



## **UBL Children Savings Plan... Bachon Kay Aala Taaleem Ki Savings Ka Grand Plan!**

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**Disclaimer:** All investments in mutual funds and pension funds are subject to market risks. The NAV of units may go up or down based on market conditions. Past Performance is not necessarily indicative of future results.

## From the CIO's Desk

The benchmark KSE-100 Index declined by 8.5%MoM in December, continuing on its downward trend from last month. The factors that lead to such dismal performance include deterioration of investor confidence due to low macroeconomic visibility especially on the external side, mushrooming political noise and a broad sell-off in international stock markets on fears of a global growth slowdown. The overall activity also remained dry as average volumes plunged by 22%MoM. Foreign selling continued (worth USD28.4mn) in line with global equities selloff. Sentiments were further affected by Fitch downgrading Pakistan from B to B-, highlighting higher credit risk. For the year 2018, the benchmark index closed 8.4% in the red, marking a second consecutive year of negative returns.

The current account deficit (CAD) for the month of November came in at USD1.3bn, taking cumulative 5MFY19 CAD down to USD6.0bn, an improvement of 11%YoY. We expect further improvement in external current account numbers in the coming months, driven by recent slump in International oil prices (down 9.5%MoM and 19.5% in CY18) along with expected decline in non-oil imports after currency adjustment. The CPI inflation clocked in at 6.2%YoY for December 2018, well below market expectations, whereas core inflation came in at 8.4%YoY. This trend was mainly account of lower food prices. Recent decline in international oil and other commodity prices has softened near term inflationary concerns.

Globally, weak economic outlook, given the trade war between US and China and fiscal issues in EU, US Fed future interest rate path and OPEC's oil supply cut decision remained the focus of investors' attention. Recent weakness in global commodity prices, especially crude oil, in the backdrop of global growth concerns is highly favorable for the domestic economy given Pakistan's significant reliance on oil imports to meet its energy needs and high energy-related fiscal subsidies. In the preceding year, strengthening US dollar on the back of increasing interest rates and robust growth in the US caused massive capital outflows from various emerging markets. However, in 2019 we expect emerging markets including Pakistan to see a major trend reversal with our view premised on slowing US growth and a relatively benign interest rate outlook in the US as well as other developed and emerging economies.

The macroeconomic challenges that current government faces requires a methodical and careful approach. A well thought out and decisive policy response would restore investors' confidence. The above, together with clarity on external funding arrangements such as inflows from China and Gulf and progress on a fresh IMF program, would act as a key trigger for the local bourse. Despite recent increase in fixed income yields, we still find tremendous value in the stock market for medium to long-term investors, as reflected in ~14% earning yield and strong double-digit earnings growth over the next two years, especially in the backdrop of peaking interest rates over the next few months.

We recommend our investors to invest in our equity funds as per their risk appetite and return expectations. For instance, our Al-Ameen Islamic Asset Allocation Fund (AIAAF) offers an appropriate strategy for investors with low to moderate risk tolerance. This fund invests in a diversified portfolio of stocks, Sukuks, and Islamic money market instruments. It has the potential to earn returns well above those of Money Market Funds and Income Funds, while limiting risk by investing no more than 40% of its assets in stocks at any point in time. For those, with higher risk tolerance and return expectations, we have Al-Ameen Shariah Stock Fund which offers pure exposure to the domestic equity market.

We strongly recommend our investors to also invest in Islamic Voluntary Pension Schemes (Al-Ameen Islamic Retirement Savings Fund) in order to avail tax benefits, grow their long-term savings and achieve retirement security. For those with a longer investment horizon, we recommend a high exposure to Equity Sub-Fund of the Scheme. We have been following an aggressive investment strategy in this Sub-Fund considering its long time horizon and low liquidity/redemption pressures. The strategy has performed well and the Equity Sub-Fund has generated an absolute return of 478.23% (KMI-30 Index: 293.33%) since inception. This translates to an average annualized return of 22.49% p.a. (KMI-30 Index: 17.15% p.a.) - thus outperforming the KSE-100 Index by a significant margin.

