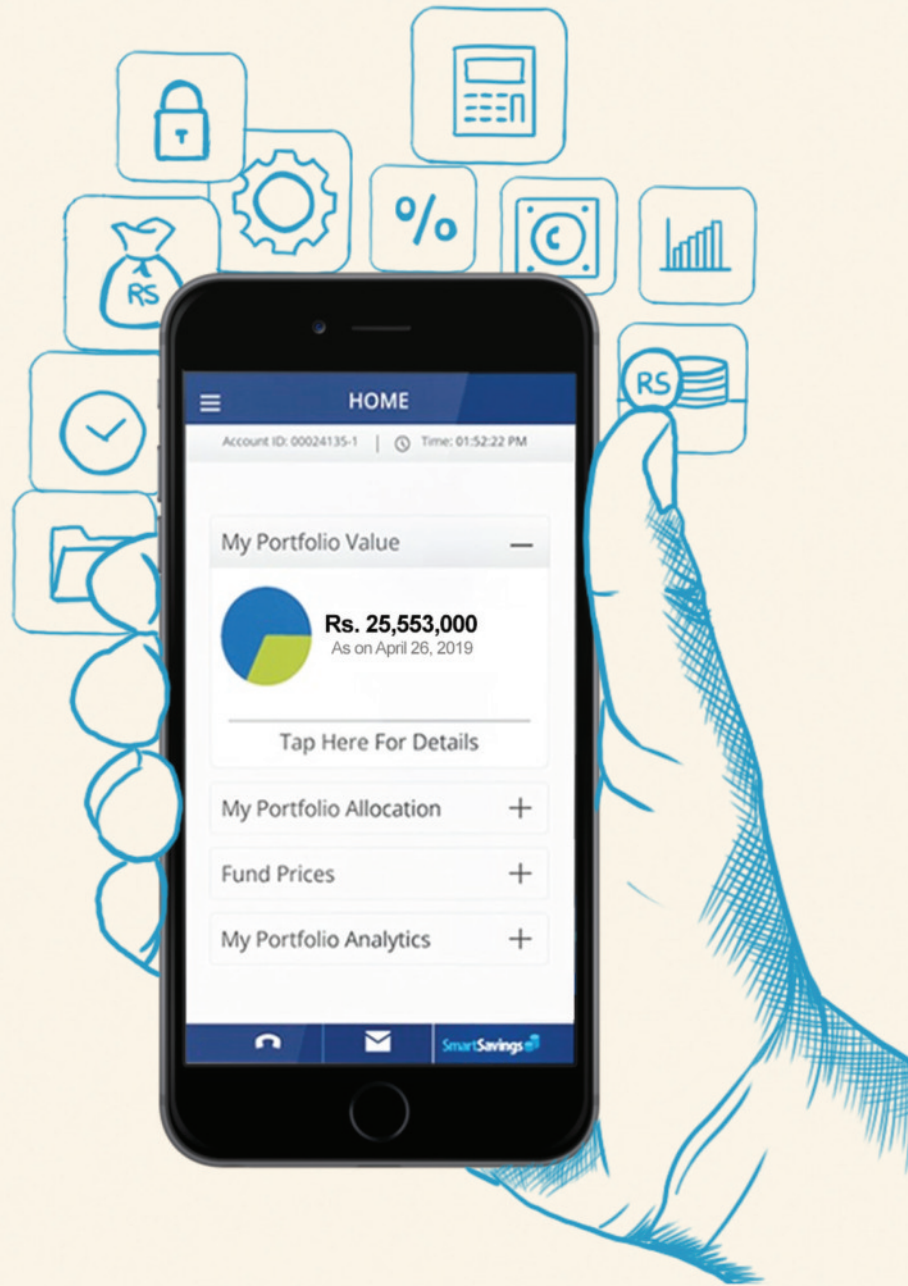


# Fund Managers' Report

May 2019



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## From the CIO's Desk

The benchmark KSE 100 lost 2.20% in the month of May, taking the FY19TD decline to 14.1% as concerns over stringent budget under an IMF program and rising political tensions kept investors jittery. In the initial phase of the month, the market dipped sharply. However, the local bourse subsequently witnessed a recovery of 8.5% from its intra-month low of almost 33,167 points. The turnaround was mainly driven by the announcement of a market support fund to be launched by the government. The market closed the month at 35,975 points.

