

Al Ameen Islamic Energy Fund

Aims to provide long term capital growth by investing in Shariah Compliant listed securities of the energy sector.



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Market Review & Outlook

Fund Managers Report - December'19

Managed by:
UBL Fund Managers Limited



From the CIO's Desk

The benchmark KSE-100 Index ended December up 3.7% MoM, further shoring up gains from the previous few months on successful first IMF review of USD6bn Extended Fund Facility Program and improving macroeconomic visibility as manifested in stable currency, rising foreign exchange reserves and declining long-term fixed income yields. After heightening during the previous month, political climate also cooled off during December following temporary extension granted to army chief by the Supreme Court and broad consensus reached among major political parties on legislation related to army chief extension as per apex court directives. Depicting rising investor interest, trading activity also expanded over the last month with value traded and volumes rising by 9%/4% MoM respectively.

Headline inflation for 1HFY20 came at 11.1% (new CPI basket) relative to 5.98% in the SPLY, driven by higher perishable food item prices, uptick in utility tariffs and significant currency devaluation last year. Inflation is likely to remain elevated over the next few months before declining in 4QFY19 onwards. We believe interest rates have peaked out, but we think SBP is likely to maintain status quo in the next 1-2 MPS meetings before altering its monetary stance. External position also strengthened as 5MFY20 current account deficit declined by 73% to USD 1.8bn vs. USD 6.7bn during SPLY mainly underpinned by a sharp plunge in trade deficit. Further, due to healthy financial flows, overall balance of payments position posted a surplus of USD2bn during the same period. Going forward, we believe FY20 balance of payments position to remain healthy due to contained current deficit and adequate flows on financial account.

With respect to the IMF program, SBP received USD452mn as second tranche of the USD6bn loan after a successful staff review where the current administration outperformed on all the performance benchmarks for 1QFY20 though some indicative targets were missed. As per our working, the authorities have successfully met performance criteria for December quarter as well. Thus, we expect the government to successfully sail through second IMF review slated for February 2020.

On a note of caution, the rising hostilities between Iran and USA following assassination of a top Iranian general by US forces, has caused a sizable uptick in global crude oil prices. Any sustained rise in crude oil prices pose a serious risk to the domestic economy given Pakistan's significant reliance on oil and gas imports to meet its energy needs, considerable impact of oil prices on inflation and high energy-related fiscal subsidies.

Market has risen ~45% from its low hit in mid-August. We think the rally can extend further as earnings yield is still 3.5% above 10-year PIB yield in the secondary market and corporate earnings are expected to post double-digit growth over the next two years. However any escalation of Iran-US hostilities poses risks for energy prices that could weaken investment case for domestic equities.

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 537.55% (KMI-30 Index: 324.56% since inception). This translates to an average annualized return of 21.16% p.a. (KMI-30 Index: 16.16% 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'19



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.)	12.32%	12.70%	12.67%
December 2019 (p.a.)	12.69%	13.45%	12.75%
Since Inception (CAGR)		8.25%	8.81%
Standard Deviation*		0.12%	1.46%
Sharpe Ratio**		(8.81)	(0.62)
Weighted Avg Time to Maturity		8.16 Days	
Expense Ratio^{3, 4}		1.57%	

	Nov'19	Dec'19	%Δ
Fund Size (PKR Mn)	4,022	4,281	6.46%
Fund Size excluding FoFs (PKR Mn)	3,808	4,127	8.39%
NAV (PKR)	105.7896	106.9299	1.08%

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 4.04mn, ⁴ Annualized

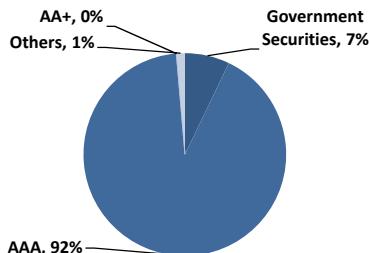
Note: Benchmark has been changed effective from October 2016; Previously 75% 3M PKRV + 25% 3M TDR (with AA or better banks)

*Actual Management Fees charged for the month is 0.71% based on average net assets (annualized).