**Syed Suleman Akhtar, CFA**  
**Chief Investment Officer**  
**UBL Fund Managers**

# UBL Money Market Fund

Fund Managers Report - December'18



## Investment Objective

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

## Fund Performance

	UMMF <sup>1</sup>	UMMF <sup>2</sup>	Benchmark
FY-YTD (p.a.)	7.14%	7.27%	7.36%
December 2018 (p.a.)	8.67%	9.02%	8.83%
Since Inception (CAGR)		7.89%	8.49%
Standard Deviation*		0.08%	1.12%
Sharpe Ratio**		(12.46)	(0.86)
Weighted Avg Time to Maturity		4.13 Days	
Expense Ratio <sup>3</sup>		0.65%	

	Nov'18	Dec'18	%Δ
Fund Size (PKR Mn)	2,095	1,666	-20.46%
Fund Size excluding FoFs (PKR Mn)	1,615	1,234	-23.63%
NAV (PKR)	103.3229	104.0834	0.74%

<sup>1</sup> Simple Annualized Return | <sup>2</sup> Morning Star Return

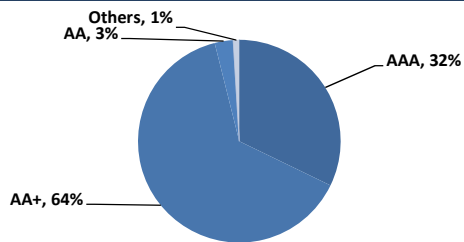
\* 12m Trailing | \*\* 12m Trailing, 3M PKRV yield is used as a risk-free rate

<sup>3</sup> This includes 0.16% representing government levy, Worker's Welfare Fund and SECP fee.

**Note:** Benchmark has been changed effective from October 2016; Previously 75% 3M PKRV + 25% 3M TDR (with AA or better banks)

\*Actual Management Fees charged for the month is 0.77% based on average net assets (annualized).

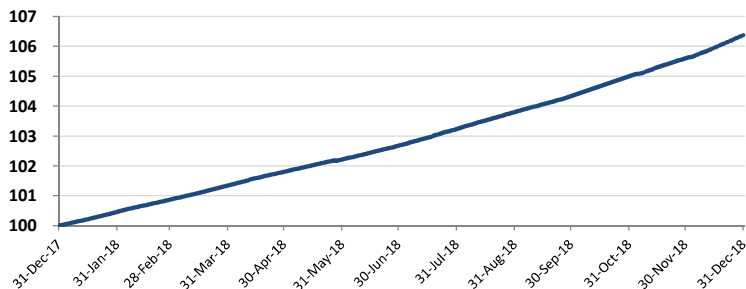
## Portfolio Quality (% of Total Assets)



## Disclosure of Excess Exposure (Per Asset class) as at December 31, 2018

Name of Investment	Exposure Type	% of Net Assets	Limit	Excess/ Less
Bank Alfalah Ltd - TDR	Per Entity	12.00%	10%	2.00%
UBL - TDR	Per Entity	11.40%	10%	1.40%

## Value of 100 Rupees invested 12 months ago



## Monthly Yield\*

	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	CYTD
UMMF	5.47%	5.48%	5.67%	5.65%	4.93%	5.58%	6.56%	6.71%	6.41%	7.68%	7.22%	9.02%	6.37%
Benchmark	5.22%	5.38%	5.48%	5.54%	5.63%	5.91%	6.30%	6.66%	6.89%	7.50%	7.97%	8.83%	6.45%

\*Returns are annualized using the Morningstar Methodology | For periodic returns as per SECP's SCD Circular No. 16 of 2014, refer to the end of this FMR

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## Fund Information

<b>Fund Type</b>	Open-end
<b>Fund Categorization</b>	Money Market
<b>Risk Profile</b>	Low
<b>Launch Date</b>	14-Oct-10
<b>Benchmark</b>	70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
<b>Listing</b>	Pakistan Stock Exchange (PSX)
<b>Trustee</b>	Central Depository Company (CDC)
<b>Auditor</b>	KPMG – Taseer Hadi & Co
<b>Management Co. Rating</b>	AM1 (JCR-VIS)
<b>Fund Stability Rating</b>	AA (f) (JCR-VIS)
<b>Minimum Investment</b>	Rs. 500
<b>Load</b>	1% (Front-end)
<b>Dealing Days</b>	Monday to Friday
<b>Cut off times</b>	Issuance: 4:00 PM (Mon-Fri) Redemption: 9:30 AM (Mon-Fri)
<b>Pricing Mechanism</b>	Backward
<b>Management Fee</b>	7.5% of gross earnings (with min. fee of 0.25% p.a. & max fee of 1% p.a.)
<b>Fund Manager</b>	Syed Sheeraz Ali
<b>Investment Committee Members</b>	Yasir Qadri   Syed Suleman Akhtar, CFA Hadi Mukhi*   Farhan Bashir   Syed Sheeraz Ali

