



Annual Report

June 2022

UBL Retirement Savings Fund



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CORPORATE INFORMATION

Board of Directors

Azhar Hamid (Chairman)

Yasir Qadri (Chief Executive Officer)

Aslam Sadruddin*

Huma Pasha

Arif Akmal Saifie

Imran Sarwar

Syed Furrukh Zaeem**

Sadia Saeed***

Muhammad Rizwan Malik****

Audit Committee

Huma Pasha (Chair)

Imran Sarwar

Aslam Sadruddin*

Arif Akmal Saifie

Sadia Saeed***

Risk and Compliance Committee

Imran Sarwar (Chairman)

Yasir Qadri

Azhar Hamid

Arif Akmal Saifie

Muhammad Rizwan Malik****

Syed Furrukh Zaeem**

Human Resource and Compensation Committee

Azhar Hamid (Chairman)

Huma Pasha

Aslam Sadruddin*

Yasir Qadri

Muhammad Rizwan Malik****

Syed Furrukh Zaeem**

Sadia Saeed***

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem

Member

Mufti Muhammad Najeeb Khan

Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Bilal Javaid*

Anum Imtiaz**

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
April 3, 2001 as a Public Limited
Company under the Companies
Ordinance, 1984

Management Quality Rating

AM1 by VIS Credit Rating Company

Funds / Plans under Management

UBL Liquidity Plus Fund
Launch Date: June 21, 2009

UBL Government Securities Fund
Launch Date: July 27, 2011

UBL Money Market Fund
Launch Date: October 14, 2010

UBL Income Opportunity Fund
Launch Date: March 29, 2013

UBL Growth and Income Fund
Launch Date: March 2, 2006

UBL Asset Allocation Fund
Launch Date: August 20, 2013

UBL Stock Advantage Fund
Launch Date: August 4, 2006

Al-Ameen Islamic Sovereign Fund
Launch Date: November 7, 2010

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

Al-Ameen Islamic Aggressive Income Plan-I
Launch Date: April 16, 2020

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

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

UBL Cash Fund

Launch Date: September 23, 2019

Al-Ameen Islamic Cash Fund

Launch Date: September 17, 2012

Al-Ameen Islamic Cash Plan-I

Launch Date: May 29, 2020

Al-Ameen Islamic Dedicated Equity Fund

Launch Date: January 5, 2016

Al-Ameen Islamic Special Savings Fund

Launch Date: March 9, 2020

UBL Pakistan Enterprise Exchange Traded Fund

Launch Date: March 24, 2020

Al- Ameen Islamic Financial Planning Fund - III

Launch Date: May 28, 2018

UBL Dedicated Equity Fund

Launch Date: May 29, 2018

UBL Financial Sector Fund

Launch Date: April 6, 2018

UBL Special Saving Fund

Launch Date: November 9, 2018

UBL Retirement Savings Fund

Launch Date: May 10, 2010

Al-Ameen Islamic Retirement Savings Fund

Launch Date: May 10, 2010

Al-Ameen Islamic Energy Fund

Launch Date: December 13, 2019

UBL Special Savings Fund II

Launch Date: February 10, 2020

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

* Appointed with effect from December 3, 2021

** Resigned with effect from November 17, 2021

*** Resigned with effect from July 19, 2021

**** Appointed with effect from February 1, 2022

* Resigned with effect from July 14, 2022

** Appointed with effect from September 6, 2022



DIRECTORS' REPORT

The Board of Directors of UBL Fund Managers Limited is pleased to present the annual report of "UBL Retirement Savings Fund" (URSF) for the year ended June 30, 2022.

ECONOMY REVIEW

Despite achieving the growth of 5.97% in FY22, the underlying macroeconomic imbalances associated with domestic and international risks are making growth outlook elusive. Globally, the demand outlook remains clouded by increasing worries on economic slump in the United States / Europe, debt distress in emerging market economies and a strict COVID-19 policy in China whereas on the domestic front, overall balance of payments is likely to remain difficult over the next 12 months due to heavy debt repayments on the financial account. The FX reserves position remains fluid (-10.8% QoQ) and has taken a toll on the exchange rate wherein PKR depreciated considerably (11.6% QoQ) against the USD in 4QFY22 on the back of unrelenting external financing requirements and broad strength in USD at the global forex markets.

June 2022 Current Account Deficit (CAD) arrived at USD 2.3 billion, considerably above expectations due to higher energy imports, taking FY22 CAD to USD 17.4 billion (4.6% of GDP) as compared to USD 2.8 billion CAD recorded in FY21 (0.8% of GDP). Economic consolidation requires import bill curtailment to sustain over the next few months. This could be achieved from lower machinery and vaccination imports, coupled with a broad based decline in demand and international oil prices.

