

Annual Report 2019

| UBL Retirement Savings Fund



Rated AM1 by JCR-VIS

CORPORATE INFORMATION

as at June 30, 2019

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrugh Zaeem
Director

Naz Khan
Director

Tauqeer Mazhar
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee

Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar
Member

Risk and Compliance Committee

Imran Sarwar
Chairman

Syed Furrugh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrugh Zaeem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Aly Osman

Registered Office

4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi, Pakistan.

Head Office

4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi, Pakistan.
UAN: (92-21) 111-825-262
Fax: (92-21) 32214930

Date of incorporation of the Management Company/ Pension Fund Manager

Incorporated in Pakistan on
3 April 2001 as a Public Limited
Company under the Companies
Ordinance, 1984

Management Quality Rating

AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

Al-Ameen Islamic Sovereign Fund
Launch Date: 07 November 2010

Al-Ameen Islamic Aggressive Income Fund
Launch Date: 20 October 2007

Al-Ameen Islamic Cash Fund
Launch Date: 17 September 2012

Al-Ameen Shariah Stock Fund
Launch Date: 24 December 2006

Al-Ameen Islamic Asset Allocation Fund
Launch Date: 10 December 2013

Al-Ameen Islamic Financial Planning Fund
Launch Date: 23 June 2015

UBL Retirement Savings Fund
Launch Date: 10 May 2010

Al-Ameen Islamic Retirement Savings Fund
Launch Date: 10 May 2010

Al-Ameen Islamic Dedicated Equity Fund
Launch Date: 05 Jan 2016

Al-Ameen Islamic Financial Planning Fund - II
Launch Date: 21 February 2017

UBL Capital Protected Fund - III
Launch Date: 26 January 2017

UBL Financial Planning Fund
Launch Date: 28 September 2017

Al-Ameen Islamic Financial Planning Fund - III
Launch Date: 28 May 2018

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

UBL Special Saving Fund
Launch Date: 09 November 2018

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

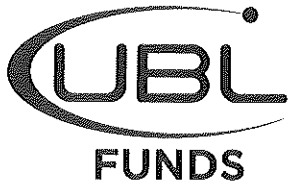
Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan



Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the Annual Report of "UBL Retirement Savings Fund" (URSF) for the year ended June 30, 2019.

Economy Review – FY19

The fiscal year 2019 remained for Pakistan's economy with real GDP growth slumping to 3.2% as compared to 5.5% in last year. The prime reason for the sluggish GDP growth were macroeconomic stabilization measures taken by the authorities, specifically; monetary policy tightening, large exchange rate adjustments, curtailment in PSDP spending and other regulatory actions wedged domestic economic activity. These policy measures along with weak performance of agriculture dampened the real GDP growth.

Average headline inflation for FY19 rose to 7.3%, significantly higher than average headline inflation of 3.9% in FY18. Cost push elements were mostly responsible, for instance (i) upward adjustment in electricity and gas prices, which not only directly escalated the CPI's energy component but also augmented the manufacturing costs, (ii) impact of PKR currency depreciation against USD and (iii) rise in food prices jacked up by rise in transportation costs. In addition to this, sharp augmentation in house rents also exaggerated the impact on CPI. Inevitably, to curb the inflationary pressures Monetary Policy Committee decided to increase the interest rates cumulatively by 575 basis points during fiscal year.

On external front, rising current account deficit remained one of the major stumbling blocks for the country during the start of fiscal year; however the stringent measures taken by the authorities yielded some fruits, as the import of goods and services started declining, as the year went on, merchandise imports declined due to reduction in demand for imported power generation and electrical machineries and the conclusion of early harvest projects of CPEC. In addition to this, with the slowdown in economic activity, import of petroleum products and raw material also waned. As a result, import bill declined by 7.2% to USD 52.4bn during FY19 as compared to USD 56.4bn in FY18. Consequently, decline in imports along with decent growth in worker remittance contracted the FY19 CAD by 32% to USD 13.6bn as against the 19.9bn over the same period last year.

On the fiscal side, overall fiscal deficit reached at 5% of GDP during 9MFY19 as against 4.3% of GDP in the same period last year. Deteriorating fiscal conditions were mainly due flattish tax revenue relative to the preceding year. Taxes collected by FBR during the 9MFY19 grew by merely 2.8% as against a hefty growth of 16.2% in the same period last year. Moreover, non-tax revenue collection also shriveled mainly due to drop in SBP profits. On the other hand, on the expenditure side, cumulative government spending during 9MFY19 grew by 8% as compared to a growth of 16% last year. Overall expenditure rose despite 41% reduction in PSDP with current expenditure increasing by 17.7% mainly fueled by higher interest payments and defense related expenditure. Resultantly, to finance the gap, government raised borrowings from SBP, non-bank and external sources.

UBL FUND MANAGERS LIMITED

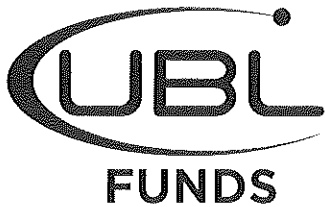
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📍 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.



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During June'19 two major developments occurred. First, PTI government announced its first budget for FY20, where in the PTI government primarily aims to address the structural issues of very low and lopsided tax collection through removal of tax anomalies/exemptions and documentation of economy, especially the giant services sector which makes up over 60% of the economy and contributes very little to government funds. As revealed in the budget documents, the government aims to increase FBR tax revenues from 10.8% of GDP in FY19 to 12.6% in FY20 and then 15.1% in the next two years. Second, Pakistan also signed a staff-level agreement with IMF for a 3-year Extended Fund Facility (EFF) which has enabled Pakistan to receive USD 6bn 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. Structural reforms will also be introduced to supplement economic policies and to put the country on the trajectory of long-term sustainable economic growth.

Debt Market Review

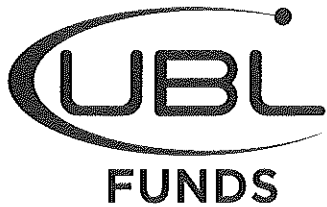
In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual



decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

Islamic Finance Review – FY19

The FY19 was a profitable year for the Islamic banking industry, due to a sharp rise in interest rates followed by increasing inflation. As the economy continued to suffer issues of excessive demand and fiscal leakages SBP embarked on a pre-emptive monetary-tightening approach bringing policy rate to 12.25%, registering an increase of 5.75% over the year FY19. Further increase in discount-rates will remain positive for Islamic banks and financial institutions.

Despite high competition from conventional banking systems, Islamic banking industry grew at a good pace in FY19. The asset base of the Islamic Banking Industry grew to PKR 2,790bn (19.5%YoY Mar'19). Deposits of Islamic Banking Industry stood at PKR 2,199bn till March,2019. In terms of market share, Islamic banking industry constituted 15 percent share in assets and 15.6 percent share in deposits of overall banking industry by end March, 2019.

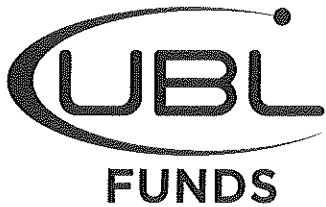
With growing number of Islamic banking branch network and conventional banks setting up Islamic banking windows to attract growing customers a substantial growth in Islamic banking can be anticipated in the following year. Along with this, concerted efforts towards increasing exports, SBP introduced Financing Facility (ILTFF) on the basis of Mudarabah which is a Shariah compliant alternative to conventional Long Term Financing Facility (LTFF). This with other Islamic banking institutions providing enhanced Islamic products will aid in meeting growing demand of customers seeking Shariah compliant services.

Commodity Market Review

At the start of Fiscal year 2019 gold prices remained volatile and declined by 4% in the 1QFY19 mainly due to strong global equity markets and positive expectations of global growth. However, as the year passed on and volatility returned to stock markets along with expectations of global slowdown owing to rising concern between USA-China trade conflicts, gold prices started increasing. By the end of June 2019 gold prices stood at around USD 1,409/oz witnessing a gain of ~13% YoY.

Future outlook

Given the stabilization measures in place and economy moving along the reform plans we expect macroeconomic indicators to slowly revert back to a stable path. However, for year FY20 we expect overall economic growth to



further dampen and improve thereafter. With the re-entry into an IMF program, we expect twin deficits to alleviate and expect a positive improvement in macroeconomic indicators.

On the fiscal side major improvement are yet to be seen, with the government target to keep the primary deficit at ~-0.6% is likely to funded by reduction in PSDP expenditures. On External front, we expect current account deficit to reach at ~USD 8-9bn in FY20, decline in CAD will be mainly be due to shrinkage in imports, lower oil prices, expected growth in worker remittance and exports.

Inflation for FY20 to remain at higher elevated between ~11-12%, higher inflation would be attributed to cost push factors like upward adjustment in electricity and gas prices, expected PKR currency devaluation and its second round impact. Conversely, going forward we expect inflation to taper down.

From the equities perspective earnings growth will remain healthy during FY20 on account of improvement in earnings of dollar hedged energy sector and financials which shall be beneficiaries of rising rates. Despite the increase in fixed income yield, we find tremendous value in the stock market on the back of attractive earning yields and double-digit growth in blue-chip stocks.

We expect KSE-100 index to post healthy returns, as the index is currently trading at forward P/E of 6.3x at a steep discount from its peak of 12.0x in May 2017. Additionally, Pakistan is the cheapest market in comparison to its peers. The market is offering an attractive dividend and earning yields of and ~7.5%/15.0% respectively.

Fund Performance and operational review

UBL Retirement Savings Fund

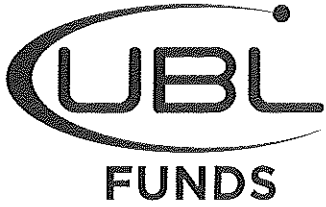
The Fund comprises of four sub funds namely Equity sub-fund, Debt sub-fund, Money Market sub-fund and Commodity Sub Fund. The Fund as a whole earned gross loss of PKR (53.486) million and net operating loss of PKR (98.223) million during the period while fund size stood at PKR 2,567.361 million as at the period end. Performance review for each sub Fund is given below..

Equity Sub-Fund

For the year ended June 30, 2019, the net assets of the sub-fund stood at PKR 992.14 million representing net asset value of PKR 544.2488 per unit as at June 30, 2019. The fund generated a return of -17.61%

Debt Sub Fund

For the year ended June 30, 2019, the net assets of the sub-fund stood at PKR 692.68 million representing net asset value of PKR 231.7163 per unit as at June 30, 2019. The fund generated a return of 7.57% p.a. The fund had 45% in cash at FY 19 end.



Money Market Sub Fund

For the year ended June 30, 2019, the sub-fund earned a return of 7.86%. The net assets of the sub-fund stood at PKR 875.96 million representing net asset value of PKR 189.3967 per unit as at June 30, 2019.

Commodity Sub Fund

For June 30, 2019, the sub-fund generated a return of 8.63%. The net assets of the sub-fund stood at PKR 6.58 million representing net asset value of PKR 124.2263 per unit as at June 30, 2019.. Fund had an allocation of 77% in cash at FY19 end.

Auditors

M/s EY Ford Rhodes & Co., Chartered Accountants., Chartered Accountants are not eligible for re-appointment, for being statutory auditors of the fund for consecutive three years.

Acknowledgements

We would like to thank our valued unit holders for their confidence and trust in UBL Fund Managers Limited. In addition, we would like to acknowledge the Securities and Exchange Commission of Pakistan, State Bank of Pakistan and Central Depository Company of Pakistan Ltd for their continued support, guidance and cooperation. The Board also likes to take this opportunity to express its appreciation to the employees for their dedication, commitment, enthusiasm and hard work.

FOR & ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'Y. Qadri', written over a horizontal line.

Yasir Qadri
CHIEF EXECUTIVE

Karachi, Dated: August 30, 2019

UBL Retirement Savings Fund (URSF) کے بورڈ آف ڈائریکٹرز UBL Fund Managers Ltd. کی سالانہ رپورٹ برائے مالی سال 2019 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

معاشی جائزہ برائے مالی سال 2019

مالی سال 2019 میں پاکستان کی مجموعی داخلی پیداوار میں خاطر خواہ کمی واقع ہوئی۔ مالی سال 2018 میں یہ 5.5% تھی جو کہ مالی سال 2019ء میں کم ہو کر 3.2% فیصد رہ گئی۔

اس کی بنیادی وجہ وہ حکومتی اقدامات تھے جو کہ معاشیات کبریٰ کو مستحکم کرنے لئے اٹھائے گئے۔ ان قابل ذکر اقدامات میں نظام زر کو کفایت شعاری کی جانب لے جانا۔ پاکستانی روپے کی قدر میں غیر معمولی کمی کرنا۔ عوامی بہبود کے ترقیاتی منصوبوں کو ایک باقاعدہ نظام کے تحت لانا شامل ہیں۔ علاوہ ازیں زرعی پیداوار کی مایوس کن کارکردگی نے بھی مجموعی داخلی پیداوار پر منفی اثرات مرتب کئے۔

مالی سال 2019 میں افراط زر کی شرح میں اوسطاً 7.3% اضافہ ہوا جو کہ گزشتہ مالی سال 2018ء میں 3.9% تھی۔

پیداواری لاگت میں اضافہ مندرجہ ذیل عناصر کی وجہ سے ہوا۔

- 1۔ بجلی اور گیس کی قیمتوں میں اضافہ
- 2۔ پاکستانی روپے کی قدر میں کمی
- 3۔ مواصلاتی اخراجات میں اضافہ سے روزمرہ اشیاء اور اشیائے خورد و نوش پر بالواسطہ منفی اثرات مرتب ہوئے۔

اس کے ساتھ ساتھ رہائشی کرایوں میں اضافہ نے بھی صارفین کو متاثر کیا۔ لہذا افراط زر کے دباؤ پر قابو پانے کی خاطر مالیاتی ادارے نے شرح سود میں 575 پوائنٹ کا اضافہ کیا۔