\* Head of Risk - non voting observer

Asset Allocation (% of Total Assets)	Oct'18	Nov'18	Dec'18
Placements with Banks	0%	0%	23%
Placements with DFIs	18%	26%	3%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	65%	37%	0%
Cash	17%	36%	73%
Others	0%	1%	1%
Leverage	Nil	Nil	Nil

Total amount invested by FoFs is PKR 432.50 Mn

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a.)	7.98%	7.27%	6.37%	5.54%	6.29%	7.89%
Benchmark	8.10%	7.36%	6.45%	5.73%	6.68%	8.49%

Returns are annualized using the Morningstar Methodology

## Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 3,736,443, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.23/0.22%.

# Al-Ameen Islamic Asset Allocation Fund

Fund Managers Report - December '18

Managed by:  
UBL Fund Managers Limited



## Investment Objective

The investment objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes/instruments based on the market outlook.

## Fund Performance

	AIAAF	Benchmark
FY-YTD	-1.88%	-3.88%
Dec-18	-3.17%	-3.78%
Since Inception (CAGR)***	8.39%	7.56%
Standard Deviation*	6.69%	7.21%
Sharpe Ratio**	(1.05)	(1.25)
Expense Ratio <sup>1</sup>	1.43%	

	Nov'18	Dec'18	%Δ
Fund Size (PKR Mn)	5,491	5,178	-5.70%
NAV (PKR)	118.7661	115.0059	-3.17%

\*12M Trailing. \*\*12M Trailing, 3M PKRV yield used as Risk-Free rate.

\*\*\*Returns have been annualized using Morningstar Methodology

<sup>1</sup> This includes 0.17% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 11.91 million.

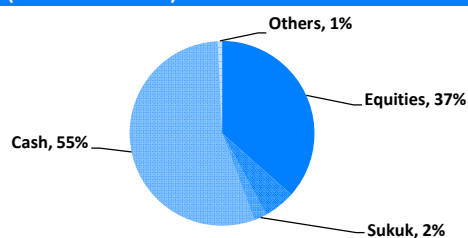
Note: Benchmark has been changed effective from 2 January 2018; Previously Average of 6M KIBOR + 2%.

## Fund Information

Fund Type	Open-end
Fund Categorization	Islamic Asset Allocation
Risk Profile	Medium
Launch Date	10-Dec-13
Benchmark	Weighted Avg. of 3M & 6M avg. deposit rates of 3 AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP and KMI-30 Index based on actual proportion of the scheme
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	KPMG, Taseer Hadi and Company
Management Co. Rating	AM1 (JCR-VIS)
Minimum Investment	Rs. 10,000/- initial & subsequent
Load	3% (Front-end)
Dealing Days	Monday to Friday
Cut off times	4:00 PM
Pricing Mechanism	Forward
Management Fee	2% p.a.
Fund Manager	Usama Bin Razi
Investment Committee Members	Yasir Qadri   Syed Suleman Akhtar, CFA   Hadi Mukhi*   Farhan Bashir   Usama Bin Razi

\* Head of Risk - non voting observer

## Asset Allocation (% of Total Assets)



## Asset Allocation (% of Total Assets)

	Oct'18	Nov'18	Dec'18
Equities	37%	37%	37%
Placements with banks	0%	0%	6%
Sukuk	2%	2%	2%
Cash	60%	60%	55%
GoP Ijarah	0%	0%	0%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

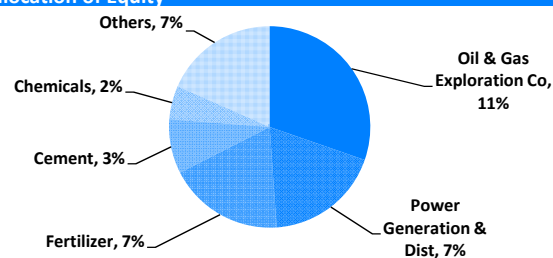
## Top Ten Equity Holdings (% of Total Assets)

Hub Power Co. Ltd.	4.5%	Pak Oilfields Ltd.	2.4%
Engro Corporation	3.4%	Kohat Cement Co. Ltd.	1.9%
Mari Petroleum Co. Ltd.	3.1%	Engro Fertilizer Ltd.	1.9%
Oil & Gas Development Co. Ltd.	2.9%	Nishat Mills Ltd.	1.9%
Pak Petroleum Ltd.	2.6%	Fauji Fertilizer Co. Ltd.	1.5%