On the macroeconomic front, the government has hitherto failed to rein in the burgeoning fiscal deficit which is partly neutralizing the impact of monetary and exchange rate adjustments on aggregate demand. FY19 fiscal deficit is now projected to rise above 7.0% of GDP due to dismal revenue performance and rising current expenditures. With a large part of the economy undocumented and/or under-taxed, Pakistan has incredible room for revenue generation as reflected in low tax to GDP ratio of 10%. Any credible improvement in revenue mobilization, along with expenditure rationalization, should allow for a more sustained path for growth in the long term despite near term pain. On a positive note, budget for the next fiscal year is likely to target aggressive taxation measures & fiscal reforms in view of current government's recent focus on revenue mobilization efforts to meet IMF stipulated primary deficit target of 0.6% of GDP.

For the month of May, the CPI inflation increased by 9.1% as compared to 8.8% in the previous month and 4.2% in April 2019. The above was mainly driven by a surge in fuel prices and higher food inflation partly due to "Ramadan" factor that contributed to the jump in perishable food prices. The central bank in a surprise move raised the discount rate by 1.5% to 12.25% in May's MPS to preempt inflationary pressures from exchange rate depreciation, impending tariff hikes and burgeoning fiscal deficit. However, we think there is no need to further increase rates in view of weakening global commodity prices, expected austerity and revenue measures in the new budget and projected average inflation of ~10% in FY20.

Though significant monetary tightening and exchange rate adjustment have resulted in shrinkage in current account deficit (CAD), external account pressures still remain formidable as reflected in monthly CAD of USD1.24bn for April 2019. In our opinion, the government cannot achieve external sector stability sans a meaningful contraction in fiscal deficit.

Pakistan has reached a staff-level agreement with IMF for a 3-year Extended Fund Facility (EFF), which will enable it to get USD6bn over a period of 39 months. The program aims to support Pakistan to reduce domestic as well as external imbalances, increase transparency, improve business environment and remove impediments to the growth of the economy. This program will allow further flows from other multilateral agencies i.e. ADB & World Bank. Moreover, an IMF backed reform agenda would be perceived as more credible allowing Pakistan to raise funds at favorable rates through issuance of Eurobonds & induce foreign flows in the form of portfolio and foreign direct investment. Historically the entry into the IMF program is followed by improving NFAs and market performance.

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 452.00% (KMI-30 Index: 274.42% since inception). This translates to an average annualized return of 20.74% p.a. (KMI-30 Index: 15.68% 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 - May'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 <sup>1</sup>	UMMF <sup>2</sup>	Benchmark
FY-YTD (p.a.)	8.19%	8.21%	8.45%
May 2019 (p.a.)	7.69%		10.77%
Since Inception (CAGR)		7.97%	8.55%
Standard Deviation*		0.11%	1.55%
Sharpe Ratio**		(11.82)	(0.69)
Weighted Avg Time to Maturity		1.00 Days	
Expense Ratio <sup>3</sup>		1.26%	

	Apr'19	May'19	%Δ
Fund Size (PKR Mn)	2,193	2,164	-1.32%
Fund Size excluding FoFs (PKR Mn)	1,759	1,785	1.50%
NAV (PKR)	107.3129	108.0138	0.65%

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

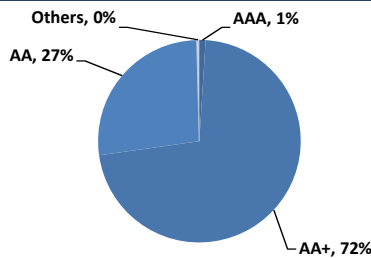
\* 12m Trailing | \*\* 12m Trailing, 3M PKRV yield is used as a risk-free rate

<sup>3</sup> This includes 0.32% representing government levy, Worker's Welfare Fund and SECP fee.

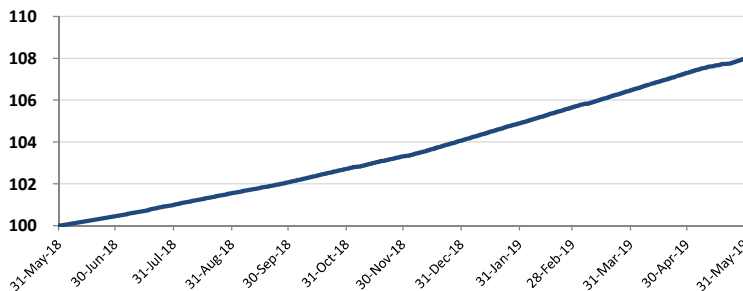
**Note:** Benchmark has been changed effective from October 2016; Previously 75% 3M PKRV + 25% 3M TDR (with AA or better banks)

