

UBL Asset Allocation Fund

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Disclaimer: All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document(s) to understand investment policies & risks involved. Fund type: Open ended. Fund Category: Asset Allocation. Risk Profile: Medium. Benchmark: Weighted Avg. of (3M PKRV rates + 3M avg. deposit rate of 3 AA rated banks as selected by MUFAP), 6M KIBOR and KSE 100 Index based on actual proportion of the scheme in money market, fixed income and equity securities. Previously Average of 6M KIBOR rate + 2%. Note: All returns / figures are absolute net of all fees including management fee, calculated NAV to NAV with dividend re-invested. The calculation of performance does not include cost of sales load. Management Company rating AM1(JCR-VIS)

From the CIO's Desk

After showing strong positive momentum during the last few months, the stock market finally succumbed to a host of negative news in February with the benchmark KSE-100 Index losing 3650 points (8.7%) to close the month at 37,983 points. The major catalysts that weighed on the market included: 1) inflation reading for January overshooting the street consensus, 2) FATF decision to keep Pakistan in the grey list until the next review in June 3) delays in conclusion of staff level agreement with IMF and 4) rising jitters from coronavirus panicking both local and foreign investors. The overall trading activity also took a breather with overall trading value and volume declining by 30% and 32% MoM, respectively.

The January headline inflation of 14.6% came significantly above market expectations due to considerable hike in some food item prices and higher house rent reading. This raised concerns that monetary easing could be delayed beyond CY20. The above was also manifested in rising fixed income yields during the month. However, retail inflation for February came out at 12.4%, much below consensus estimates. The primarily reason for the softer reading was drop in food inflation and reduction in energy prices. The recent sharp reduction in international commodity prices along with government efforts to address supply constraints should translate into softer inflation reading for the current month creating plausible room for a rate cut (25-50bps) in the upcoming MPS.

The external account position continues to remain benign as reflected in FYTD healthy foreign exchange reserves accumulation. The 7MFY20 current account deficit shrank by 72% from USD 9.4bn during SPLY to USD 2.6bn mainly due to hefty decline in trade deficit by 37% YoY. While the overall balance of payments position posted a surplus of USD5.2bn on account of healthy financial flows. Going forward, we see the FY20 balance of payments position to remain strong due to contained current account deficit and adequate flows in financial account. Moreover, IMF and Pakistan have also subsequently reached a staff level agreement on second review allowing Pakistan to receive the third tranche (\$450bn) in early April.

On the fiscal side, thanks to abnormal growth in non-tax revenues which made up for the shortfall in tax revenues, the government managed to reduce its 1HFY20 budget deficit to 2.3% of GDP compared to 2.7% during SPLY. All quantitative performance targets of IMF were also met. Notwithstanding the above improvement largely due to one-offs, sustained improvement on the fiscal side would require deep structural reforms with main issues being a large undocumented economy, skewed distribution of resources/responsibilities among federating units and a bloated public sector.

We hold a sanguine view on domestic equity market in view of attractive valuations and expected double-digit corporate earnings growth over the next two years. Further, earnings yields differential from 10Y PIB yield is over 4% (14.9% vs 10.8%) which is much higher than the average yield differential of 0.7% over the last 10 years. At current levels, the market is trading at a low PE of 6.7x against historical average of ~8.0x leaving ample room for rerating.

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, bonds, and money market instruments. It has the potential to earn returns well above those on offer in Money Market 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 our Voluntary Pension Scheme (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 500.54% (KMI-30 Index: 282.14% since inception). This translates to an average annualized return of 20.04% p.a. (KMI-30 Index: 14.63% 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 - February'20



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 ¹	UMMF ²	Benchmark
FY-YTD (p.a.)	12.41%	12.66%	12.69%
February 2020 (p.a.)	11.79%	12.45%	12.72%
Since Inception (CAGR)		8.33%	8.87%
Standard Deviation*		0.11%	1.11%
Sharpe Ratio**		(9.40)	(0.73)
Weighted Avg Time to Maturity		17.39 Days	
Expense Ratio ^{3,4}		1.56%	

	Jan'20	Feb'20	%Δ
Fund Size (PKR Mn)	4,399	4,543	3.27%
Fund Size excluding FoFs (PKR Mn)	4,253	4,390	3.20%
NAV (PKR)	108.0171	109.0287	0.94%

¹ Simple Annualized Return | ² Morning Star Return

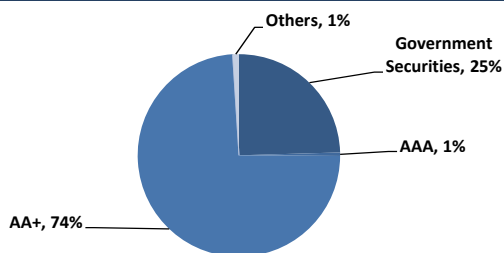
* 12m Trailing | ** 12m Trailing, 3M PKRV yield is used as a risk-free rate

³ This includes 0.37% representing government levy, Worker's Welfare Fund and SECP fee. Selling and Mkt expense PKR 6.23mn, ⁴ Annualized

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 0.67% based on average net assets (annualized).