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AIAAF	-2.19%	-1.88%	0.38%	16.73%	50.25%	50.35%
Benchmark	-3.69%	-3.88%	-1.64%	19.31%	43.30%	44.62%

Returns are on absolute basis

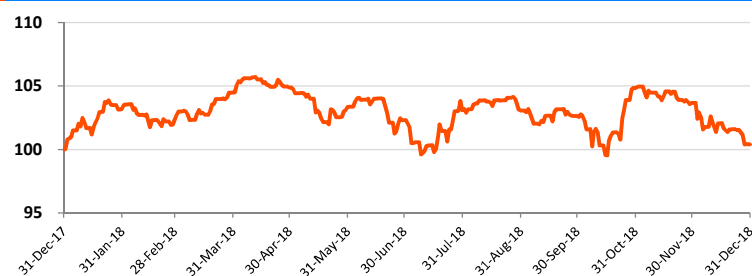
## Sector Allocation of Equity



## Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 24,245,715, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.54/0.47%.

## Value of 100 Rupees invested 12 months ago



Monthly Yield	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	CYTD
AIAAF	3.20%	-0.83%	2.09%	0.37%	-1.46%	-1.00%	0.76%	-0.02%	-0.42%	2.13%	-1.10%	-3.17%	0.38%
Benchmark	3.42%	-0.62%	2.08%	0.13%	-1.81%	-0.80%	1.04%	-0.61%	-0.62%	1.70%	-1.57%	-3.78%	-1.64%

For periodic returns as per SECP's SCD Circular No. 16 of 2014, refer to the end of this FMR

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# Al-Ameen Shariah Stock Fund

Fund Managers Report - December '18

Managed by:  
UBL Fund Managers Limited



## Investment Objective

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

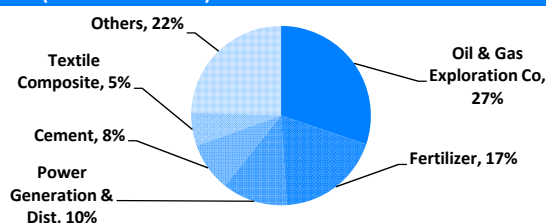
## Fund Performance

	ASSF	Benchmark
FY-YTD	-8.48%	-13.91%
Dec-18	-8.34%	-10.55%
Since Inception (CAGR)***	14.23%	13.82%
Standard Deviation*	16.01%	19.22%
Sharpe Ratio**	(0.92)	(0.95)
Beta*	0.82	1.00
Alpha*^	3.57%	
R-Square^^	96%	
Price-to-Earning Ratio ^^	7.04x	8.10x
Dividend Yield ^^	4.84%	5.14%
Value at Risk	-1.31%	-1.52%
Expense Ratio <sup>1</sup>	1.66%	

	Nov'18	Dec'18	%Δ
Fund Size (PKR Mn)	7,449	6,748	-9.42%
NAV (PKR)	134.07	122.89	-8.34%

\*12M Trailing. \*\*12M Trailing, 3M PKRV yield used as Risk-Free rate. ^^ Alpha measures the risk adjusted performance of the fund vs. the benchmark. ^^ R-Square measures the correlation between the benchmark and the fund. ^^ Benchmark figures are for KMI-30 Index only. ^^ NAV based. \*\*\*Returns have been annualized using Morningstar Methodology. <sup>1</sup> This includes 0.20% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 14.73 million.

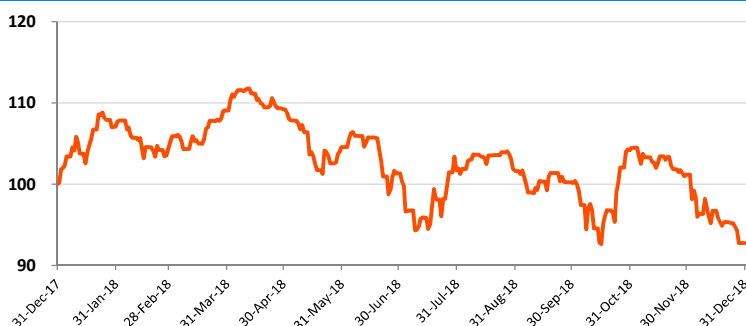
## Sector Allocation (% of Total Assets)



