at June 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.
3. Al Ameen Islamic Principal Preservation Fund– I (AIPPF-I) has been matured on April 27, 2015,
4. Al-Ameen Islamic Principal Preservation Fund– II (AIPPF-II) has been matured on November 06, 2015
5. Al-Ameen Islamic Principal Preservation Fund-III (AIPPF-III) has been matured on June 19, 2016.
6. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Propriety Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited as of September 30, 2016 and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax stated, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years).

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95



As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

Treatment for Separately Managed Discretionary Account (SMA):

The SMA shall be liable for payment withholding tax and other taxes on the investment amount and on returns or growth of investment. The Investment Adviser shall be responsible for complying with the requirements of law with regard to any deductions at source.



Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

GIPS Compliant Presentation
UBL Fund Managers Limited
UBL Islamic Dynamic Allocation Composite
August 6, 2015 through September 30, 2016

Composite:	UBL Islamic Dynamic Allocation Composite			Creation Date:	6-Aug-15
				Reporting Currency:	Pak Rupees
	Total Net Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's assets (%)	Total Assets of the Firm at end of Period (mn)
1QFY17	6.0	5	10,293	16.5	62,354
FY16*	7.1	<5	7,998	14.9	53,854
*Returns are from August 6, 2015 to June 30, 2016					

Compliance Statement

UBL Fund Managers Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Definition of the Firm

UBL Fund Managers Limited is a wholly owned subsidiary of United Bank Limited licensed by SECP to undertake asset management and investment advisory services. The definition of Firm at UBL Fund Managers Limited encompasses the following:

- (i) All Funds under Management (including investment plans)
- (ii) All Non-Fee Paying and Fee Paying and Discretionary and Non-Discretionary Portfolios.

Policies

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

UBL Fund Managers Limited policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The objective of the UBL Islamic Dynamic Allocation Composite is to earn a potentially high return through active asset allocation between Islamic Equity scheme and Islamic Income scheme based on the Fund Manager's outlook on the asset classes. Currently, the composite comprises of Four Funds i.e Al-Ameen Islamic Active Allocation Plan - I (AIActAP-I), Al-Ameen Islamic Active Allocation Plan - II (AIActAP-II), Al-Ameen Islamic Active Allocation Plan – III, Al-Ameen Islamic Active Allocation Plan – IV (AIActAP-IV) & Al-Ameen Islamic Active Allocation Plan – V (AIActAP-V)

Benchmark

No benchmark has been assigned to this composite.

List of Composites

A list of all composite descriptions is available upon request.

Significant Event

1. The BoD resolved that with effect from May 30, 2013, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971. Accordingly, AIActAP-I has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 0.088 million as at June 30, 2015. However, 'Nil / Zero' WWF provision for AIActAP-II, III, IV & V. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment", no provision for WWF has been provided after June 30, 2015.

2. Effective from 01 July 2011, Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011 has applied Sales Tax on all services rendered by Non-Banking Financial Institution. The Sales Tax is being charged @16% on Management Fee paid/payable to the Management Company.

3. On 30 June 2016, the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty (FED) after 01 July 2011 is Ultra Vires to the Constitution of Pakistan. The Management Company as a matter of abundant caution has not reversed the provision of FED, as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

Furthermore, after the promulgation of Finance Act, 2016 FED is no longer applicable to Collective Investment Scheme with effect from July 01, 2016.

Fees

Returns are presented net of all expenses (including custodial expenses, SECP fee, Listing fee) in addition to the Management Fee and Trading Expenses. (Please refer to Schedule)

Fee schedule

The fee on the portfolio is based on the asset allocation between equity and money market/ fixed income funds which changes on daily basis. Further, Management Fee of 1% p.a. on the value of underlying Funds not managed by UBL Fund Managers.

Minimum Portfolio Size

The Minimum Portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund	Rs.100 Million per Fund (which is also the minimum regulatory requirement to start a fund)
For SMA	Rs. 25 Million per Managed Account.

Internal Dispersion

Since number of Portfolios in the composite is less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not available.

Key Assumption for Portfolio valuation

Following are key assumption used in Portfolio valuation:

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Gains / (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend income is recognized when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, government securities and investments in debt securities are recognized at rate of return implicit in the instrument/ arrangement on a time proportionate basis.

Profit on bank deposits is recorded on accrual basis.

Propriety Assets in the Composite

The Composite does not contain investments of UBL Fund Managers Limited as of September 30, 2016 and only contain investment of UBL (UBL Fund Managers Limited parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Return from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax stated, the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as

Head Office : 4th floor, STSM Building, Beaumont Road,
Civil Lines, Karachi,
Tel + 92 -21 – 111 825262

Corporate Office : 8th Floor, Executive Tower, Dolmen City,
Block 4, Clifton, Karachi.
Tel: +92-213-5290080-95

consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund will be subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.