Portfolio Quality (% of Total Assets)



Fund Information

Fund Type	Open-end
Fund Categorization	Money Market
Risk Profile	Low
Launch Date	14-Oct-10
Benchmark	70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	KPMG – Taseer Hadi & Co
Management Co. Rating	AM1 (JCR-VIS)
Fund Stability Rating	AA (f) (JCR-VIS)
Minimum Investment	Rs. 500
Load	1% (Front-end)
Dealing Days	Monday to Friday
Cut off times	Issuance: 4:00 PM (Mon-Fri) Redemption: 9:30 AM (Mon-Fri)
Pricing Mechanism	Backward
Management Fee	5% of gross earnings (with min. fee of 0.15% p.a.)
Fund Manager	Syed Sheeraz Ali
Investment Committee Members	Yasir Qadri Syed Suleman Akhtar, CFA Hadi Mukhi Muhammad Waseem, CFA Syed Sheeraz Ali

Asset Allocation (% of Total Assets)	Dec'19	Jan'20	Feb'20
Placements with Banks	9%	0%	0%
Placements with DFIs	0%	4%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	7%	85%	25%
Cash	83%	6%	74%
Others	1%	4%	1%
Leverage	Nil	Nil	Nil

Total amount invested by FoFs is PKR 153.59 Mn

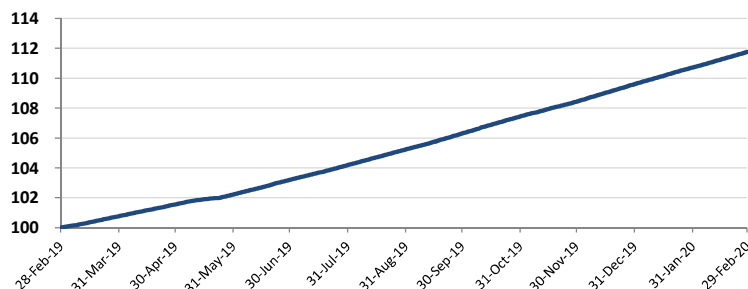
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	12.86%	12.81%	11.72%	7.85%	6.96%	8.33%
Benchmark	12.73%	12.76%	11.98%	8.10%	7.21%	8.87%

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. 12,507,166, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.30/0.28%.

Value of 100 Rupees invested 12 months ago



Monthly Yield*	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	CYTD
UMMF	9.42%	9.93%	7.97%	12.21%	11.90%	12.56%	13.04%	13.36%	11.86%	13.45%	12.65%	12.45%	12.55%
Benchmark	9.76%	10.11%	10.77%	11.66%	12.19%	12.77%	12.88%	12.74%	12.72%	12.75%	12.72%	12.72%	12.72%

*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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Al-Ameen Islamic Asset Allocation Fund

Fund Managers Report - February'20



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	9.95%	7.61%
Feb-20	-3.13%	-4.24%
Since Inception (CAGR)***	8.00%	6.82%
Standard Deviation*	9.01%	9.64%
Sharpe Ratio**	(0.98)	(1.21)
Expense Ratio ¹	2.33%	

	Jan'20	Feb'20	%Δ
Fund Size (PKR Mn)	2,339	2,204	-5.78%
NAV (PKR)	127.5076	123.5212	-3.13%

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

***Returns have been annualized using Morningstar Methodology

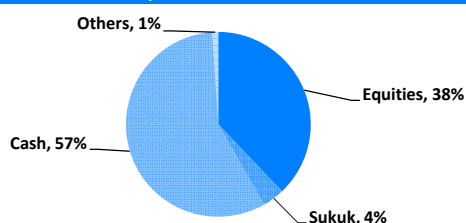
¹ This includes 0.39% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 8.85 million.