## Top Ten Equity Holdings (% of Total Assets)

Engro Corporation	9.0%	Pak Oilfields Ltd.	5.4%
Hub Power Co. Ltd.	8.1%	Meezan Bank Ltd.	4.8%
Mari Petroleum Co. Ltd.	7.9%	Nishat Mills Ltd.	4.5%
Oil & Gas Development Co. Ltd.	7.1%	Fauji Fertilizer Co. Ltd.	4.1%
Pak Petroleum Ltd.	6.5%	Kohat Cement Co. Ltd.	3.9%

## Value of 100 Rupees invested 12 months ago



## Fund Information

Fund Type	Open-end
Fund Categorization	Islamic Equity
Risk Profile	High
Launch Date	24-Dec-06
Benchmark	KMI-30 Index
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	Deloitte- M. Yousuf Adil Saleem & Co.
Management Co.Rating	AM1 (JCR-VIS)
Minimum Investment	Rs. 500
Load	2.5% (Front-end), Nil (Back-end)
Dealing Days	Monday to Friday
Cut off times	4:00 PM
Pricing Mechanism	Forward
Management Fee	2% p.a.
Fund Manager	Asim Wahab Khan, CFA
Investment Committee	Yasir Qadri   Syed Suleman Akhtar, CFA
Members	Hadi Mukhi*   Farhan Bashir Khan
	Asim Wahab Khan, CFA

\* Head of Risk - non voting observer

\*Reconstitution of the Fund on 18th July 2012 from "Islamic Balanced to Islamic Equity"

## Asset Allocation (% of Total Assets)

	Oct'18	Nov'18	Dec'18
Equities	84%	87%	89%
Sukuks	0%	0%	0%
GoP Ijarah Sukuks	0%	0%	0%
Cash	13%	13%	10%
Others	2%	1%	1%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ASSF	-7.49%	-8.48%	-7.27%	16.57%	68.69%	395.56%
Benchmark	-11.64%	-13.91%	-10.84%	10.02%	44.17%	374.24%

Returns are on absolute basis

## Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 63,332,395, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.15/0.94%.

Monthly Yield	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	CYTD
ASSF	7.10%	-2.52%	4.46%	0.14%	-4.27%	-3.08%	0.40%	-0.10%	-1.37%	3.94%	-2.90%	-8.34%	-7.27%
Benchmark	8.74%	-2.02%	5.31%	0.05%	-5.25%	-2.63%	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	-10.84%

For periodic returns as per SECP's SCD Circular No. 16 of 2014, refer to the end of this FMR

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# Historical Performance

Disclosure as per SECP's SCD Circular No. 16, 2014  
Fund Managers Report



The periodic returns for the funds have been presented below as per SECP's SCD Circular No. 16 dated July 03, 2014. The returns presented below are:

- Yearly returns for the last five fiscal years, and
- Absolute returns for every fiscal year since inception

The returns have been annualized for money market, income and aggressive income schemes where the performance evaluation period is less than one year.

## Last 3 & 5 Fiscal Years

	FY'14	FY'15	FY'16	FY'17	FY'18
<b>UBL Money Market Fund</b>	7.81%	7.98%	5.15%	5.41%	5.12%
Benchmark	10.06%	8.61%	5.91%	5.31%	5.26%

	FY'14	FY'15	FY'16	FY'17	FY'18
<b>AIAAF</b>	5.26%	17.98%	9.15%	14.58%	-1.33%
Benchmark	7.32%	11.56%	8.74%	8.45%	6.56%

	FY'14	FY'15	FY'16	FY'17	FY'18
<b>ASSF</b>	34.36%	27.07%	14.47%	29.19%	-12.38%
Benchmark	29.89%	20.10%	15.53%	18.80%	-9.59%

## Since Inception Absolute returns

**UMMF vs Benchmark** (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
-	11.9%	21.6%	32.9%	43.2%	54.7%	62.6%	71.5%	80.2%
-	14.2%	24.5%	37.3%	51.1%	64.1%	69.7%	78.8%	88.4%

**AIAAF vs Benchmark** (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
-	-	-	-	5.3%	24.2%	35.6%	55.3%	53.2%
-	-	-	-	7.3%	19.7%	30.2%	41.2%	50.5%

**ASSF vs Benchmark** (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
9.9%	39.0%	63.6%	144.8%	228.9%	317.9%	378.4%	518.0%	441.5%
32.0%	67.1%	88.2%	184.6%	269.7%	344.0%	412.9%	509.3%	450.9%

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# Smart Savings

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