بیرونی محاذ پر مالی سال 2019ء کی ابتداء میں مالی خسارہ معاشی ترقی میں رکاوٹ رہا۔ حکومت کی طرف سے لئے گئے سخت اقدامات کے باعث درآمدات میں واضح کمی ہوتی دکھائی دی اور طلب میں کمی کے باعث بجلی پیدا کرنے والے آلات اور مشینری کی درآمدات بھی متاثر ہوئی۔ CPEC کے تحت قبل از وقت تکمیل پانے والے منصوبے بھی اسی میں شامل ہیں۔

معاشی سرگرمیوں میں سست روی کی وجہ سے پیٹرول اور خام مال کی درآمدات میں بھی کمی واقع ہوئی۔ نتیجہً درآمدی اخراجات میں 7.3% کمی واقع ہونے سے یہ اخراجات 52.4 ارب امریکی ڈالر رہ گئے جو کہ مالی سال 2018ء میں 56.4 ارب امریکی ڈالر تھے۔

درآمدات میں کمی اور بیرون ملک پاکستانیوں کے ترسیلات زر سے مالی سال 2019ء کے مالی خسارے میں %32 کی کمی واقع ہوئی۔ مالی سال 2018 میں یہ خسارہ 19.9 ارب امریکی ڈالر تھا۔ جو کہ مالی سال 2019ء میں کم ہو کر 13.6 ارب امریکی ڈالر رہ گیا۔

مالیاتی رخ پر مالی سال 2019 میں مجموعی مالی خسارہ مجموعی داخلی پیداوار کا %5 ہو گیا جو کہ مالی سال 2018 میں %4.3 تھا اس کی بڑی وجہ محصولات میں کمی تھی۔ مالی سال 2018 کے مقابلے میں FBR محصولات کی مد میں صرف %2.8 کا اضافہ کر سکا۔ گزشتہ مالی سال میں یہ %16.2 تھے اسٹیٹ بینک پاکستان کے منافع میں کمی کے باعث بلا ٹیکس آمدنی بھی کم ہو گئی۔

دوسری جانب سرکاری اخراجات میں اضافہ مالی سال 2019 میں %8 رہا جو کہ گزشتہ سال 2018 میں %16 تھا۔ عوامی بہبود کے ترقیاتی منصوبوں میں %41 کمی کے باوجود موجودہ حکومتی اخراجات میں %17.7 فیصد کا اضافہ ہوا۔ اس میں بڑا حصہ سود کی ادائیگی اور دفاعی اخراجات پر اٹھنے والی رقم شامل ہے۔ آمدنی اور اخراجات کے اس فرق کو کم کرنے کیلئے حکومت نے بینک دولت پاکستان بیرونی اور دیگر ذرائع سے قرض حاصل کئے۔

جون 2019 میں دو اہم واقعات رونما ہوئے۔

(i) پاکستان تحریک انصاف کی حکومت سے مالی سال 2020 کا بجٹ پیش کیا۔ ٹیکس کے نظام میں بہتری اسکا بنیادی ہدف تھا۔ قابل ذکر اصلاحات میں محصولات میں کمی نظام میں بے قاعدگی اور استثنیٰ کو ختم کرنا۔ خاص طور پر بڑی خدمات عامہ کے اداروں کو فائدہ مند بنانا اس میں شامل ہے۔ یہ ادارے معیشت کا %60 حصہ ہیں مگر حکومت کو ادائیگی نہ بھرنے کے برابر ہیں۔

بجٹ دستاویز کے مطابق حکومت کا ہدف FBR ٹیکس آمدنی کو مالی سال 2019 میں مجموعی داخلی پیداوار کا %10.8 کرنا چاہتی ہے جو کہ 2020ء میں %16.6 اور آئندہ دو برسوں میں %15.1 فیصد متوقع ہے۔

(ii) حکومت پاکستان نے بین الاقوامی مالیاتی فنڈ سے توسیعی مالی وسائل کی سہولت کے معاہدے پر دستخط کئے۔ اس کے مطابق یہ ادارہ پاکستان کو 39 ماہ کی مدت میں 6 ارب امریکی ڈالر فراہم کرے گا۔ اسکا مقصد پاکستان کے داخلی اور خارجی مالی امور کو متوازن کرنا شفافیت کو یقینی بنانا، کاروبار کے لئے سازگار ماحول کا مہیا کرنا اور معیشت کی نشوونما کی راہ میں حائل رکاوٹوں کو دور کرنا ہے۔ ایسی معاشی اصلاحات کی جائیں گی کہ جن پر عمل پیرا ہو کر پاکستان کی معیشت ایک دیرپا استحکام کی راہ پر گامزن ہو جائے گی۔

قرض مارکیٹ کا جائزہ

حکومت پاکستان نے مالیاتی سال 2019 میں پاکستان سرمایہ کاری بانڈز کی 12 نیلامیاں کیں۔ 800 ارب روپے کے ہدف کے مقابلے میں 871 ارب روپے حاصل کئے گئے۔ جو کہ مالیاتی سال 2018 میں 1.2 ارب روپے تھے۔ اس کے نتیجے میں پاکستان میں واجب الادا رقم PIB مارکیٹ میں بڑھ کر 769 ارب روپے تک جان پہنچی۔

ان نیلامیوں میں خریداروں کا جھکاؤ 3 سالہ اور 5 سالہ مدت کے بانڈز پر تھا۔ جون 2019 کی سپلائی میں شرح سود مندرجہ ذیل رہی۔
3 سالہ مدت پر %13.69 پانچ سالہ مدت پر %13.8 اور دس سالہ مدت پر %13.5 مقرر کی گئی۔

شرح سود میں اضافہ کے ساتھ ساتھ حکومتی T Bills کی شرح منافع میں بھی اضافہ ہوا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T Bills کی شرح منافع میں بالترتیب 5.97%، 5.95% اور 5.94% رہا۔ بقیہ 3، 5، اور 10 سالہ بانڈز پر منافع میں اضافہ بالترتیب 5.56%، 5.10% اور 4.69% رہا۔ سپاٹ منافع کے خط منحنی کے مطابق ایک سالہ T Bills 13.12% اور 10 سالہ PIB 13.72% کے سالانہ منافع کا پھیلاؤ 30 جون 2019ء کو کم ہو کر 0.59 فیصد ہو گیا۔

شیر (حصص) مارکیٹ کا جائزہ برائے مالیاتی سال 2019

ایک طویل مدت تک کساد بازاری کا شکار پاکستان شیر مارکیٹ کیلئے ایک اور مایوس کن سال رہا۔ مالی سال 2019 میں حصص اشارے نے مسلسل دوسرے سال بھی 19% خسارہ دکھایا۔ اس کی وجوہات مندرجہ ذیل ہیں۔

۱۔ شرح سود میں متوقع اضافہ ۲۔ سست معاشی رفتار ۳۔ معاشیات کمزوری کی ابتری ۴۔ تیزی سے بڑھنے والے مالی اور تجارتی خسارے اور ۵۔ پاکستانی روپے کی قدر میں بے انتہا کمی۔ بڑھتی ہوئی بے یقینی نے مارکیٹ کے کھلاڑیوں کو حد درجہ محتاط کر دیا جس کی وجہ سے اوسط حصص کا حجم 96.3% ملین پر ہی ختم گیا۔ خارجی شراکت دار فقط حصص فروخت کرتے رہے جس کی مالیت تقریباً 356 ملین امریکی ڈالر رہی۔

منصفانہ حصص مارکیٹ نے مالی سال کی ابتداء مثبت انداز سے کی جبکہ معیاری اشارے نے جنوری 2019 میں 2 فیصد اضافہ ریکارڈ کیا۔ تاہم بین الاقوامی مالیاتی ادارے سے معاہدے میں تاخیر نے حصص مارکیٹ میں مندری کار، حجان برقرار رکھا اور مارکیٹ کا معیاری اندازاً 5 ماہ تک تنزلی کا شکار رہا۔ اس کمی میں جن حصص (شیرز) نے منفی کردار ادا کیا ان میں سیمنٹ، تیل اور گیس مارکیٹنگ، ریفاؤنڈری، آٹوموبائل اور انشورنس شامل ہیں۔

اسلامک مالیاتی جائزہ برائے مالی سال 2019

مالی سال 2019 اسلامک بینکنگ صنعت کے لئے بے حد منافع بخش رہا۔ شرح سود میں تیکھاپن اور اسکے نتیجے میں بڑھتی ہوئی افراط زر اس کی وجوہات ہیں۔ حد سے بڑھتی ہوئی طلب اور مالیاتی نقصانات کے پیش نظر SBP نے شرح سود میں 5.75% کا اضافہ کر کے سے 12.25% پر پہنچا دیا۔ شرح سود میں مزید اضافہ اسلامک بینک اور اسلامی مالیاتی اداروں کے لئے حد درجہ مثبت اثرات مرتب کرے گا۔

روایتی بینکنگ نظام سے سخت مقابلہ کے باوجود اسلامی بینکنگ صنعت نے مالیاتی سال 2019 میں عمدہ ترقی کی۔ اسلامی بینکنگ صنعت کا بنیادی اثاثہ بڑھ کر 2790 ارب روپے (19.5%) تک پہنچ گیا۔ مارچ 2019 کے اختتام تک بیکاری نظام میں اسلامی بینکنگ کا حصہ مندرجہ ذیل رہا۔

۱۔ اثاثوں کی مد میں 15% اور ۲۔ بچت کھاتوں کی مد میں 15.6%۔

اسلامک بینکنگ کی شاخوں کے پھیلاؤ اور روایتی بینکنگ کا اسلامی کھڑکی کا کھولنا اس امر کی طرف اشارہ کرتا ہے کہ آنے والے برسوں میں اسلامی بینکنگ بہت ترقی پائے گی۔

برآمدات میں اضافہ کی کوششوں میں تیزی لانے کیلئے بینک دولت پاکستان نے اسلامی طویل المدتی قرضہ کی سہولت (ILTFF) کا اجراء کیا۔ جو کہ شریعت کے طابع مضار بہ ہے۔ یہ روایتی بینکنگ نظام کی طویل الامدت قرضہ سہولت (LTFF) کا متبادل ہے۔ یہ سہولت ان گاہکوں کی مالیاتی ضروریات کو پورا کرے گا جو کہ شرعی مالیاتی خدمات کو ترجیح دیتے ہیں۔

جنس مارکیٹ کا جائزہ : Commodity Market Review

مالی سال 2019 کے اوائل میں سونے کی قیمتیں ردوبدل کا شکار رہیں۔ اور عالمی حصص (شینر) مارکیٹ میں استحکام اور مثبت رجحانات کے باعث اسی مالی سال کی پہلی سہ ماہی میں یہ قیمتیں %4 تک کم ہو گئیں۔

اسی سال کے دوران شیئر مارکیٹ میں اتار چڑھاؤ آنا شروع ہوا اور امریکہ، چین تجارتی تنازعہ کے تناظر میں سونے کی قیمت میں اضافہ دیکھنے میں آیا۔ مالی سال 2019ء کے اختتام یعنی جون 2019ء تک سونے کا بھاؤ 14.9 امریکی ڈالر فی آؤنس رہا۔ جو کہ تقریباً %13 منافع کے برابر ہے۔

مستقبل کا زاویہ نگاہ

حکومت کا معیشت کو سنبھال دینے کے اقدامات اور معیشت کا اصلاحی منصوبوں کے مطابق حرکت کو دیکھتے ہوئے ہم یہ توقع کر سکتے ہیں کہ معیشت کبریٰ آہستہ آہستہ ایک مستحکم سمت میں گامزن ہو جائے گی۔ تاہم مالی سال 2020ء میں مجموعی معیشت کی شرح نمو میں مزید کمی ہوگی جو کہ بعد میں بہتر ہونا شروع ہو جائے گی۔ بین الاقوامی مالیاتی پروگرام میں دوبارہ داخلہ سے اس بات کا قوی امکان ہے جڑواں خسارے کم ہوں گے اور معیشت کبریٰ کی علامات میں مثبت تبدیلی ہوگی۔

مالی رخ پر ابھی کوئی بڑی بہتری نظر نہیں آرہی۔ حکومت نے بنیادی خسارے کا ہدف %0.6 مقرر کیا ہے۔ جو کہ عوامی سود کے منصوبوں کے اخراجات میں کٹوتی سے حاصل ہوگا۔

خارجی رخ پر توقع یہی جارہی ہے کہ حالیہ مالی خسارہ مالی سال 2020 میں 8.9 ارب امریکی ڈالر تک چاہئے گا۔

مالی خسارے میں کمی کی وجوہات یہ ہیں۔

۱۔ درآمدات میں کمی

۲۔ تیل کی مصنوعات کی قیمتوں میں کمی

۳۔ سمندر پار پاکستانیوں کی ترسیل زر میں اضافہ اور

۴۔ برآمدات میں اضافہ

افراط زر کی شرح مالی سال 2020 میں %11.12 کی بلند سطح پر قائم رہے گی۔ جس کی وجہ بجلی اور گیس کے نرخوں میں اضافہ اور روپیہ کی شرح تبادلہ میں ردوبدل۔ اس کے بالعکس وقت گزرنے کے ساتھ افراط زر کا ودم ہو جائے گی۔

منصفانہ حصص کے تناظر میں دیکھا جائے تو وہ حصص جو کہ امریکی ڈالر سے محدود توانائی کے شعبے سے متعلق بھی بہت حد تک منافع بخش ہوں گے۔ ڈالر کی قیمت میں اضافہ کا براہ راست اثر آمدنی پر مرتب ہوگا۔

باوجود اس کے کہ منجمد آمدنی کے منافع میں اضافہ ہوا، ہم یہ امید رکھتے ہیں کہ پرکشش حصص کے منافع حصص مارکیٹ کے کاروبار میں مثبت تبدیلی لائیں گے۔

ہمیں امید ہے۔ کہ KSE-100 انڈیکس صحت مند منافع لائے گا۔ فی الوقت یہ اشارہ 6.3 پر بک رہا ہے جو کہ مئی 2017 میں 12.0 تھا۔ یہ بات قابل ذکر ہے کہ پاکستان دیگر بڑی حصص مارکیٹ کے مقابلے میں ارزاں ترین ہے۔ پاکستان حصص مارکیٹ %7.5 منافع اور %15 آمدنی / کمائی پیش کرتا ہے۔

مالی وسائل کی کارکردگی اور اسکا عملی جائزہ

UBL ریٹائرمنٹ بچت فنڈ : UBL Retirement Savings Fund

یہ فنڈ 4 ذیلی فنڈز پر مشتمل ہے۔

Equity Sub-Fund	:	منصفانہ حصص ذیلی فنڈ	1.
Debt Sub Fund	:	ادھار ذیلی فنڈ	2.
Money Market Sub Fund	:	مالیاتی مارکیٹ ذیلی فنڈ	3.
Commodity Sub Fund	:	اجناس ذیلی فنڈ	4.