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 MUFAAP
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	Yasir Qadri Syed Suleman Akhtar, CFA Hadi Mukhi Muhammad Waseem, CFA Syed Sheeraz Ali
Members	

Portfolio Quality (% of Total Assets)



Asset Allocation (% of Total Assets)

	Oct'19	Nov'19	Dec'19
Placements with Banks	17%	10%	9%
Placements with DFIs	11%	18%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	49%	2%	7%
Cash	22%	69%	83%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

Total amount invested by FoFs is PKR 154.11 Mn

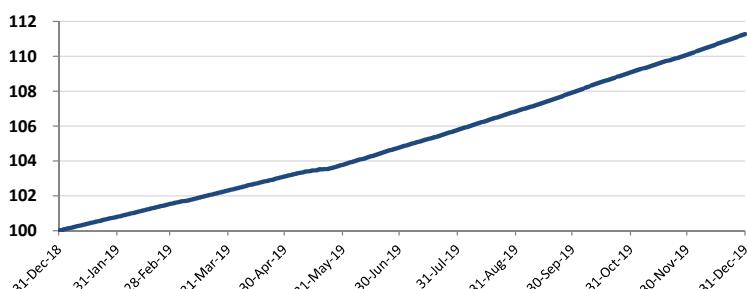
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	12.90%	12.70%	11.27%	7.67%	6.84%	8.25%
Benchmark	12.74%	12.67%	11.40%	7.69%	7.06%	8.81%

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. 10,764,643, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.27/0.25%.

Value of 100 Rupees invested 12 months ago



Monthly Yield*

	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	CYTD
UMMF	9.75%	9.88%	9.42%	9.93%	7.97%	12.21%	11.90%	12.56%	13.04%	13.36%	11.86%	13.45%	11.27%
Benchmark	8.99%	9.27%	9.76%	10.11%	10.77%	11.66%	12.19%	12.77%	12.88%	12.74%	12.72%	12.75%	11.40%

*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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Investment Objective

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

Fund Performance

	AISF ¹	AISF ²	Benchmark
FY-YTD (p.a.)	11.03%	11.34%	9.32%
December 2019 (p.a.)	10.91%	11.47%	7.17%
Since Inception (CAGR)		7.39%	6.63%
Standard Deviation*		0.09%	2.52%
Sharpe Ratio**		(22.11)	(1.77)
Weighted Avg Time to Maturity		1 Day	
Expense Ratio^{3,4}		1.79%	
	Nov'19	Dec'19	%Δ
Fund Size (PKR Mn)	4,241	3,751	-11.54%
Fund Size excluding FoFs (PKR Mn)	1,620	1,680	3.69%
NAV (PKR)	105.6887	106.6677	0.93%

¹ Simple Annualized Return | ² Morning Star Return

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

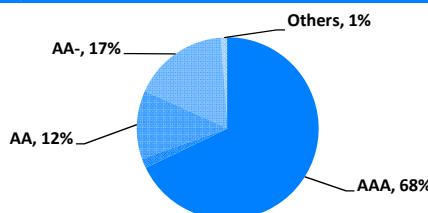
³ This includes 0.38% representing government levy, Worker's Welfare Fund and SECP fee. Selling and Mkt Expenses amounting to Rs 5.45mn | ⁴ Annualized

Note: Benchmark has been changed effective from October 2016; Previously Average of 6 Months Deposit Rates of 3 Islamic Banks (with AA- or better banks)

Fund Information

Fund Type	Open-end
Fund Categorization	Shariah Compliant Income Fund
Risk Profile	Low
Launch Date	7-Nov-10
Benchmark	Average of 6M PKISRV rates.
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	KPMG Taseer Hadi and Co.
Shariah Advisory Board	Mr. Hassan Kaleem & Mr. Najeeb Khan
Management Co. Rating	AM1 (JCR-VIS)
Fund Stability Rating	AA- (f) (JCR-VIS)
Minimum Investment	Rs. 500
Load	1.0% (Front-end)
Dealing Days	Monday to Friday
Cut off times	4:00 PM
Pricing Mechanism	Forward
Management Fee	1.00% p.a.
Fund Manager	Shabbir Sardar Zaidi, CFA
Investment Committee	Yasir Qadri Syed Suleman Akhtar, CFA Usama Bin Razi Muhammad Waseem, CFA
Members	Hadi Mukhi Shabbir Sardar Zaidi, CFA

Portfolio Quality (% of Total Assets)



Key Interest Rates

KIBOR (1M, 6M, 1Y)*	13.40%	13.37%	13.18%
Discount Rate		13.75%	
CPI (Dec) Y-o-Y Basis		12.6%	