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

## Portfolio Quality (% of Total Assets)



## Value of 100 Rupees invested 12 months ago



## Monthly Yield\*

	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	CYTD
UMMF	5.58%	6.56%	6.71%	6.41%	7.68%	7.22%	9.02%	9.75%	9.88%	9.42%	9.93%	7.97%	9.37%
Benchmark	5.91%	6.30%	6.66%	6.89%	7.50%	7.97%	8.83%	8.99%	9.27%	9.76%	10.11%	10.77%	9.79%

\*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*   Syed Sheeraz Ali

\* Head of Risk - non voting observer

Asset Allocation (% of Total Assets)	Mar'19	Apr'19	May'19
Placements with Banks	0%	0%	0%
Placements with DFIs	10%	17%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	0%	76%	0%
Cash	89%	5%	100%
Others	1%	1%	0%
Leverage	Nil	Nil	Nil

Total amount invested by FoFs is PKR 378.93 Mn

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a.)	9.09%	9.31%	7.99%	6.15%	6.37%	7.96%
Benchmark	10.21%	9.62%	8.24%	6.29%	6.67%	8.55%

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. 5,206,889, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.26/0.24%.

# Al-Ameen Shariah Stock Fund

Fund Managers Report - May'19



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.

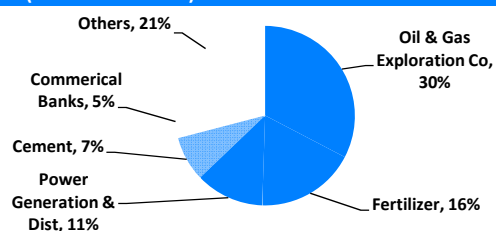
## Fund Performance

	ASSF	Benchmark
FY-YTD	-12.97%	-18.05%
May-19	-2.85%	-1.65%
Since Inception (CAGR)***	13.27%	12.88%
Standard Deviation*	18.42%	22.36%
Sharpe Ratio**	(1.36)	(1.32)
Beta*	0.79	1.00
Alpha*^	4.55%	
R-Square^^	92%	
Price-to-Earning Ratio ^^^	7.04x	8.10x
Dividend Yield ^^^	5.59%	5.14%
Value at Risk	-1.31%	-1.52%
Expense Ratio <sup>1</sup>	2.97%	

	Apr'19	May'19	%Δ
Fund Size (PKR Mn)	6,197	5,850	-5.61%
NAV (PKR)	120.29	116.86	-2.85%

\*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 0.36% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 25.72 million.

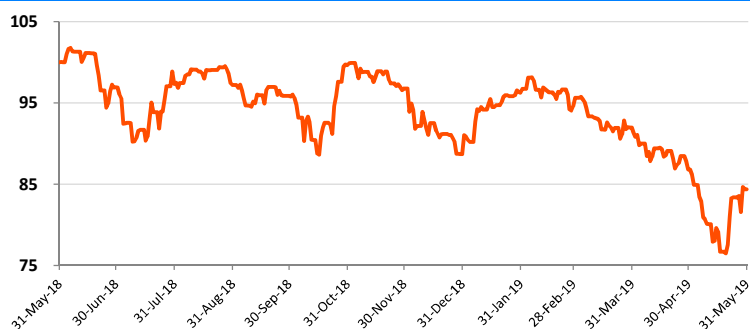
## Sector Allocation (% of Total Assets)



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

Hub Power Co Ltd.	9.3%	Pak Oilfields Ltd.	5.7%
Mari Petroleum Co Ltd.	8.9%	Meezan Bank Ltd.	5.4%
Oil And Gas Development Co. Ltd.	8.8%	Fauji Fertilizer Co Ltd.	4.2%
Engro Corporation	8.3%	Nishat Mills Ltd.	4.2%
Pak Petroleum Ltd.	6.2%	Pakistan State Oils Ltd.	3.8%

## Value of 100 Rupees invested 12 months ago



## Monthly Yield

	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	CYTD
ASSF	-3.08%	0.40%	-0.10%	-1.37%	3.94%	-2.90%	-8.34%	8.54%	-1.71%	-2.80%	-5.60%	-2.85%	-4.91%
Benchmark	-2.63%	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-4.81%

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

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   Hadi Mukhi*   Asim Wahab Khan, CFA
Members	

\* 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)

	Mar'19	Apr'19	May'19
Equities	91%	92%	91%
Sukuks	0%	0%	0%
GoP Ijarah Sukuks	0%	0%	0%
Cash	8%	7%	9%
Others	1%	1%	0%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ASSF	-10.86%	-12.84%	-15.65%	1.98%	43.48%	371.24%
Benchmark	-11.11%	-14.85%	-20.21%	-7.95%	23.94%	351.45%

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. 1.27/1.09%.