اس فنڈ کو مجموعی طور پر 53.486 ملین روپے کا خسارہ ہوا۔

جبکہ خالص خسارہ 98.223 ملین روپے رہا۔

فنڈ کا حجم 2567.361 ملین روپے رہا۔ ہر ایک ذیلی فنڈ کی کارکردگی کا جائزہ مندرجہ ذیل ہے۔

1. **منصفانہ حصص ذیلی فنڈ** : Equity Sub-Fund
مالی سال کے اختتام یعنی 30 جون 2019 تک اس فنڈ کے اثاثے 992.14 ملین روپے رہا۔
ہر ایک ذیلی فنڈ کی کارکردگی کا جائزہ مندرجہ ذیل ہے۔

2. **ادھار ذیلی فنڈ** : Debt Sub Fund
مالی سال 2019 کے اختتام یعنی 30 جون 2019 تک اس فنڈ کے خالص اثاثے 692.68 ملین روپے تھے۔ اس کے مطابق فی یونٹ کی خالص قدر 231.7163 روپے رہی۔ اس فنڈ نے %7.57 سالانہ منافع کمایا فنڈ کی کل مالیت کا %45 نقد روپے کی صورت میں دیا۔

3. مالیاتی مارکیٹ ذیلی فنڈ : Money Market Sub Fund
مالیاتی سال 2019 کے اختتام پر اس ذیلی فنڈ نے %7.86 منافع کمایا۔ فنڈ کے خالص اثاثے 875.96 ملین روپے تھے اور اس طرح فی یونٹ کی قدر 189.3967 روپے رہی۔

4. اجناس ذیلی فنڈ : Commodity Sub Fund
مالی سال 2019 کے اختتام یعنی 30 جون 2019 تک فنڈ نے %8.63 منافع کمایا۔ ذیلی فنڈ کے خالص اثاثے 6.58 ملین روپے تھے اور اس طرح فی یونٹ کی قدر 124.2263 روپے رہی۔ فنڈ کا زرفندہ %77 تھا۔

محاسب / Auditors

فنڈ کے موجودہ محاسب M/s EY Ford Rhodes & Co., Chartered Accountants چارٹرڈ اکاؤنٹنٹس اس امر کے مجاز نہیں ہیں کہ انہی مسلسل 3 سال تک فنڈ کے محاسب / Auditor کی ذمہ داری کیلئے دوبارہ نامزد کیا جائے۔

اعتراف / Acknowledgment

ہم اپنے حصہ داران کے بے حد شکر گزار ہیں کہ انہوں نے UBL Fund Managers Limited پر اعتماد اور بھروسہ کا اظہار کیا۔ اس کے علاوہ ہم مندرجہ ذیل اداروں کے تعاون اور رہنمائی کے بھی معترف ہیں۔

CDC PAKISTAN (Incoming Trustee)، SBP، SECP PAKISTAN

MCB Financial Services Ltd. (Outgoing Trustee)

بورڈ اس موقع پر اپنے عملے اور اسٹاف کی مخلصی، دلچسپی اور انتھک محنت کا بھی تہہ دل سے مشکور ہے۔

دستخطی برائے بورڈ

کراچی۔ 30 اگست 2019ء

یا سرقادی
چیف ایگزیکٹو

URSF

UBL Retirement Savings Fund

INVESTMENT OBJECTIVE

URSF is an open-end fund that aims to provide a secure source of savings and regular income after retirement to the Participants. The Participants would contribute to the Fund during their working life and would typically withdraw from the Fund on or after retirement.

Pension Fund Manager	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Ernst & Young Ford Rhodes
Bankers	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited JS Bank Limited MCB Bank Limited National Bank of Pakistan Samba Bank Limited Sindh Bank Limited Tameer MicroFinance Bank United Bank Limited Zarai Taraqati Bank Limited
Management Co.Rating	AM1 (JCR-VIS)

Fund Manager's Report – UBL Retirement Savings Fund (URSF)

i) Description of the Voluntary Pension Scheme (VPS) category and type

Voluntary Pension Scheme / Open-end

ii) Statement of VPS's investment objective

URSF is an open-end fund that aims to provide a secure source of savings and regular income after retirement to the Participants. The Participants would contribute to the Fund during their working life and would typically withdraw from the Fund on or after retirement.

iii) Explanation as to whether the VPS achieved its stated objective

The Pension Scheme achieved its stated objective.

iv) Statement of benchmark(s) relevant to the VPS

None

v) Comparison of the VPS's performance during the period compared with the said benchmarks

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
URSF Debt (p.a)*	5.35%	4.86%	4.92%	6.87%	5.34%	6.66%	10.20%	12.17%	8.61%	9.58%	4.83%	12.34%	7.57%
URSF Money Market (p.a)*	5.06%	5.96%	5.75%	6.92%	6.43%	7.80%	8.93%	9.22%	8.44%	9.26%	7.95%	13.06%	7.86%
URSF Equity	1.92%	-0.48%	-1.85%	2.68%	-2.48%	-8.51%	9.73%	-2.42%	-2.97%	-4.68%	-3.75%	-5.24%	-17.61%
URSF Commodity	-2.19%	-1.39%	-0.73%	1.29%	0.22%	4.00%	2.60%	-0.56%	-1.53%	-0.93%	0.86%	7.04%	8.63%

UBL Retirement Savings Fund	FY'19
High Volatility	-9.0%
Medium volatility	-4.0%
Low volatility	0.3%
Lower volatility	4.4%

vi) Description of the strategies and policies employed during the period under review in relation to the VPS's performance

The Equity Sub Fund generated a return of -17.61% during FY19. Major exposure was taken in Commercial Banks (20%), Oil & Gas Exploration (18%) and Fertilizers (9%).

The Debt Sub Fund maintained majority exposure in government securities during the year, keeping the return consistent by generating a yield of 7.57% p.a.

The Money Market Sub Fund maintained majority exposure in government securities during the year, keeping the return consistent by generating a yield of 7.86% p.a.

The Commodity Sub Fund generated a return of 8.63% during the year, which was primarily due to the upward rising trend in international gold prices during the FY19.

vii) Disclosure of the VPS's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Treasury Bills	30%	26%
Placements with banks	0%	0%
Term Finance Certificates / Sukuks	10%	9%
Placement against TFC	0%	0%
PIBs	1%	18%
Cash	58%	45%
Others	1%	2%
GoP Ijara Sukuk	0%	0%
Leverage	Nil	Nil
URSF Money Market (% of Total Assets)	Jun-18	Jun-19
Treasury Bills	24%	56%
Placements with banks	19%	0%
PIBs	0%	0%
Cash	57%	43%
Term Finance Certificates / Sukuks	0%	0%
Others	1%	1%
Leverage	Nil	Nil
URSF Equity (% of Total Assets)	Jun-18	Jun-19
Equities	94%	90%
Cash	5%	9%
Others	1%	1%
Leverage	Nil	Nil
URSF Commodity (% of Total Assets)	Jun-18	Jun-19
Gold	72%	75%
T-Bills	0%	0%
Cash	77%	77%
Others	-49%	-52%
Leverage	Nil	Nil

viii) Analysis of the VPS performance

URSF -DSF: FY'19 Return:	7.57% p.a.
URSF -MSF: FY'19 Return:	7.86% p.a.
URSF -ESF: FY'19 Return:	-17.61%
URSF -CSF: FY'19 Return:	8.63%

ix) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established VPS)

	Net Asset Value			NAV per unit		
	30-Jun-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
	Rupees (000)		%	Rupees		%
URSF-ESF	992,144	1,309,820	(24.3)	544.2488	660.5453	(17.61)
URSF-DSF	692,678	723,593	(4.3)	231.7163	215.4109	7.57
URSF-MSF	875,856	687,447	27.4	189.3967	175.5937	7.86
URSF-CSF	6,583	4,794	37.3	124.2300	114.3600	8.63

x) **Disclosure on the markets that the VPS has invested in including
- review of the market(s) invested in and returns during the period**

The scheme has 4 sub funds which invest in the equity, debt / money market and commodity markets actively. Reviews of these markets are as follows:

Debt and Money Market Review for FY19

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

Commodity Market Review – FY19

At the start of Fiscal year 2019 gold prices remained volatile and declined by 4% in the 1QFY19 mainly due to strong global equity markets and positive expectations of global growth. However, as the year passed on and volatility returned to stock markets along with expectations of global slowdown owing to rising concern between USA-China trade conflicts, gold prices started increasing. By the end of June 2019 gold prices stood at around USD 1,409/oz witnessing a gain of ~13% YoY.

xi) Description and explanation of any significant changes in the state of affairs of the VPS during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

xii) Breakdown of unit holdings by size

Range of Units	Number of Investors	Number of Investors	Number of Investors	Number of Investors
	ESF	DSF	MSF	CSF
0.0001 - 9,999.9999	1,517	1,528	1,042	175
10,000.0000 - 49,999.9999	36	63	58	1
50,000.0000 - 99,999.9999	4	5	11	-
100,000.0000 - 499,999.9999	1	3	-	-
500,000.0000 & Above	-	-	-	-
Total	1,558	1,599	1,122	176

xiii) Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

xiv) Disclosure of circumstances that materially affect any interests of unit holders

Investment are subject to credit and market risk.

xv) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the VPS.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Pension Scheme.

Head Office

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S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

UBL RETIREMENT SAVINGS FUND

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of UBL Retirement Savings Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, October 11, 2019

AUDITORS' REPORT TO THE PARTICIPANTS OF UBL RETIREMENT SAVINGS FUND

We have audited the annexed financial statements comprising:

- i) statement of assets and liabilities;
- ii) income statement;
- iii) statement of comprehensive income;
- iv) statement of cash flow; and
- v) statement of movement in participants' sub-funds.

Of UBL Retirement Savings Fund (the Fund) as at 30 June 2019 and for the year ended 30 June 2019 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

- a) the financial statements prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2019 and of the transactions of the fund for the year ended 30 June 2019;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records, that fact;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.



Chartered Accountants

Audit Engagement Partner: Shaikh Ahmed Salman

Date: 23 September 2019

Karachi

UBL RETIREMENT SAVINGS FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	June 30, 2019					June 30, 2018					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	
Note	----- (Rupees in '000) -----										
Assets											
Bank balances	5	90,920	319,915	386,059	5,443	802,337	67,932	428,307	393,732	4,064	894,035
Investments	6	917,741	371,149	492,328	460	1,781,678	1,255,417	302,601	296,457	(32)	1,854,443
Advance tax	7	880	419	604	28	1,931	748	303	430	25	1,506
Receivable against sale of investments		2,395	-	-	-	2,395	3,565	-	-	-	3,565
Dividend receivable and mark-up receivable	8	4,258	10,438	2,505	39	17,240	2,910	3,945	2,879	22	9,756
Deposits and other receivables	9	2,600	100	-	1,063	3,763	2,600	100	-	1,104	3,804
Total assets		1,018,794	702,021	881,496	7,033	2,609,344	1,333,172	735,256	693,498	5,183	2,767,109
Liabilities											
Payable to the Pension Fund Manager	10	1,526	1,002	1,229	49	3,806	2,328	1,246	1,357	35	4,966
Remuneration payable to the Trustee	11	114	77	95	2	288	146	81	77	-	304
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	12	400	226	251	2	879	443	246	221	2	912
Payable against purchase of investment		3,839	-	-	-	3,839	-	-	-	-	-
Accrued expenses and other liabilities	13	20,771	8,038	3,965	397	33,171	20,435	10,090	4,397	352	35,274
Total liabilities		26,650	9,343	5,540	450	41,983	23,352	11,663	6,052	389	41,456
Net assets		992,144	692,678	875,956	6,583	2,567,361	1,309,820	723,593	687,446	4,794	2,725,653
Contingencies and commitments	14										
Participants' Sub-Funds (as per the statement attached)		992,144	692,678	875,956	6,583	2,567,361	1,309,820	723,593	687,446	4,794	2,725,653
		----- (Number of units) -----									
Number of units in issue	19	1,822,960	2,989,337	4,624,981	52,992		1,982,938	3,359,128	3,914,990	41,924	
		----- (Rupees) -----									
Net assets value per unit		544.2488	231.7163	189.3967	124.2263		660.5478	215.4110	175.5933	114.3429	

The annexed notes from 1 to 27 form an integral part of this financial information.

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL RETIREMENT SAVINGS FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

Note	June 30, 2019					June 30, 2018				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
	(Rupees in '000)									
Income										
Mark-up / interest income	6,347	67,234	74,814	352	148,747	5,349	48,139	40,837	241	94,566
Capital (loss) / gain on sale of investments - net	(15,085)	(2,135)	(2,265)	10	(19,475)	(97,508)	(607)	(66)	35	(98,146)
Dividend income on equity securities	56,216	-	-	-	56,216	56,128	-	-	-	56,128
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit and loss'	(237,541)	(1,961)	(92)	460	(239,134)	(119,244)	391	(45)	(32)	(118,930)
Other Income	53	53	54	-	160	64	34	41	20	159
Total (loss) / income	(190,010)	63,191	72,511	822	(53,486)	(155,211)	47,957	40,767	264	(66,223)
Impairment loss on investments classified as 'available-for-sale'	-	-	-	-	-	(7,219)	-	-	-	(7,219)
Expenses										
Remuneration of the Pension Fund Manager	18,135	10,164	11,318	78	39,695	19,951	11,077	9,938	82	41,048
Sales tax on management fee	2,358	1,321	1,471	10	5,160	2,594	1,440	1,292	11	5,337
Remuneration of the Trustee	1,626	911	1,014	8	3,559	1,777	986	886	7	3,656
Annual fee to SECP	400	226	251	2	879	443	246	221	2	912
Auditors' remuneration	141	141	141	141	564	83	83	83	83	332
Brokerage expense	1,507	192	75	10	1,784	1,209	150	17	14	1,390
Custody and settlement charges	670	31	10	9	720	700	10	-	10	720
Legal and professional charges	52	52	52	52	208	83	39	39	35	196
Bank charges and other expenses	33	111	170	3	317	(17)	61	56	(37)	63
Total expenses	24,922	13,149	14,502	313	52,886	26,823	14,092	12,532	207	53,654
Operating (loss) / income for the year	(214,932)	50,042	58,009	509	(106,372)	(189,253)	33,865	28,235	57	(127,096)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	2,930	(624)	5,830	13	8,149	4,013	(1,349)	617	(2)	3,279
Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year before taxation	(212,002)	49,418	63,839	522	(98,223)	(185,240)	32,516	28,852	55	(123,817)
Taxation	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation	(212,002)	49,418	63,839	522	(98,223)	(185,240)	32,516	28,852	55	(123,817)
(Loss) / Earnings per unit										

The annexed notes from 1 to 27 form an integral part of this financial information.