* Average during month

Asset Allocation (% of Total Assets)

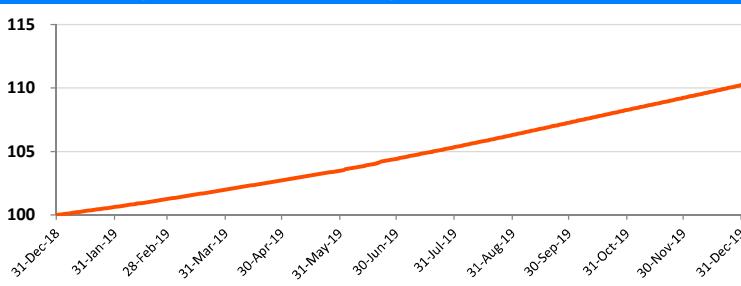
	Oct'19	Nov'19	Dec'19
GoP Ijara Sukus	0%	0%	0%
Cash	99%	99%	99%
Others	1%	1%	1%
Placements with banks	0%	0%	0%
Leverage	Nil	Nil	Nil

Total Amount Invested by FoFs is PKR 2,071.61 Mn

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AISF (p.a)	11.44%	11.34%	10.23%	5.85%	5.83%	7.39%
Benchmark	8.00%	9.32%	7.83%	6.25%	5.99%	6.63%

Returns are annualized using the Morningstar Methodology

Value of 100 Rupees invested 12 months ago



Monthly Yield*

	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	CYTD
AISF	7.66%	8.43%	8.88%	9.15%	9.08%	11.53%	10.78%	11.24%	11.71%	11.56%	11.29%	11.47%	10.23%
Benchmark	5.70%	3.91%	6.25%	6.92%	7.11%	7.87%	10.48%	11.55%	9.86%	9.06%	7.77%	7.17%	7.83%

*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 - December'19



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	11.78%	11.20%
Dec-19	2.15%	2.55%
Since Inception (CAGR)***	8.52%	7.60%
Standard Deviation*	8.63%	9.32%
Sharpe Ratio**	(0.36)	(0.49)
Expense Ratio¹	1.79%	

	Nov'19	Dec'19	%Δ
Fund Size (PKR Mn)	2,861	2,614	-8.61%
NAV (PKR)	122.9266	125.5712	2.15%

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

***Returns have been annualized using Morningstar Methodology

¹ This includes 0.36% representing government levy, Worker's Welfare Fund and SECP fee.

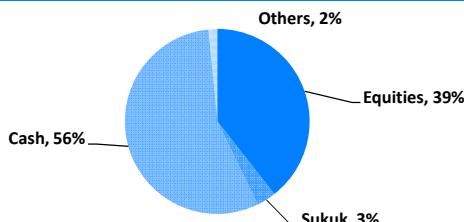
Selling & Marketing Expense PKR 6.41 million.

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)



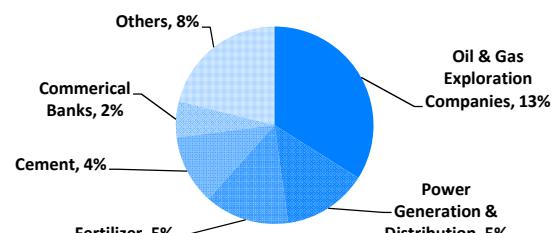
Asset Allocation (% of Total Assets)

	Oct'19	Nov'19	Dec'19
Equities	39%	39%	39%
Placements with banks	0%	0%	0%
Sukuk	4%	3%	3%
Cash	56%	56%	56%
GoP Ijarah	0%	0%	0%
Others	1%	1%	2%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AIAAF	13.96%	11.78%	9.19%	8.48%	41.46%	64.17%
Benchmark	12.16%	11.20%	7.77%	14.87%	38.63%	55.86%

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. 30,194,575, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.45/1.15%.

Value of 100 Rupees invested 12 months ago



Monthly Yield

	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	CYTD
AIAAF	3.81%	-0.44%	-1.12%	-1.72%	-0.57%	-2.19%	-2.36%	-3.60%	4.20%	4.79%	6.46%	2.15%	9.19%
Benchmark	4.53%	-1.38%	-1.05%	-2.35%	-0.03%	-2.68%	-2.28%	-2.96%	4.55%	3.98%	5.18%	2.55%	7.77%

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%

	FY'14	FY'15	FY'16	FY'17	FY'18
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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