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

Fund Information

Fund Type Categorization	Open-end 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 Asim Wahab Khan, CFA Usama Bin Razi Hadi Mukhi Muhammad Waseem, CFA

Asset Allocation (% of Total Assets)



Top Ten Equity Holdings (% of Total Assets)

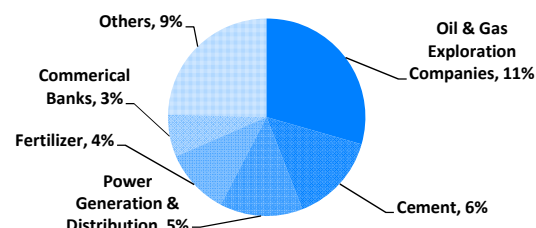
Kohat Cement Co. Ltd.	3.9%	Meezan Bank Ltd.	2.6%
Mari Petroleum Co. Ltd.	3.8%	Pak Petroleum Ltd.	2.3%
Oil And Gas Development Co. Ltd.	3.5%	Engro Polymer And Chemicals Ltd	1.7%
Hub Power Co. Ltd.	3.0%	Lucky Cement Co. Ltd.	1.7%
Engro Corporation	3.0%	Pak Oilfields Ltd.	1.5%

Asset Allocation (% of Total Assets)	Dec'19	Jan'20	Feb'20
Equities	39%	38%	38%
Placements with banks	0%	0%	0%
Sukuk	3%	3%	4%
Cash	56%	57%	57%
GoP Ijarah	0%	0%	0%
Others	2%	1%	1%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AIAAF	0.48%	16.81%	3.92%	4.62%	35.11%	61.49%
Benchmark	-0.76%	13.47%	1.16%	9.73%	30.78%	50.82%

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. 29,543,386, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.66/1.34%.

Value of 100 Rupees invested 12 months ago



Monthly Yield	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	CYTD
AIAAF	-1.12%	-1.72%	-0.57%	-2.19%	-2.36%	-3.60%	4.20%	4.79%	6.46%	2.15%	1.54%	-3.13%	-1.63%
Benchmark	-1.05%	-2.35%	-0.03%	-2.68%	-2.28%	-2.96%	4.55%	3.98%	5.18%	2.55%	1.05%	-4.24%	-3.23%

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
UBL Money Market Fund	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
AIAAF	5.26%	17.98%	9.15%	14.58%	-1.33%
Benchmark	7.32%	11.56%	8.74%	8.45%	6.56%
ASSF	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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Al-Ameen Shariah Stock Fund

Fund Managers Report - February'20



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.

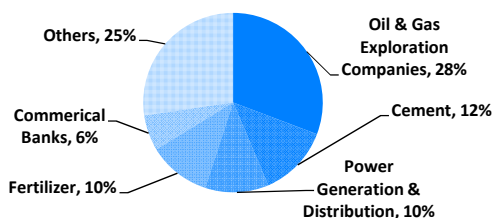
Fund Performance

	ASSF	Benchmark
FY-YTD	15.95%	9.82%
Feb-20	-8.36%	-11.39%
Since Inception (CAGR)***	13.18%	12.28%
Standard Deviation*	21.27%	24.29%
Sharpe Ratio**	(0.75)	(0.91)
Beta*	0.85	1.00
Alpha**	6.13%	
R-Square**	95%	
Price-to-Earning Ratio ***	7.04x	8.10x
Dividend Yield ***	5.00%	5.14%
Value at Risk	-1.31%	-1.52%
Expense Ratio ¹	2.58%	

	Jan'20	Feb'20	%Δ
Fund Size (PKR Mn)	7,032	6,539	-7.02%
NAV (PKR)	138.56	126.98	-8.36%

*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. ¹ This includes 0.48% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 25.11 million.

Sector Allocation (% of Total Assets)



Top Ten Equity Holdings (% of Total Assets)

Oil And Gas Development Co. Ltd.	9.0%	Pak Petroleum Ltd.	6.5%
Mari Petroleum Co. Ltd.	8.8%	Meezan Bank Ltd.	5.8%
Hub Power Co. Ltd.	7.8%	Lucky Cement Co. Ltd.	5.3%
Engro Corporation	7.7%	Engro Polymer And Chemicals Ltd	4.0%
Kohat Cement Co. Ltd.	6.5%	Pakistan State Oils Ltd.	3.8%

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	A.F. Ferguson & Company
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 Asim Wahab Khan, CFA Muhammad Waseem, CFA

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

Asset Allocation (% of Total Assets)

	Dec'19	Jan'20	Feb'20
Equities	90%	91%	91%
Sukuks	0%	0%	0%
GoP Ijarah Sukuks	0%	0%	0%
Cash	9%	8%	8%
Others	0%	1%	1%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ASSF	-1.37%	35.68%	-3.14%	-18.46%	26.84%	412.05%
Benchmark	-5.23%	28.57%	-9.28%	-28.88%	10.83%	360.75%

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. 78,197,894, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.52/1.20%.

Monthly Yield	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	CYTD
ASSF	-2.80%	-5.60%	-2.85%	-6.29%	-6.52%	-8.58%	9.12%	10.44%	14.15%	4.49%	3.00%	-8.36%	-5.61%
Benchmark	-3.35%	-6.48%	-1.65%	-7.07%	-6.56%	-8.59%	10.65%	9.17%	12.31%	5.29%	1.58%	-11.39%	-9.99%

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