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL RETIREMENT SAVINGS FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019					June 30, 2018				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
	----- (Rupees in '000) -----									
Net (loss) / income for the year after taxation	(212,002)	49,418	63,839	522	(98,223)	(185,240)	32,516	28,852	55	(123,817)
Other comprehensive income / (loss) for the year:										
Net unrealised (loss) / gain on 'at fair value through other comprehensive income' arising during the year	-	(675)	-	-	(675)	9	(487)	-	-	(478)
Total comprehensive (loss) / income for the year	<u>(212,002)</u>	<u>48,743</u>	<u>63,839</u>	<u>522</u>	<u>(98,898)</u>	<u>(185,231)</u>	<u>32,029</u>	<u>28,852</u>	<u>55</u>	<u>(124,295)</u>

The annexed notes from 1 to 27 form an integral part of this financial information.

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL RETIREMENT SAVINGS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Note	June 30, 2019					June 30, 2018					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	
(Rupees in '000)											
CASH FLOWS FROM OPERATING ACTIVITIES											
Net (loss) / income for the year before taxation	(212,002)	49,418	63,839	522	(98,223)	(185,240)	32,516	28,852	55	(123,817)	
Adjustments:											
Mark-up / interest income	(6,347)	(40,198)	(32,193)	(352)	(79,090)	(5,349)	(48,139)	(40,837)	(241)	(94,566)	
Dividend income on equity securities	(56,216)	-	-	-	(56,216)	(56,128)	-	-	-	(56,128)	
Capital (gain) / loss on sale of investments - net	15,085	3,469	2,265	(10)	20,809	97,508	607	66	(35)	98,146	
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit and loss'	237,541	1,995	92	(460)	239,168	119,244	(391)	45	32	118,930	
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(2,930)	624	(5,830)	(13)	(8,149)	(4,013)	1,349	(617)	2	(3,279)	
Other income	(53)	(53)	(54)	-	(160)	(64)	(34)	(41)	(20)	(159)	
Impairment loss on investments classified as 'available-for-sale'	-	-	-	-	-	7,219	-	-	-	7,219	
	(24,922)	15,255	28,119	(313)	18,139	(26,823)	(14,092)	(12,532)	(207)	(53,654)	
Decrease / (increase) in assets											
Investments	85,047	(116,713)	(2,402)	(23)	(34,091)	11,134	207,749	37,663	(45)	256,501	
Advance income tax	(132)	(116)	(174)	(3)	(425)	(1)	(24)	(163)	(3)	(191)	
Receivable against sale of investments	1,170	-	-	-	1,170	5,049	-	-	-	5,049	
Deposits and other receivable	-	-	-	41	41	-	(2)	-	772	770	
	86,085	(116,829)	(2,576)	15	(33,305)	16,182	207,723	37,500	724	262,129	
(Decrease) / increase in liabilities											
Payable to the Pension Fund Manager	(802)	(244)	(128)	14	(1,160)	(834)	(144)	482	(8)	(504)	
Remuneration payable to the Trustee	(32)	(4)	18	2	(16)	(28)	2	18	-	(8)	
Payable to the SECP	(43)	(20)	30	-	(33)	(12)	(22)	53	(9)	10	
Payable against purchase of investments	3,839	-	-	-	3,839	-	-	-	-	-	
Accrued expenses and other liabilities	336	(2,052)	(432)	45	(2,103)	(1,414)	2,366	742	(51)	1,643	
	3,298	(2,320)	(512)	61	527	(2,288)	2,202	1,295	(68)	1,141	
Mark-up / interest income received during the year	5,980	33,082	32,666	336	72,064	5,552	32,350	1,529	252	39,683	
Dividend income received during the year	55,291	-	-	-	55,291	56,942	-	-	-	56,942	
Net cash flow generated / (used in) from operating activities	125,732	(70,812)	57,697	99	112,716	49,565	228,183	27,792	701	306,241	
Receipts from issuance of units	241,913	237,554	479,204	2,984	961,655	591,257	414,538	661,005	1,771	1,668,571	
Effect of re-allocation	32,468	(34,792)	2,463	(139)	-	(60,162)	44,581	15,218	363	-	
Payments on redemption of units	(377,125)	(283,044)	(351,166)	(1,565)	(1,012,900)	(598,601)	(501,224)	(564,305)	(1,969)	(1,666,099)	
Net cash (used in) / generated from financing activities	(102,744)	(80,282)	130,501	1,280	(51,245)	(67,506)	(42,105)	111,918	165	2,472	
Net increase / (decrease) in cash and cash equivalents	22,988	(151,094)	188,198	1,379	61,471	(17,941)	186,078	139,710	866	308,713	
Cash and cash equivalents at beginning of the year	67,932	652,186	690,189	4,064	1,414,371	85,873	466,108	550,479	3,198	1,105,658	
Cash and cash equivalents at end of the year	90,920	501,092	878,387	5,443	1,475,842	67,932	652,186	690,189	4,064	1,414,371	
Cash and cash equivalents											
Bank balances	5	90,920	319,915	386,059	5,443	802,337	67,932	428,307	393,732	4,064	894,035
Term deposit receipts		-	-	-	-	-	-	133,000	-	-	133,000
Treasury bills - 3 months	6.2	-	181,177	492,328	-	673,505	-	223,879	163,457	-	387,336
		90,920	501,092	878,387	5,443	1,475,842	67,932	652,186	690,189	4,064	1,414,371

The annexed notes from 1 to 27 form an integral part of this financial information.

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL RETIREMENT SAVINGS FUND
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019					2018				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
	(Rupees in '000)									
Net assets at beginning of the year	1,309,820	723,593	687,446	4,794	2,725,653	1,566,570	732,320	547,293	4,572	2,850,755
Amount received on issuance of units	241,913	237,554	479,204	2,984	961,655	591,257	414,538	661,005	1,771	1,668,571
Effect of reallocation	32,468	(34,792)	2,463	(139)	-	(60,162)	44,581	15,218	363	-
Amount paid on redemption of units	(377,125)	(283,044)	(351,166)	(1,565)	(1,012,900)	(598,601)	(501,224)	(564,305)	(1,969)	(1,666,099)
	(102,744)	(80,282)	130,501	1,280	(51,245)	(67,506)	(42,105)	111,918	165	2,472
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - amount	(2,930)	624	(5,830)	(13)	(8,149)	(4,013)	1,349	(617)	2	(3,279)
	1,204,146	643,935	812,117	6,061	2,666,259	1,495,051	691,564	658,594	4,739	2,849,948
Net movement on remeasurement of investments classified as 'fair value through other comprehensive income' arising during the year	-	(675)	-	-	(675)	9	(487)	-	-	(478)
Net capital (loss) / gain on sale of investments	(15,085)	(2,135)	(2,265)	10	(19,475)	(97,508)	(607)	(66)	35	(98,146)
Unrealised (loss) / gains on revaluation of investments classified as: - 'at fair value through profit or loss'	(237,541)	(1,961)	(92)	460	(239,134)	(119,244)	391	(45)	(32)	(118,930)
Other net income for the year	40,624	53,514	66,196	52	160,386	31,512	32,732	28,963	52	93,259
	(212,002)	49,418	63,839	522	(98,223)	(185,240)	32,516	28,852	55	(123,817)
Net assets at end of the year	992,144	692,678	875,956	6,583	2,567,361	1,309,820	723,593	687,446	4,794	2,725,653

The annexed notes from 1 to 27 form an integral part of this financial information.

For UBL Fund Managers Limited
(Pension Fund Manager)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

**UBL RETIREMENT SAVINGS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Retirement Savings Fund ("the Fund") has been established under the Voluntary Pension System Rules, 2005 (the VPS Rules) and has been approved as a pension fund by SECP on January 29, 2010. It has been constituted under a Trust Deed, dated November 17, 2009, between UBL Fund Managers Limited as the Pension Fund Manager, a company incorporated under the Companies Act, 2017 and the MCB Financial Services Limited as the Trustee. The trusteeship of the Fund has been transferred to Central Depository Company of Pakistan Limited (CDC) effective from March 31, 2014 through a supplemental trust deed dated February 21, 2014. The title to the assets of the Fund is held in the name of the Trustee.

The Fund is a pension fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the VPS Rules and can be redeemed by surrendering to the Fund. As per the offering document the Fund cannot distribute any income from the Fund whether in cash or otherwise.

The Fund consists of four Sub-Funds namely, UBL Retirement Savings Fund Equity Sub-Fund ("Equity Sub-Fund"), UBL Retirement Savings Fund Debt Sub-Fund ("Debt Sub-Fund"), UBL Retirement Savings Fund Money Market Sub-Fund ("Money Market Sub-Fund") and UBL Retirement Savings Fund Commodity Sub-Fund ("Commodity Sub-Fund") (collectively the "Sub-Funds"). The main features of the investment policy for each of the Sub-Funds are as follows:

- The Equity Sub-Fund shall invest primarily in listed equity securities with a minimum investment of 90% of its Net Assets Value (NAV) in listed shares. The investment in a single company is restricted to lower of 10% of NAV or the paid-up capital of the investee company. The investment in a single stock exchange sector is restricted to the higher of 30% of the NAV or the index weight, subject to a maximum of 35% of the NAV. The remaining assets of the Equity Sub-Fund shall be invested in any government security having less than one year time to maturity, or in a scheduled commercial bank having credit rating of 'A'.

The Debt Sub-Fund shall invest primarily in tradable debt securities with weighted average duration of the investment portfolio of the Debt Sub-Fund not exceeding five years. At least twenty five percent (25%) of the assets in the Debt Sub-Fund shall be invested in securities issued by the Federal Government and up to twenty five percent (25%) of the Funds may be deposited with banks having not less than "AA +" rating. Composition of the remaining portion of the investments shall be as defined in the offering document.

- The Money Market Sub-Fund shall invest in short term debt instruments with time to maturity not exceeding six months, and in case of Shariah compliant Government securities, up to three years. The Fund can make investment in Shariah compliant securities issued by the Federal Government and the commercial banks having A+ rating. There are no restrictions placed by the VPS Rules on such investments. The Fund can also make investment in securities issued by the provincial government, city government and government or a corporate entity (having credit rating of 'A' or higher) up to 10%, 5% and 5% of net assets of the Money Market Sub-Fund, respectively.
- The Commodity Sub-Fund of a Pension Fund shall invest only in those commodity futures contracts that are traded at the Pakistan Mercantile Exchange and cash settled futures contracts, except for gold for which the Commodity Sub-Fund, in addition to the cash settled futures, may also invest in deliverable futures contracts. At least seventy percent (70%) of net assets of the Commodity Sub-Fund shall remain invested in commodity futures contracts during the year based on quarterly average investment calculated on daily basis. At least 10% of the net assets of the Commodity Sub-Fund shall remain invested in Government treasury bills or Government securities having less than 90 days' time to maturity or kept as deposits with scheduled commercial banks which are rated not less than AA by a rating agency registered with SECP. A Pension Fund Manager may invest any surplus (un-invested) funds in Government treasury bills and Government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than AA by a rating agency registered with SECP.

As prescribed under the VPS Rules, the Fund offers five types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The contributors have the option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a yearic basis such as annual, semi annual, quarterly or monthly basis. UBL Retirement Savings Fund also offers optional insurance cover to the contributors.

The registered office of UBL Fund Managers is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

JCR - VIS Credit Rating Company has reaffirmed management quality rating of AM1 (stable outlook) dated December 27, 2018 to the Management Company.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, voluntary pension system Rules, 2005 (VPS Rules) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IFRS. The requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 15 – Revenue from Contracts with Customers

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts– (Amendments)

IFRS 9 Financial Instruments

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

Improvements to Accounting Standards Issued by the IASB in December 2016

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements except for IFRS 9.

2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual years beginning on or after)
IFRS 3 Definition of a Business (Amendments)	January 01, 2020
IFRS 3 Business Combinations: Previously held interests in a joint operation	January 01, 2019
Instruments with IFRS 4 Insurance Contracts (Amendments)	January 01, 2019
IFRS 9 Prepayment Features with Negative Compensation (Amendments)	January 01, 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11 Joint Arrangements: Previously held interests in a joint operation	January 01, 2019
IFRS 16 Leases	January 01, 2019
IAS 1/ IAS 8 Definition of Material (Amendments)	January 01, 2020
IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation	January 01, 2019
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application. However, the Fund is currently evaluating the requirements of IFRS-16 and potential impact on the financial statements of the Fund.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual years beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

3. BASIS OF PREPARATION

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments are measured at fair value.

3.2 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in note 4.1.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years except as described in note 4.1.