# Al-Ameen Islamic Asset Allocation Fund

Fund Managers Report - May'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	-2.01%	-4.28%
May-19	-0.57%	-0.03%
Since Inception (CAGR)***	7.71%	6.89%
Standard Deviation*	7.66%	8.55%
Sharpe Ratio**	(1.61)	(1.68)
Expense Ratio <sup>1</sup>	2.70%	

	Apr'19	May'19	%Δ
Fund Size (PKR Mn)	4,080	3,762	-7.78%
NAV (PKR)	115.5146	114.8566	-0.57%

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

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

<sup>1</sup> This includes 0.33% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 19.51 million.

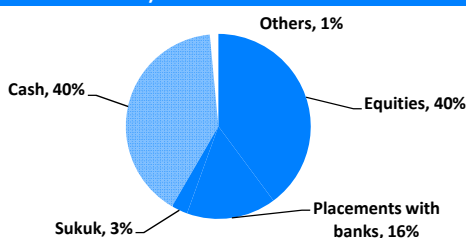
Note: Benchmark has been changed effective from 2 January 2018; Previously Average of 6M KIBOR + 2%.

## 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*   Usama Bin Razi

\* Head of Risk - non voting observer

## Asset Allocation (% of Total Assets)



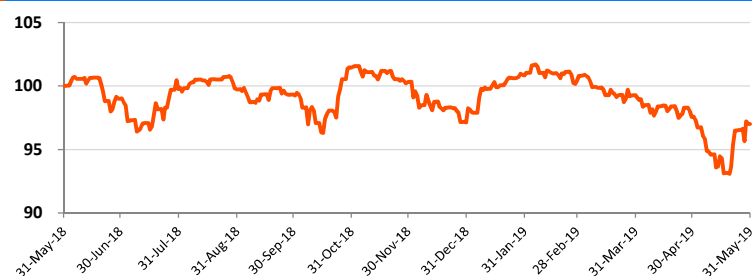
## Top Ten Equity Holdings (% of Total Assets)

Hub Power Co. Ltd.	4.9%	Pak Oilfields Ltd.	2.7%
Oil & Gas Development Co. Ltd.	4.1%	Nishat Mills Ltd.	1.9%
Mari Petroleum Co. Ltd.	4.0%	Fauji Fertilizer Co. Ltd.	1.8%
Engro Corporation	3.6%	Kohat Cement Co. Ltd.	1.7%
Pak Petroleum Ltd.	3.0%	Engro Fertilizer Ltd.	1.6%

## Disclosure of Excess/(Short) Exposure as a %age of NA as at May 31, 2019

Name of Investment	Exposure Type	% of NA	Limit	Excess
Listed Equity Exposure	Total Equity	40.45%	40%	0.45%

## Value of 100 Rupees invested 12 months ago



Monthly Yield	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	CYTD
AIAAF	-1.00%	0.76%	-0.02%	-0.42%	2.13%	-1.10%	-3.17%	3.81%	-0.44%	-1.12%	-1.72%	-0.57%	-0.13%
Benchmark	-0.80%	1.04%	-0.61%	-0.62%	1.70%	-1.57%	-3.78%	4.53%	-1.38%	-1.05%	-2.35%	-0.03%	-0.42%

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

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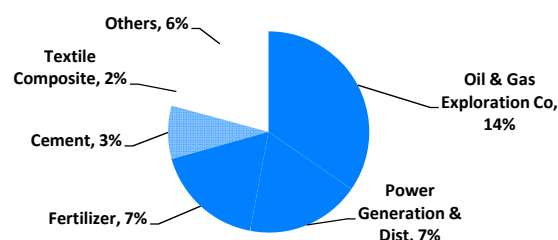
## Asset Allocation (% of Total Assets)

	Mar'19	Apr'19	May'19
Equities	39%	38%	40%
Placements with banks	6%	14%	16%
Sukuk	3%	3%	3%
Cash	51%	43%	40%
GoP Ijarah	0%	0%	0%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AIAAF	-3.37%	-3.29%	-2.99%	12.30%	44.29%	50.16%
Benchmark	-3.40%	-4.18%	-5.05%	12.48%	35.39%	44.01%

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. 0.74/0.64%.

# 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

## Available on Social Media



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