Policy effective from July 01, 2018

4.1 IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting years beginning on or after July 01, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial Information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 did not have a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 01, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Revised carrying amount under IFRS 9
Note				-- (Rupees in '000) --	
Listed Equity securities	(a)	Held for trading	FVTPL	728,220	728,220
Government securities - Treasury bills	(a)	Held for trading	FVTPL	387,336	387,336
Debt securities - Term finance certificates	(a)	Held for trading	FVTPL	72,726	72,726
Future Gold contracts	(a)	Held for trading	FVTPL	(32)	(32)
Listed Equity securities	(b)	Available for sale	FVTPL	527,197	527,197
Bank balances	(c)	Loans and receivables	Amortised cost	894,035	894,035
Dividend, deposits, mark-up and other receivables	(c)	Loans and receivables	Amortised cost	13,560	13,560
Government securities - Pakistan Investment bonds	(d)	Available for sale	FVOCI	5,996	5,996

(a) These financial assets classified as 'Held for trading' have been classified as fair value through profit and loss (FVTPL).

(b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).

(c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

- (d) These financial assets classified as 'Available for sale' have been classified as fair value through other comprehensive income (FVOCI).

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

Transition

The Fund has used the exemption not to restate comparative years as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets measured at FVTPL.

4.2 Policy effective till July 01, 2018

Financial Instruments

4.2.1 Financial assets

The Fund classifies its financial assets in the following categories: 'investment at fair value through profit or loss' - held-for-trading, 'loans and receivables' and 'available-for-sale investment' in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of balances with banks, deposits and other receivables and dividend and profit receivable.

c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables or (b) financial assets 'at fair value through profit or loss' - held-for-trading. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

4.2.2 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

4.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available-for-sale' are valued as follows:

a) Government Ijarah Sukuks

The investment of the Debt Sub-Fund and Money Market Sub-Fund in Government Ijarah Sukuks are categorized as 'at fair value through profit or loss' - held-for-trading and 'available-for-sale' and are valued on the basis of broker average rates obtained from Mutual Funds Association of Pakistan (MUFAP).

b) Equity Securities

The investment of the Equity Sub-Fund in equity securities is categorised as 'at fair value through profit or loss' - held-for-trading and 'available-for-sale' and is valued on the basis of quoted market prices available at the stock exchange.

c) Debt Securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

d) Derivative Financial Instruments

Derivative instruments that are held by the Fund primarily comprise of gold futures contracts in the commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures commodities. Derivatives with the positive market values (unrealised gains) are included in assets and derivatives with the negative market (unrealised losses) are included in liabilities in the statement of assets and liabilities. The resulted gains and losses are included in the income statement.

e) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortized cost using the effective interest method.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets at fair value through profit or loss are recognised as unrealised gain or loss in the income statement.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised.

Net gains and losses arising from the difference in value determined in accordance with the above mentioned criteria compared to the carrying amount in respect of available-for-sale financial assets are recognised in other comprehensive income until the available-for-sale financial assets are derecognised. At this time, the cumulative gain or loss previously recognised directly in other comprehensive income is reclassified from other comprehensive income to income statement as a reclassification adjustment.

4.2.5 Impairment

The carrying amounts of the Fund's assets are assessed at each balance sheet date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement. In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is reclassified from other comprehensive income and recognised in the income statement. Impairment losses recognised on equity financial assets recognised in the income statement are not reversed through the income statement.

For loans and receivables, a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective profit rate.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, have been realised or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.2.8 Reclassification

The Fund may choose to reclassify a non-derivative trading financial asset in equity securities out of the 'held-for-trading' category to the 'available-for-sale' category if the financial asset is no longer held for the purpose of selling it in the near term. Such reclassifications are made only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. Reclassifications are made at fair value as of the reclassification date which then becomes the new cost and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made.

4.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to the Pension Fund Manager, payable to the Trustee and other liabilities.

4.4 Formation cost

Formation cost represents expenditure incurred prior to the commencement of operations of the Fund. It is being amortised over a period of three years in accordance with the requirements set out in the Trust Deed of the Fund.

4.5 Issuance, allocation, reallocation and redemption of units

Contribution received from a Participant is allocated to the sub-funds on the basis of the allocation scheme selected by the Participant out of the allocation schemes offered by the Pension Fund Manager. Units issued in respect of a sub-fund are recorded at the offer price of that sub-fund, determined by the Pension Fund Manager for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit of the sub-fund as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocations of the sub-fund units of all the Participants are according to the allocation schemes selected by the Participants.

4.6 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed

An equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units sold and redeemed during an accounting period which pertains to unrealised gains / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognized in the Income Statement.

4.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Unitholders' fund

Unitholders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.9 Net assets value per unit

The net assets value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the sub-fund by the number of units of the sub-fund in circulation at the year end.

4.10 Earnings per unit

Earning Per Unit (EPU) for the year ended June 30, 2017 in respect of each sub-fund, has been calculated by dividing the net income after taxation of a sub-fund by weighted average number of units of the sub-fund in circulation during the year.

4.11 TAXATION

The income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Despite the exemption available under the said clause, minimum tax at the rate of 1% of turnover was chargeable under section 113 of the Income Tax Ordinance, 2001. Through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

4.12 Revenue recognition

- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised capital gains / losses arising on marking to market of investments classified as 'Financial assets at fair value through profit or loss' - held-for-trading are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the right to receive dividend is established.
- Profit on investment is recognised on an accrual basis.
- Profit on bank deposits is recognised on an accrual basis.

4.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Income Statement within the fair value net gain or loss.

4.14 Cash and cash equivalents

Cash and cash equivalents include bank balances, short term deposits with banks and other short term highly liquid investments with original maturities of three months or less.

Note	June 30, 2019					June 30, 2018				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
5. BANK BALANCES	(Rupees in '000)									
Bank accounts - saving	89,278	315,280	376,284	5,443	786,285	64,318	427,827	392,177	4,060	888,382
Balance held in collection account	1,642	4,635	9,775	-	16,052	3,614	480	1,555	4	5,653
	90,920	319,915	386,059	5,443	802,337	67,932	428,307	393,732	4,064	894,035

5.1 These carry mark-up at the rates ranging from 3.75% to 13.4% (2018: 3.75% to 7.5%) per annum and include balance of Rs.45.23 (2018: Rs.31.99) million with United Bank Limited (a related party).

6. INVESTMENTS

Investments by category

'At fair value through profit or loss'

Listed Equity Securities	6.1	917,741	-	-	-	917,741	728,220	-	-	-	728,220
Government securities - Treasury Bills	6.2	-	181,177	492,328	-	673,505	-	223,879	163,457	-	387,336
Government Securities - Pakistan Investment Bonds	6.3	-	119,237	-	-	119,237	-	-	-	-	-
Debt securities - Term Finance Certificates / Sukuks	6.4	-	65,369	-	-	65,369	-	72,726	-	-	72,726
Future Gold Contracts	6.5	-	-	-	460	460	-	-	-	(32)	(32)
		917,741	365,783	492,328	460	1,776,312	728,220	296,605	163,457	(32)	1,188,250

'At fair value through Other comprehensive income'

Government Securities - Pakistan Investment Bonds	6.6	-	5,366	-	-	5,366	-	5,996	-	-	5,996
Listed Equity Securities		-	-	-	-	-	527,197	-	-	-	527,197
		-	5,366	-	-	5,366	527,197	5,996	-	-	533,193

'At amortized cost'

Term Deposit Receipt		-	-	-	-	-	-	-	133,000	-	133,000
Total		917,741	371,149	492,328	460	1,781,678	1,255,417	302,601	296,457	(32)	1,854,443

6.1 Listed equity securities - 'at fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	Note	(Number of shares)					Balance as at June 30, 2019			Market value as a % of net assets of the sub-fund	Market value as % of investments of the sub-fund	Par value as a % of total paid-up capital of the investee company
		As at July 01, 2018	Reclassification from FVTOCI	Purchased during the year	Bonus / right during the year	Sold during the year	As at June 30, 2019	Carrying value	Market value			
											----- (Rupees in '000) -----	----- % -----
Automobile assembler												
Honda Atlas Cars (Pakistan) Limited		46,000	17,300	-	-	63,300	-	-	-	-	-	-
Pak Suzuki Motor Company Limited		200	-	-	-	200	-	-	-	-	-	-
Automobile parts and accessories												
General Tyre and Rubber												
Company of Pakistan Limited		6,000	27,700	-	-	33,700	-	-	-	-	-	-
Thal Limited **		44,500	-	2,800	-	12,150	35,150	16,456	12,797	(3,659)	1.43	1.39
Refinery												
National Refinery Limited		-	1,000	10,000	-	1,500	9,500	1,581	1,078	(503)	0.12	0.12
Oil and gas exploration companies												
Mari Petroleum Company Limited		45,150	3,020	13,597	-	-	61,767	83,758	62,343	(21,415)	6.96	6.79
Oil & Gas Development Company Limited		301,300	100,000	121,500	-	79,500	443,300	68,335	58,290	(10,045)	6.50	6.35
Pakistan Oilfields Limited		500	69,150	34,530	-	22,700	81,480	44,619	33,072	(11,547)	3.69	3.60
Pakistan Petroleum Limited		163,600	101,000	71,690	-	97,200	239,090	43,997	34,532	(9,465)	3.85	3.76
Oil and gas marketing companies												
Pakistan State Oil Company Limited		51,620	33,700	141,464	-	93,400	133,384	29,597	22,626	(6,971)	2.52	2.47
Construction and materials (cement)												
Cherat Cement Company Limited		79,800	66,000	154,300	-	150,100	150,000	6,350	4,644	(1,706)	0.52	0.51
Kohat Cement Company Limited		76,000	245,400	146,920	-	30,000	438,320	41,343	23,025	(18,318)	2.57	2.51
Lucky Cement Limited		52,900	18,500	56,250	-	78,000	49,650	23,942	18,890	(5,052)	2.11	2.06
Fauji Cement Company Limited		-	12,500	-	-	12,500	-	-	-	-	-	-
Pioneer Cement Limited		-	8,200	189,000	-	-	197,200	4,961	4,467	(494)	0.50	0.49
Attock Cement Pakistan Limited		36,100	7,500	-	-	43,600	-	-	-	-	-	-
D.G. Khan Cement Company Limited	6.1.1	22,700	47,500	25,000	-	95,200	-	-	-	-	-	-
Chemical												
ICI Pakistan Limited		15,500	-	-	-	15,500	-	-	-	-	-	-
Sitara Chemical Industries Limited		50,000	31,600	-	-	-	81,600	30,055	24,959	(5,096)	2.78	2.72
Engro Polymer and Chemicals Limited		-	620,000	463,872	-	289,000	794,872	24,279	21,430	(2,849)	2.39	2.34
Engro Polymer and Chemicals Limited (right)		229,372	-	-	-	229,372	-	-	-	-	-	-
Fertilizer												
Fauji Fertilizer Bin Qasim Limited		-	412,500	263,500	-	198,000	478,000	18,673	8,714	(9,959)	0.97	0.95
Dawood Hercules Corporation Limited		-	-	198,500	-	92,500	106,000	11,335	11,791	456	1.32	1.28
Engro Corporation Limited		187,800	20,300	21,580	-	100,700	128,980	36,823	34,257	(2,566)	3.82	3.73
Engro Fertilizers Limited		439,800	91,000	-	-	202,000	328,800	24,630	21,033	(3,597)	2.35	2.29
Fauji Fertilizer Company Limited		-	147,500	222,000	-	68,500	301,000	29,125	26,247	(2,878)	2.93	2.86
120,586 102,042 (18,544) 11.38 11.12 0.14												

Name of the Investee Company	Note	(Number of shares)					Balance as at June 30, 2019			Market value as a % of net assets of the sub-fund	Market value as % of investments of the sub-fund	Par value as a % of total paid-up capital of the investee company		
		As at July 01, 2018	Reclassification from FVTOCI	Purchased during the year	Bonus / right during the year	Sold during the year	As at June 30, 2019	Carrying value	Market value				Unrealised (loss) / gain	
										----- (Rupees in '000) -----			----- % -----	
Industrial metals and mining														
Mughal Iron & Steel Industries		500	-	-	-	500	-	-	-	-	-	-	-	
Ittefaq Iron Industries Limited		892,000	28,000	-	-	920,000	-	-	-	-	-	-	-	
Engineering														
International Industries Limited		-	-	48,000	-	18,700	29,300	4,353	2,259	(2,094)	0.25	0.25	0.02	
Amreli Steels Limited		125,000	14,000	-	-	131,500	7,500	529	185	(344)	0.02	0.02	0.00	
International Steels Limited		170,900	15,000	-	-	184,000	1,900	193	75	(118)	0.01	0.01	0.00	
								5,075	2,519	(2,556)	0.28	0.27	0.03	
Pharmaceuticals														
Ferozsons Laboratories Limited		-	-	66,300	-	10,000	56,300	10,259	6,295	(3,964)	0.70	0.69	0.19	
The Searle Company Limited		8,406	-	65,435	5,300	23,500	50,341	10,646	7,378	(3,268)	0.82	0.80	0.02	
Highnoon Laboratories Limited		23,430	-	293	707	20,500	3,223	1,203	816	(387)	0.09	0.09	0.01	
								22,108	14,489	(7,619)	1.62	1.58	0.22	
Glass and ceramics														
Tariq Glass Industries Limited		104,700	-	-	-	67,000	37,700	4,040	2,889	(1,151)	0.32	0.31	0.05	
								4,040	2,889	(1,151)	0.32	0.31	0.05	
Paper and board														
Century and paper board limited		11,800	149,400	164,500	-	-	325,700	20,833	10,146	(10,687)	1.13	1.11	0.22	
Packages Limited		12,750	-	38,400	-	22,750	28,400	10,686	8,536	(2,150)	0.95	0.93	0.03	
								31,519	18,682	(12,837)	2.08	2.04	0.25	
Textile composite														
Gul Ahmed Textile Mills Limited		-	381,500	315,500	-	265,000	432,000	18,918	20,356	1,438	2.27	2.22	0.12	
Nishat Mills Limited		252,600	-	8,500	-	66,800	194,300	27,230	18,136	(9,094)	2.02	1.98	0.06	
								46,148	38,492	(7,656)	4.29	4.19	0.18	
Food and personal care products														
Matco Foods Limited		-	-	262,500	-	250,000	12,500	308	338	30	0.04	0.04	0.01	
Al Shaheer Corporation Limited		350,000	116,500	50,000	-	184,000	332,500	8,938	4,190	(4,748)	0.47	0.46	0.23	
Shezan International Limited		37,000	31,900	6,890	-	600	75,190	38,962	31,765	(7,197)	3.54	3.46	0.86	
								48,208	36,293	(11,915)	4.05	3.95	1.10	
Power generation and distribution														
Saif Power Limited		-	500,000	206,500	-	-	706,500	18,602	13,254	(5,348)	1.48	1.44	0.18	
Hub Power Company Limited		452,500	129,500	380,284	-	96,500	865,784	75,316	68,180	(7,136)	7.61	7.43	0.07	
K-Electric Limited *		-	1,691,500	-	-	765,000	926,500	5,263	4,067	(1,196)	0.45	0.44	0.00	
Pakgen Power Limited		12,750	-	38,400	-	22,750	28,400	11,700	9,919	(1,781)	1.11	1.08	0.01	
								110,881	95,420	(15,461)	10.65	10.40	0.26	
Commercials banks														
Habib Bank Limited	6.1.1	147,200	286,100	422,000	-	180,000	675,300	102,164	76,484	(25,680)	8.53	8.33	0.05	
Allied Bank Limited		347,000	331,000	34,000	-	190,500	521,500	53,731	54,768	1,037	6.11	5.97	0.05	
Bank Alfalah Limited		331,000	1,062,000	260,300	-	94,000	1,559,300	73,813	67,970	(5,843)	7.58	7.41	0.09	
Faysal Bank Limited		639,525	373,386	-	7,864	1,012,000	8,775	228	189	(39)	0.02	0.02	0.00	
Meezan Bank Limited		310,000	18,600	67,860	-	396,460	-	-	-	-	-	-	-	
MCB Bank Limited		87,800	7,000	39,000	-	121,000	12,800	2,515	2,233	(282)	0.25	0.24	0.00	
								232,451	201,644	(30,807)	22.50	21.96	0.18	
Investment banks														
Pakistan Stock Exchange Limited		531	-	-	-	531	-	-	-	-	-	-	-	

Name of the Investee Company	Note	(Number of shares)					Balance as at June 30, 2019			Market value as a % of net assets of the sub-fund	Market value as % of investments of the sub-fund	Par value as a % of total paid-up capital of the investee company	
		As at July 01, 2018	Reclassification from FVTOCI	Purchased during the year	Bonus / right during the year	Sold during the year	As at June 30, 2019	Carrying value	Market value				Unrealised (loss) / gain
----- (Rupees in '000) -----											%		
Insurance													
IGI Holding Limited		3,500	-	525	-	-	4,025	1,008	612	(396)	0.07	0.07	0.00
Adamjee Insurance Company Limited		-	585,500	518,500	-	-	1,104,000	51,327	38,695	(12,632)	4.32	4.22	0.32
								52,335	39,307	(13,028)	4.39	4.28	0.32
Technology and communication													
Systems Limited		83,000	100,000	39,500	-	30,000	192,500	17,859	18,474	615	2.06	2.01	0.16
								17,859	18,474	615	2.06	2.01	0.16
Leather and tanneries													
Service Industries Limited		-	19,900	4,600	-	-	24,500	15,324	12,086	(3,238)	1.35	1.32	0.20
								15,324	12,086	(3,238)	1.35	1.32	0.20
Miscellaneous													
Tri-Pack Films Limited		-	31,500	-	-	-	31,500	4,316	2,091	(2,225)	0.23	0.23	0.08
Synthetic Products Enterprises Limited		483,000	-	20,000	-	-	503,000	25,157	11,162	(13,995)	1.25	1.22	0.59
								29,473	13,253	(16,220)	1.48	1.44	0.67
Total as at June 30, 2019								1,155,280	917,741	(237,541)			

* These have a face value of Rs.3.5 per share

** These have a face value of Rs.5 per share

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Number of shares) -----		----- (Rupees in '000) -----	
D.G. Khan Cement Company Limited	-	20,000	-	2,290
Habib Bank Limited	73,000	25,000	8,268	4,161
	73,000	45,000	8,268	6,451

6.1.2 The Finance Act, 2015 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs 1.1984 million at June 30, 2019. Such shares have not been deposited by the investee company in CDC account in Income Tax department. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end. Furthermore, the Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the period ended June 30, 2019, are not liable to withholding of Income Tax.

6.2 Government securities - Treasury Bills 'at fair value through profit or loss'
(certificates having a nominal value of Rs.100,000 each)

Particulars	Note	As at July 01, 2018	Purchased during the period	Disposed / matured during the period	As at June 30, 2019	Balance as at June 30, 2019			Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of total investments of the Sub-Fund
						Carrying value	Market value	(Diminution) / Appreciation		
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----	
Held by Debt Sub-Fund										
Treasury Bills - 3 months	6.2.1	2,250	32,390	32,800	1,840	181,211	181,177	(34)	48.98%	48.82%
June 30, 2019						181,211	181,177	(34)	48.98%	48.82%
June 30, 2018						223,948	223,879	(69)		
Held by Money Market Sub-Fund										
Treasury Bills - 3 months	6.2.1	1,640	41,380	38,020	5,000	492,420	492,328	(92)	102.70%	100.00%
June 30, 2019						492,420	492,328	(92)	102.70%	100.00%
June 30, 2018						163,502	163,457	(45)		

6.2.1 This treasury bill carry effective yield of 12.65% to 12.64% (June 30, 2018: 6.25% to 6.60%) per annum and will mature by August 15, 2019 (June 30, 2018: July 2018 to August 2018).

6.3 Government securities - Pakistan Investment Bonds 'at fair value through profit or loss'
(certificates having a nominal value of Rs.100,000 each)

Particulars	Note	As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at June 30, 2019	Balance as at June 30, 2019			Market value as a percentage of net assets of the Sub - Fund	Market value as a percentage of total investments of the Sub - Fund
						Carrying value	Market value	(Diminution) / Appreciation		
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----	
Held by Debt Sub-Fund										
Pakistan Investment Bonds - 10 years	6.3.1	-	48,750	47,500	1,250	120,139	119,237	(902)	32.23%	32.13%
June 30, 2019					1,250	120,139	119,237	(902)	32.23%	32.13%
June 30, 2018						-	-	-		

6.3.1 This Pakistan Investment Bond carry mark-up of 8.55% and 7.25% (June 30, 2018: Nil) per annum with maturity in August 2028 and July 2021 (June 30, 2018: Nil).

6.4 Debt Securities - Term Finance Certificates / Sukuks 'at fair value through profit or loss'
(face value of Rs.5,000 each unless otherwise stated)

Particulars	Note	As at July 01, 2018	Purchased during the period	Disposed / matured during the period	As at June 30, 2019	Carrying value as at	Market values at	Unrealised (loss) / gain	Market value as a percentage of	Market value as a percentage of
						June 30, 2019	June 30, 2019		net assets of the Sub-Fund	total size of the issue
					Number of certificates	(Rupees in '000)			%	
Held by Debt Sub-Fund										
Bank Alfalah Limited - Listed (Issue date - February 20, 2013)	6.4.1	1,200	-	-	1,200	6,020	5,986	(34)	1.62%	0.12%
JS Bank Limited - Listed (Issue date - December 14, 2016)	6.4.1	3,200	-	-	3,200	16,102	15,764	(338)	4.26%	0.53%
Jahangir Siddiqui & Company Limited - Listed (Issue date - July 18, 2017)	6.4.1	10,000	-	-	10,000	44,272	43,619	(653)	11.79%	2.91%
June 30, 2019						66,394	65,369	(1,025)	17.67%	3.55%
June 30, 2018						72,266	72,726	460		

6.4.1 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

Name of security	Mark-up rate (Per annum)	Maturity
Bank Alfalah Limited	6M KIBOR + 1.25%	February 20, 2021
JS Bank Limited	6M KIBOR + 1.40%	December 16, 2023
Jahangir Siddiqui & Company Limited	6M KIBOR + 1.40%	July 18, 2022
		(Audited) June 30, 2019
		(Audited) June 30, 2018
		(Rupees in '000)

6.5 INVESTMENTS IN FUTURE GOLD CONTRACTS

Derivative financial instruments 'at fair value through profit or loss'

Future Gold Contracts

460

(32)

6.5.1 This represents net unrealised gain / (loss) on cash settled future gold contracts with settlement date of August, 2019 (June 30, 2018: August 2018).

		2019					2018				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
Note		----- (Rupees in '000) -----									
8. DIVIDEND AND MARK-UP RECEIVABLE											
		3,632	-	-	-	3,632	2,704	-	-	-	2,704
	8.1	626	2,485	2,505	39	5,655	206	1,755	2,879	22	4,862
		-	7,953	-	-	7,953	-	2,190	-	-	2,190
		4,258	10,438	2,505	39	17,240	2,910	3,945	2,879	22	9,756

8.1 This include receivable of Rs.0.265 (2018: Rs.0.102) million on balance maintained with United Bank Limited (related party).

		2019					2018				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
		----- (Rupees in '000) -----									
9. DEPOSITS AND OTHER RECEIVABLE											
		100	100	-	-	200	100	100	-	-	200
		2,500	-	-	-	2,500	2,500	-	-	-	2,500
		-	-	-	1,063	1,063	-	-	-	1,104	1,104
		2,600	100	-	1,063	3,763	2,600	100	-	1,104	3,804

	Note	June 30, 2019					June 30, 2018				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
(Rupees in '000)											
10. PAYABLE TO THE PENSION FUND MANAGER											
Remuneration payable	10.1	1,244	847	1,044	14	3,149	1,649	913	859	6	3,427
Sales tax on remuneration payable	10.2	162	110	136	2	410	214	119	112	1	446
Sales load payable		116	41	45	6	208	461	210	382	1	1,054
Other payable		4	4	4	27	39	4	4	4	27	39
		<u>1,526</u>	<u>1,002</u>	<u>1,229</u>	<u>49</u>	<u>3,806</u>	<u>2,328</u>	<u>1,246</u>	<u>1,357</u>	<u>35</u>	<u>4,966</u>

10.1 This represents remuneration of the Pension Fund Manager at the rate of 1.5% (2018: 1.5%) of the average amount of net assets of each sub-fund.

10.2 Sale tax on Management Remuneration has been charged at the rate of 13% (2018: 13%) of each sub-fund.

11. PAYABLE TO THE TRUSTEE

Remuneration payable	11.1	101	68	84	2	255	129	72	68	-	269
Sales tax on remuneration payable	11.2	13	9	11	-	33	17	9	9	-	35
		<u>114</u>	<u>77</u>	<u>95</u>	<u>2</u>	<u>288</u>	<u>146</u>	<u>81</u>	<u>77</u>	<u>-</u>	<u>304</u>

11.1 The Central Depository Company of Pakistan Limited is entitled to remuneration at the rate of 0.15% per annum of the net assets value of the Fund where the net assets are upto Rs. 1 billion. The rates applicable for Trustee's remuneration on net assets exceeding Rs. 1 billion are as follows:

Net Assets	Tariff per annum
Above Rs.1,000 million to Rs.3,000 million	Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1,000 million
Above Rs.3,000 million to Rs.6,000 million	Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs.3,000 million
Above Rs.6,000 million	Rs.5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs.6,000 ,million

11.2 Sales tax at the rate of 13% (2018: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

12. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee to the SECP at the rate of one thirtieth of one percent (2018: one thirtieth of one percent) of average annual net assets of each sub-fund.

	Note	June 30, 2019					June 30, 2018				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
(Rupees in '000)											
13. ACCRUED EXPENSES AND OTHER LIABILITIES											
Provision for Sindh Workers' Welfare Fund	13.1	13,129	2,501	936	95	16,661	12,965	2,501	891	95	16,452
Provision for indirect duties and taxes	13.2	5,897	4,599	2,578	194	13,269	5,897	4,599	2,578	194	13,268
Auditors' remuneration		83	83	83	83	331	45	45	45	45	180
Printing expenses payable						-	-	-	-	-	-
Zakat payable		1	4	79	-	84	23	39	57	4	123
Sales tax payable		-	-	-	-	-	-	-	-	-	-
Withholding tax payable		45	108	55	10	219	157	425	299	11	892
Brokerage payable		1,385	96	28	-	1,508	1,119	80	1	-	1,200
Legal and professional fees		15	15	15	15	61	3	3	3	3	12
Others		216	632	191	-	1,039	226	2,398	523	-	3,147
		20,771	8,038	3,965	397	33,172	20,435	10,090	4,397	352	35,274

13.1 Provision for Sindh Workers' Welfare Fund (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act (SWWF Act), 2014 had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF which is currently pending. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision for SWWF from the date of enactment of SWWF Act, 2014 (i.e. starting from May 21, 2015). However, due to cumulative loss during the year, no provision for SWWF has been made in these financial statements.

The provision for SWWF is now being made on a daily basis. The cumulative net effect of the above two adjustments, had they not been made, would have resulted in an increase in the net assets value per unit by Rs.7.57 (URSF-ESF), Rs.1.13 (URSF-DSF), Rs.0.41 (URSF-MSF) and Rs.2.16 (URSF-CSF) as at June 30, 2019.

13.2 Provision for indirect duties and taxes

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

The SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made prior to this year has been maintained by the Fund which at June 30, 2019 aggregates to Rs.5.14 (2018: Rs.5.14) million, Rs.4.05 (2018: Rs.4.05) million, Rs.2.45 (2018: Rs.2.45) million and Rs.0.19 (2018: Rs.0.19) million in Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Commodity Sub-Fund is being retained in the financial statements of the Sub-Funds, respectively as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Sub-Funds, the net assets value of the Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Commodity Sub-Fund as at June 30, 2019 would have been higher by Rs.2.82 (2018: Rs.2.59) per unit, Rs.1.36 (2018: Rs.1.21) per unit, Re.0.53 (2018: Re.0.63) per unit and Rs.3.62 (2018: Re.4.58) per unit respectively.

14. CONTINGENCIES AND COMMITMENTS

14.1 CONTINGENCIES

There were no contingencies as at June 30, 2019 and June 30, 2018.

June 30, 2019	June 30, 2018
----- (Rupees in '000) -----	

14.2 COMMITMENTS

Purchase of 23 (2018: 25) ounce gold in
US\$ 29,629 (2018: US\$ 31,620)

5,202	3,810
-------	-------

This represents the investment in future gold contracts with settlement date of July 29, 2019 (2018: August 26, 2018).

15. BASIS OF ALLOCATION OF EXPENSES TO EACH SUB-FUND

15.1 Remuneration to the Pension Fund Manager, Trustee and annual fee to the SECP is allocated to each sub-fund on the basis of the net assets of the sub-fund.

15.2 Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription, legal and professional and bank charges are charged to that sub-fund.

15.3 Auditors' remuneration are allocated equally to each sub-fund.

16. AUDITORS' REMUNERATION

	June 30, 2019					June 30, 2018				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
	----- (Rupees'000) -----									
Audit fee	69	69	69	69	276	42	42	42	42	168
Half yearly review fee	42	42	42	42	168	25	25	25	25	100
	111	111	111	111	444	67	67	67	67	268
Sales tax	9	9	9	9	36	6	6	6	6	24
Out of pocket expenses	21	21	21	21	84	10	10	10	10	40
	141	141	141	141	564	83	83	83	83	332

17. TAXATION

No provision for taxation for the year ended June 30, 2019 has been made in view of the exemption available to the Fund under clause 57 (3) (viii) of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001.

18. (LOSS) / EARNINGS PER UNIT

(Loss) / Earnings per unit based on cumulative average units for the year has not been disclosed as in the opinion of the Pension Fund Manager the determination of the same is not practicable.

19. NUMBER OF UNITS IN ISSUE

At beginning of the year	1,982,938	3,359,129	3,914,989	41,924	9,298,980	2,077,794	3,557,087	3,253,362	40,445	8,928,688
Add: Issued during the year	389,130	1,064,550	2,638,914	26,042	4,118,635	874,688	1,972,508	3,856,203	14,929	6,718,327
Effect of reallocation	49,742	(161,467)	14,018	(1,216)	(98,923)	(82,037)	216,628	90,421	3,240	228,252
Less: Redeemed during the year	(598,850)	(1,272,875)	(1,942,940)	(13,758)	(3,828,422)	(887,507)	(2,387,094)	(3,284,997)	(16,690)	(6,576,287)
At the end of the year	1,822,960	2,989,337	4,624,981	52,992	9,490,270	1,982,938	3,359,129	3,914,989	41,924	9,298,980

20. CONTRIBUTION TABLE

	June 30, 2019									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodity Sub-Fund		Total	
	Units	(Rupees'000)	Units	(Rupees'000)	Units	(Rupees'000)	Units	(Rupees'000)	Units	(Rupees'000)
Contributions net of front end fee										
Individuals	389,130	241,913	1,064,550	237,554	2,638,914	479,204	26,042	2,984	4,118,635	961,655
	June 30, 2018									
Individuals	874,688	591,257	1,972,508	414,538	3,856,203	661,005	14,929	1,771	6,718,327	1,668,571

21. FINANCIAL PERFORMANCE TABLE

	Equity Sub-Fund					Debt Sub-Fund				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
	(Rupees'000)					(Rupees'000)				
Net (loss) / income for the year after taxation	(212,002)	(185,240)	362,487	214,725	271,052	49,418	32,516	30,862	214,725	102,849
Realised capital (losses) / gains	(15,085)	(100,585)	178,763	59,424	135,180	(2,135)	(607)	(10,634)	59,424	10,275
Unrealised (losses) / gains	(237,541)	(119,244)	120,969	119,909	69,587	(2,636)	(96)	(1,715)	119,909	34,797
Dividend income	56,216	56,128	45,992	37,612	16,324	-	-	-	-	-
Interest Income	6,347	5,349	5,556	4,107	1,822	67,234	32,901	59,084	4,107	51,397
Net assets value per unit	544	661	754	580	482	232	215	206	580	176
Total contribution received - Gross	241,913	591,257	583,908	504,862	398,720	237,554	414,538	213,189	504,862	346,673
	Money Market Sub-Fund					Commodity Sub-Fund				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
	(Rupees'000)					(Rupees'000)				
Net (loss) / income for the year after taxation	63,839	28,852	23,803	18,735	19,873	522	55	(50)	4,761	(931)
Realised capital (losses) / gains	(2,265)	(66)	(258)	(55)	76	10	35	(2,707)	1,603	(1,950)
Unrealised (losses) / gains	(92)	(45)	(24)	(1,451)	153	460	(32)	(80)	2,147	(419)
Dividend income	-	-	-	-	-	-	-	-	-	-
Interest Income	74,814	21,950	31,841	25,829	27,596	352	241	1,426	1,739	2,398
Net assets value per unit	189	176	168	161	154	124	114	113	114	100
Total contribution received - Gross	479,204	661,005	350,423	242,586	160,482	2,984	1,771	3,412	4,711	24,792

21.1 Lowest and highest issue price of units during the year

Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodity Sub-Fund	
Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price
----- (Rupees) -----							
533.5391	686.8508	215.4722	231.1036	175.6670	188.8882	107.9500	124.0100

22. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Fund's primary financial assets comprise of bank balances, equity securities of listed companies, Government of Pakistan Ijarah Sukuks, sukuk certificates and futures contracts. The Fund also has dividend receivable, interest receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Pension Fund Manager, Trustee and accrued and other liabilities.

22.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Retirement Savings Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market return rates.

Sensitivity analysis of variable rate instruments

- a) Debt Sub-Fund holds KIBOR based profit bearing TFCs & PIB-FRB exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2019 and net income for the year then ended would have been higher / lower by Rs.1.846 (2018: Rs.0.727) million.
- b) The Fund holds balances with banks in saving accounts, exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2019 and net income for the year then ended would have been higher / lower by Rs.7.86 (2018: Rs.8.88) million.

Sensitivity analysis of fixed rate instruments

- a) Money Market Sub-Fund and Debt Sub-Fund hold Government Securities and TFC's which are classified as 'at fair value through profit or loss', exposing the Sub-Funds to interest rate risk. In case of 100 basis points increase / decrease in rates announced by MUFAP (Mutual Funds Association of Pakistan) on June 30, 2019, with all other variables held constant, the net assets of the Fund and net income for the year would have been lower / higher by Rs.7.93 (2018: Rs.8.41) million.

The composition of the Fund's investment portfolio, KIBOR rates, rates announced by Reuters and MUFAP are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / return rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

	June 30, 2019															
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Commodity Sub-Fund			
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
	Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year	
Total																

(Rupees'000)

On-balance sheet financial instruments

Financial assets

Bank balances	802,337	89,278	-	-	1,642	315,280	-	-	4,635	376,284	-	-	9,775	5,443	-	-	-
Investments	1,781,678	-	-	-	917,741	181,177	-	189,972	-	492,328	-	-	-	460	-	-	-
Receivable against sale of investments	2,395	-	-	-	2,395	-	-	-	-	-	-	-	-	-	-	-	-
Dividend, deposits, mark-up and other receivables	21,003	-	-	-	6,858	-	-	10,538	-	-	-	-	2,505	1,102	-	-	-
Total	2,607,413	89,278	-	-	928,636	496,457	-	189,972	15,173	868,612	-	-	12,280	7,005	-	-	-

Financial liabilities

Payable to the Pension Fund Manager	3,398	-	-	-	1,364	-	-	892	-	-	-	-	1,093	-	-	-	49
Payable to the Trustee	255	-	-	-	101	-	-	68	-	-	-	-	84	-	-	-	2
Accrued and other liabilities	3,024	-	-	-	1,700	-	-	830	-	-	-	-	396	-	-	-	98
Total	6,677	-	-	-	3,165	-	-	1,790	-	-	-	-	1,573	-	-	-	149

On-balance sheet gap

Total	2,600,736	89,278	-	-	925,471	496,457	-	189,972	13,383	868,612	-	-	10,707	7,005	-	-	(149)
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There is no off-balance sheet financial instrument that exist as at year ended June 30, 2019.

	June 30, 2018																
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Commodity Sub-Fund				
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
	Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year		Upto three months	More than three months and up to one year	More than one year		
Total																	

(Rupees'000)

On-balance sheet financial instruments

Financial assets

Bank balances	894,035	64,318	-	-	3,614	427,827	-	-	480	392,177	-	-	1,555	4,060	-	-	4
Term deposit receipts	133,000	-	-	-	-	-	-	-	-	133,000	-	-	-	-	-	-	-
Investments	1,721,443	-	-	-	1,255,417	223,879	-	78,722	-	163,457	-	-	-	(32)	-	-	-
Receivable from sale of investments	3,565	-	-	-	3,565	-	-	-	-	-	-	-	-	-	-	-	-
Dividend, profit and other receivables	13,558	-	-	-	5,510	-	-	4,043	-	-	-	-	2,879	1,126	-	-	-
Total	2,765,601	64,318	-	-	1,268,106	651,706	-	78,722	4,523	688,634	-	-	4,434	5,154	-	-	4

Financial liabilities

Payable to the Pension Fund Manager	4,520	-	-	-	2,114	-	-	1,127	-	-	-	-	1,245	-	-	-	34
Payable to the Trustee	269	-	-	-	129	-	-	72	-	-	-	-	68	-	-	-	-
Accrued and other liabilities	4,527	-	-	-	1,390	-	-	2,523	-	-	-	-	569	-	-	-	45
Total	9,316	-	-	-	3,633	-	-	3,722	-	-	-	-	1,882	-	-	-	79

On-balance sheet gap

Total	2,756,285	64,318	-	-	1,264,473	651,706	-	78,722	801	688,634	-	-	2,552	5,154	-	-	(75)
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There is no off-balance sheet financial instrument that exist as at year ended June 30, 2018.

22.1.3 Other Price risk

Other price risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

Equity Sub-Fund

The Equity Sub-Fund is exposed to equity price risk because of equity securities held by the Equity Sub-Fund and classified on the balance sheet as 'at fair value through profit or loss' - held-for-trading. To manage its price risk arising from investment in equity securities, the Equity Sub-Fund's investment policy, as restricted by the VPS Rules, limits investments in listed shares of one company to not more than 10% of Sub-Fund net assets and investment in listed securities of a particular company have also been restricted to 10% of paid-up capital of investee company. Moreover, the sector limits have been restricted to 35% of the net assets of the Sub-Fund.

In case of 5% increase / decrease in KSE 100 index on June 30, 2019, the net assets relating to the Equity Sub-Fund and total net assets of the Fund would increase / decrease by Rs.45.887 (2018: Rs.62.77) million as a result of gains / losses on equity securities classified as at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of KSE 100 index.

Commodity Sub-Fund

A decrease / increase of 5% in the quoted price of future gold contracts of Pakistan Mercantile Exchange would have an impact of approximately Rs.0.26 (2018: Rs.0.19) million on the net income for the year with consequential effect on net assets of the Fund. The sensitivity analysis is based on the Fund's commodity securities at each statement of assets and liabilities date, with all other variables held constant.

22.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities. The Fund is also exposed to counter party credit risks on balances with banks and profit receivable. The credit risk on these funds is limited because the counterparties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the Board) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

The Fund has adopted a policy of only dealing with creditworthy counterparties. This credit rating information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major investors. The Fund's exposure and the credit ratings of its counterparties are continuously monitored.

Credit risk from balances with banks and financial institutions is managed by financial department in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2019 and June 30, 2018 is the carrying amounts of following financial assets.

	30-Jun-19					30-Jun-18				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
	----- (Rupees'000) -----									
Bank balances	90,920	319,915	386,059	5,443	802,337	67,932	428,307	393,732	4,064	894,035
Term deposit receipts	-	-	-	-	-	-	-	133,000	-	133,000
Investments	-	65,369	-	-	65,369	-	72,726	-	(32)	72,694
Receivable against sale of Investments	2,395	-	-	-	2,395	3,565	-	-	-	3,565
Dividend, deposits, mark-up and other receivables	6,858	10,538	2,505	1,102	21,003	5,510	4,045	2,879	1,126	13,560
	100,173	395,822	388,564	6,545	891,104	77,007	505,078	529,611	5,158	1,116,854

All deposits with banks and deposits with National Clearing Company of Pakistan Limited and Central Depository Company of Pakistan Limited are highly rated and risk of default is considered minimal.

The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2019 and June 30, 2018:

	Rating long-term/ short-term	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
Bank balances by rating category			
Allied Bank Limited	AAA / A1+	23,29	457
Bank Alfalah Limited	AA+ / A1+	59,853	44,279
United Bank Limited	AAA / A1+	45,237	31,991
JS Bank Limited	AA- / A1+	255,300	266,784
MCB Bank Limited	AAA / A1+	2,547	1,572.00
Samba Bank Limited	AA / A1	50,454	121,284
Telenor Microfinance Bank Limited (formerly Tameer Microfinance Bank Limited)	A+ / A1	11	141,217
Habib Bank Limited	AAA / A1+	194,163	279,618
Sindh Bank Limited	A+ / A1	26	115
National Bank of Pakistan	AAA / A1+	1,243	964
Zarai Taraqati Bank Limited	AAA / A1+	8	101
Soneri Bank Limited	AA- / A1+	177,421	-
		786,285	888,382
Term Finance Certificates by rating category			
AA-		5,986	6,022
A+		15,764	16,108
AA+		43,619	50,596
		65,369	72,726

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Retirement Savings Fund Manager manages liquidity risk by continuously analyzing the maturities of financial assets and financial liabilities. Since the Unit Holders invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited.

The table below analyses the Sub-funds' financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2019											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Commodity Sub-Fund		
	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year
Total												
	----- (Rupees'000) -----											
Financial Liabilities												
Payable to the Pension Fund Manager	3,398	1,364	-	-	892	-	-	1,093	-	-	49	-
Payable to the Trustee	255	101	-	-	68	-	-	84	-	-	2	-
Accrued and other liabilities	3,024	1,617	83	-	747	83	-	313	83	-	15	83
	6,677	3,082	83	-	1,707	83	-	1,490	83	-	66	83

	As at June 30, 2018											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Commodity Sub-Fund		
	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year
Total												
	----- (Rupees'000) -----											
Financial Liabilities												
Payable to the Pension Fund Manager	4,520	2,114	-	-	1,127	-	-	1,245	-	-	34	-
Payable to the Trustee	269	129	-	-	72	-	-	68	-	-	-	-
Accrued and other liabilities	4,527	1,348	42	-	2,481	42	-	527	42	-	3	42
	9,316	3,591	42	-	3,680	42	-	1,840	42	-	37	42

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no affect on these financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

		2019			
		Fair value			
		Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----			
Financial assets measured at fair value					
Equity Sub-Fund					
	Listed equity securities	917,741	-	-	917,741
Debt Sub-Fund					
	Government securities - Treasury Bills	-	181,177	-	181,177
	Government securities - Pakistan Investment Bonds	-	124,603	-	124,603
	Debt securities - Term Finance Certificates / Sukuks	-	65,369	-	65,369
Money Market Sub-Fund					
	Government Securities - Treasury Bills	-	492,328	-	492,328
Commodity Sub-Fund					
	Future gold contracts	460	-	-	460
		<u>918,201</u>	<u>863,477</u>	<u>-</u>	<u>1,781,678</u>

		2018			
		Fair value			
		Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----			
Financial assets measured at fair value					
Equity Sub-Fund					
	Listed equity securities	1,255,417	-	-	1,255,417
Debt Sub-Fund					
	Government securities - Treasury Bills	-	223,879	-	223,879
	Government securities - Pakistan Investment Bonds	-	5,996	-	5,996
	Debt securities - Term Finance Certificates / Sukuks	-	72,726	-	72,726
Money Market Sub-Fund					
	Government Securities - Treasury Bills	-	163,457	-	163,457
Commodity Sub-Fund					
	Future gold contracts	(32)	-	-	(32)
		<u>1,255,385</u>	<u>466,058</u>	<u>-</u>	<u>1,721,443</u>

23.1 Valuation techniques used in determination of fair values within level 2

23.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

23.1.2 Investments in term finance certificates, issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

24. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Pension Fund Manager), UBL Fund Managers Limited (Pension Fund Manager), Al-Ameen Financial Services (Private) Limited, being entity under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Pension Fund Manager	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Rupees in '000) -----						
Equity Sub-Fund	For the year ended June 30, 2019					
Transactions during the year						
Mark-up on bank accounts	-	2,453	-	-	-	-
Bank charges	-	12	-	-	-	-
Units issued (units in '000)	-	-	-	-	17,667	-
Units redeemed (units in '000)	-	-	-	-	-	-
Remuneration*	20,493	-	1,626	-	-	-
Central Depository Service (CDS) expenses	-	-	51	-	-	-
For the year ended June 30, 2018						
Mark-up on bank accounts	-	1,484	-	-	-	-
Bank charges	-	8	-	-	-	-
Units issued (units in '000)	-	-	-	-	5,075	32,025
Units redeemed (units in '000)	-	-	-	-	16,019	682
Remuneration*	22,545	-	1,777	-	-	-
Central Depository Service (CDS) expenses	-	-	99	-	-	-
Equity Sub-Fund	As at June 30, 2019					
Balances held						
Units held	-	-	-	-	45,930	254,337
Units held (Rupees in '000)	-	-	-	-	24,997	138,423
Bank balances	-	38,085	-	-	-	-
Remuneration payable*	1,406	-	114	-	-	-
Sales load payable	116	-	-	-	-	-
Mark-up receivable	-	212	-	-	-	-
Other payable	4	-	-	-	-	-
As at June 30, 2018						
Units held (units in '000)	-	-	-	-	16	276
Units held (Rupees in '000)	-	-	-	-	10,569	182,311
Bank balances	-	25,431	-	-	-	-
Remuneration payable*	1,863	-	146	-	-	-
Sales load payable	461	-	-	-	-	-
Mark-up receivable	-	76	-	-	-	-
Other payable	4	-	-	-	-	-

	Pension Fund Manager	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Rupees in '000) -----						
For the year ended June 30, 2019						
Debt Sub-Fund						
Transactions during the year						
Mark-up on bank accounts	-	1,398	-	-	-	-
Bank charges	-	36	-	-	-	-
Units issued (units in '000)	-	-	-	-	1,500	-
Units redeemed (units in '000)	-	-	-	-	51	-
Remuneration*	11,485	-	911	-	-	-
CDS expenses	-	-	7	-	-	-

For the year ended June 30, 2018						
Mark-up on bank accounts	-	192	-	-	-	-
Bank charges	-	20	-	-	-	-
Units issued (units in '000)	-	-	-	-	708	6,794
Units redeemed (units in '000)	-	-	-	-	711	-
Remuneration*	12,517	-	986	-	-	-
CDS expenses	-	-	10	-	-	-

As at June 30, 2019						
Debt Sub-Fund						
Balances held						
Units held	-	-	-	-	9,018	-
Units held (Rupees in '000)	-	-	-	-	2,090	-
Bank balances	-	5,787	-	-	-	-
Remuneration payable*	957	-	77	-	-	-
Sales load payable	41	-	-	-	-	-
Other payable	4	-	-	-	-	-
Mark-up receivable	-	31	-	-	-	-

As at June 30, 2018						
Units held (units in '000)	-	-	-	-	-	61
Units held (Rupees in '000)	-	-	-	-	-	13,140
Bank balances	-	4,186	-	-	-	-
Remuneration payable*	1,032	-	81	-	-	-
Sales load payable	210	-	-	-	-	-
Other payable	4	-	-	-	-	-
Mark-up receivable	-	13	-	-	-	-

	Pension Fund Manager	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Rupees in '000) -----						
For the year ended June 30, 2019						
Money Market Sub-Fund						
Transactions during the year						
Mark-up on bank accounts	-	18	-	-	-	-
Bank charges	-	48	-	-	-	-
Units issued (units in '000)	-	-	-	-	-	-
Units redeemed (units in '000)	-	-	-	-	-	-
Remuneration*	12,789	-	1,014	-	-	-

For the year ended June 30, 2018						
Mark-up on bank accounts	-	135	-	-	-	-
Bank charges	-	27	-	-	-	-
Units issued (units in '000)	-	-	-	-	15,311	2,256
Units redeemed (units in '000)	-	-	-	-	-	-
Remuneration*	11,230	-	886	-	-	-

As at June 30, 2019						
Money Market Sub-Fund						
Balances held						
Units held	-	-	-	-	87,542	-
Units held (Rupees in '000)	-	-	-	-	16,580	-
Bank balances	-	721	-	-	-	-
Remuneration payable*	1,180	-	95	-	-	-
Sales load payable	45	-	-	-	-	-
Other payable	4	-	-	-	-	-
Mark-up receivable	-	18	-	-	-	-

As at June 30, 2018						
Units held (units in '000)	-	-	-	-	88	25
Units held (Rupees in '000)	-	-	-	-	15,452	4,390
Bank balances	-	1,985	-	-	-	-
Remuneration payable*	971	-	77	-	-	-
Sales load payable	382	-	-	-	-	-
Other payable	4	-	-	-	-	-
Mark-up receivable	-	12	-	-	-	-

	Pension Fund Manager	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Rupees in '000) -----						
For the year ended June 30, 2019						
Commodity Sub-Fund						
Transactions during the year						
Mark-up on bank accounts	-	30	-	-	-	-
Bank charges	-	3	-	-	-	-
Units issued (units in '000)	-	-	-	-	-	1,112
Units redeemed (units in '000)	-	-	-	-	-	40
Remuneration*	88	-	8	-	-	-

For the year ended June 30, 2018						
Mark-up on bank accounts	-	26	-	-	-	-
Bank charges	-	2	-	-	-	-
Units issued (units in '000)	-	-	-	-	-	1,108
Units redeemed (units in '000)	-	-	-	-	-	-
Remuneration*	93	-	7	-	-	-

As at June 30, 2019						
Commodity Sub-Fund						
Balances held						
Units held	-	-	-	-	-	23,611
Units held (Rupees in '000)	-	-	-	-	-	2,933
Bank balances	-	643	-	-	-	-
Remuneration payable*	16	-	2	-	-	-
Sales load payable	6	-	-	-	-	-
Mark-up receivable	-	4	-	-	-	-
Other payable	-	-	-	-	-	-

As at June 30, 2018						
Units held (units in '000)	-	-	-	-	-	19
Units held (Rupees in '000)	-	-	-	-	-	2,173
Bank balances	-	389	-	-	-	-
Remuneration payable*	7	-	-	-	-	-
Sales load payable	1	-	-	-	-	-
Mark-up receivable	-	1	-	-	-	-
Other payable	27	-	-	-	-	-

* Remuneration for the year is inclusive of sales tax.

25. PARTICIPANTS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity being augmented (by short-term borrowings or disposal of investments where necessary). During the year no such borrowing was exercised.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank pari passu as to their rights in the net assets and earnings of such sub-fund and are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

26. GENERAL

Figures have been rounded off to the nearest Thousand Rupees unless otherwise specified.

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 30-Aug-19 by the Board of Directors of the Retirement Savings Fund Manager.

**For UBL Fund Managers Limited
(Pension Fund Manager)**

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

UBL Retirement Savings Fund- Equity Sub Fund

Supplementary Non - Financial Information

Summary of Actual proxy voted by the Fund

The proxy voting policy of the Fund is available on the website of the Pension Fund Managers and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Fund is also available without charge, upon request, to all participants.

Moreover, other than below no meeting were attended and no proxies were also given.

1)	Holding	Resolution	For	Against	Abstain*
	1,062,500	<p>To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2018, Directors' and Auditors' reports thereon and the Chairman's Review Report. 2. To declare and approve, as recommended by the directors, the payment of final cash dividend of Rs. 1.50 per share i.e. @ 15% in addition to 10% interim cash dividend already declared and paid i.e., total 25% for the year ended December 31, 2018.</p> <p>3. To appoint auditors and fix their remuneration. The members are hereby notified that the Board of Directors and the Audit Committee have recommended the name of M/s Deloitte Yousuf Adil & Co. Chartered Accountants for appointment as auditors of the Company in place of retiring auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants after completion of five years.</p> <p>4. To consider and if thought fit, to pass the following resolution as special resolution with or without modification(s), addition(s) or deletion(s).</p> <p>RESOLVED THAT "the validity of special resolution passed in the Extraordinary General Meeting of the Company held on May 28, 2016 for investment of up to Rs. 625 million for purchase of 5,000,000 ordinary shares of Nishat Mills Limited, an associated company be and is hereby extended for further three years till May 28, 2022 to allow the Company to make balance investment till May 28, 2022 with other terms and conditions of the investment to remain unchanged".</p> <p>RESOLVED FURTHER THAT "the Chief Executive and/or Company Secretary (the "Authorized Officers") of the Company be and are hereby authorized and empowered on behalf of the Company to take all steps and actions necessary, ancillary and incidental for making the investment(s) in Nishat Mills Limited and sign, execute and amend such documents, papers, instruments etc., as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the aforesaid resolution".</p>	✓		
2)	Holding	Resolution	For	Against	Abstain*
	665,300	<p>1. To receive, consider and adopt the Audited Accounts (consolidated and unconsolidated) of the Bank for the year ended December 31, 2018, together with the Reports of the Directors and Auditors thereon.</p> <p>2. To appoint Auditors for a term ending at the conclusion of the next Annual General Meeting at a fee of Rs. 25,954 million. In addition any Federal or Provincial taxes and reimbursements of out of pocket expenses will be paid at actuals. The retiring Auditors, A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.</p> <p>3. To approve payment of a Final Cash Dividend of Rs. 1.25 per share, i.e. 12.5% as recommended by the Directors to Shareholders as at close of business on March 19, 2019, which, Final Cash Dividend is in addition to the 30% Interim Cash Dividend (i.e. Rs. 3 per share) already paid.</p>	✓		
3)	Holding	Resolution	For	Against	Abstain*
	658,800	<p>To consider issue of fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative, contingent convertible, privately placed (subsequently listed) Additional Tier 1 (ADT-1) capital eligible Term Finance Certificates (TFC's) of up to Rs. 15 billion (inclusive of a green show option of Rs. 5 billion) for Capital Adequacy Ratio (CAR) purposes. In this regard, consider and pass the following resolutions as Special Resolutions, with or without modifications.</p> <p>"RESOLVED that, the issue of fully paid-up, rated, privately placed and subsequently listed, unsecured, subordinated, non-cumulative and contingent convertible Term Finance Certificates in aggregate of up to PKR 15 billion, in a single or multiple issues of redeemable capital, with or without green show options of up to PKR 5 Billion be and is hereby approved subject to all regulatory approvals.</p> <p>"Further Resolved that, President & CEO, Chief Financial Officer, Head Corporate 7 Investment Banking and Company Secretary are hereby jointly (any two) authorized to take all necessary steps and to do or cause to be done all such acts, deeds and things that maybe necessary for the issue of Term Finance Certificates on the Pakistan Stock Exchange and all other elated and / or ancillary formalities and to take such other steps, execute such other documents and make such corporate filings as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolution."</p> <p>The information as required under section 134(3) of the companies Act 2017 is being provided along with the Notice of the Extraordinary General Meeting being sent to the shareholders.</p>	✓		

4)









Holding	Resolution	For	Against	Abstain*
354,460	<p>Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business: 1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.</p> <p>2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date of the Extraordinary General Meeting i.e. November 17, 2015.</p> <p>The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors.</p> <p>The following Directors of the Bank will cease to hold office upon election of new Directors:</p> <ol style="list-style-type: none"> 1. Mr. Riyadh S.A.A. Edrees 2. Mr. Faisal A.A.A. Al-Nassar 3. Mr. Bader H.A.M.A. AlRabiah 4. Mr. Alaa A. Al-Sarawi 5. Mr. Saad Fazil Abbasi 6. Mr. Mansur Khan 7. Mr. Mohammad Zamig Rajab 8. Mr. Mohammad Abdul Aleem 9. Mr. Noorur Rahman 10. Mr. Tatal S. Shehab 11. Mr. Arijul Islam <p>The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director.</p> <p>3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each :</p> <p>"RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that:</p> <p>Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows:</p> <p>"The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion three hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares in the capital for the time being into several classes."</p> <p>"FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions."</p> <p>To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank:</p> <p>"RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows:</p> <p>Capitalization of Profits</p> <p>The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution.</p> <p>FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.</p>	✓		









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