CPI for June 2022 clocked in at 21.3% YoY, bringing the FY22 average to 12.2% (FY21: 8.9%). We expect inflation to remain elevated in the coming few months due to second round impact of higher food and energy prices, upward revision in utility tariffs, rising taxes on retail fuels and recent PKR devaluation. However, we anticipate inflation to start abating significantly in 4QFY23 with our view premised on a decline in global commodity prices, local demand softness and high base effect. Responding to inflationary pressures, SBP initiated monetary tightening from September 2021. Since then, the policy rate in the country has cumulatively increased by 800bps to 15%, with the latest hike of 125bps announced in MPC's July 22 meeting.

FBR collected PKR 6,125 billion in FY22 against PKR 4,744 billion collected in FY21, reflecting an increase of 29.1% Y/Y. The collection arrived above the target of PKR 6,100 billion. On the fiscal front, we project FY23 budget deficit to settle around 6.0-6.5% of GDP with lower than budgeted revenue collection, provincial surplus and higher than budgeted debt servicing emerging as major variances against budgeted fiscal deficit of 4.9%.

DEBT MARKET REVIEW

On account of rising inflation and current account deficit coupled with sharp rise in global commodity prices, SBP raised the policy rate by 800 bps cumulatively to 15%. The secondary market yields of shorter tenor reacted more sharply, 3M, 6M and 1Y yields increased by 770, 762 and 749 bps respectively during the FY22, however 3Y, 5Y and 10Y yields increased by 446, 344 and 298 bps respectively.

Tenors	PKRV as at June 30, 2022	PKRV as at June 30, 2021	Change (FY22)
3 Months	14.98	7.28	7.70
6 Months	15.15	7.53	7.62
1 Year	15.30	7.81	7.49
3 years	13.45	8.99	4.46
5 Years	12.93	9.49	3.44
10 Years	12.92	9.94	2.98

Market appetite for treasury bills remained strong during FY22. Heavy participation amounting to PKR ~30.2 trillion was observed, out of which the government accepted ~PKR 15.4 trillion. Due to monetary tightening, a clear preference was observed in the 3M T-Bills. During FY22, the market participated PKR ~15.3 trillion in 3M T-Bills which constituted 51% of the total participation followed by 6M T-Bills with the participation of PKR ~10.23 trillion (34% of the total participation). However, the market was hesitant to participate in 1Y T-Bills which constituted only 15% of total participation.

In fixed rate PIB auctions, the market participated PKR 5.6 trillion, the government made close to target acceptance in fixed rate PIBs. Total accepted amount was ~PKR 1.7 trillion. Despite the heavy participation, the market demanded relatively higher yields. The government proactively managed the cost of borrowing and the maturity profile simultaneously.

For floater rate PIBs, the rising interest rate scenario made investment more favorable. A significant participation was observed in floater rate PIBs, a participation of PKR 4.3 trillion took place in the floater rate PIB auctions, out of which the government accepted PKR 2.55 trillion. Out of PKR 2.55 trillion, PKR 816 billion accepted in the 2Y floater PIB, PKR 1,616 billion was accepted in the 3Y floater PIB and PKR 124 billion was accepted in 5Y floater PIB. No bids were accepted in 10Y floater PIB.

On the Islamic front, 10 Ijara Sukuk's auctions were held during FY22. The market remained skewed towards variable rate Ijara Sukuk. Total participation was PKR 1,413 billion in the variable rate Ijara Sukuk auction out of which the government accepted PKR 1,139 billion against the total target of PKR 750 billion. However, PKR 747 billion participation was witnessed in the fixed rate Ijara Sukuk and the government accepted PKR 376 billion against the total target of PKR 250 billion.

STOCK MARKET REVIEW

KSE-100 index declined 7.5% during 4QFY22 (FY22: -12.3%) and closed at 41,541 level as rising domestic political uncertainty and macroeconomic concerns dampened investor sentiments. Notwithstanding favorable news flow on FATF, a tough FY23 final budget, with inflationary bias and disproportionate taxation measures for the corporate sector/salaried individuals kept the benchmark KSE-100 index dull.

The original budget failed to get the nod from IMF, forcing the government to roll back most of the relief measures. The disbursement of upcoming USD 1.2 billion tranche by the IMF (subject to Board approval) could help in restoring confidence of capital markets. 1QFY23 may thus see FX reserves bottom out and start to rebuild.

COMMODITY MARKET REVIEW

After reaching USD 130 a barrel earlier in the year, deteriorating economic environment has started to take a toll on oil demand. Consequently, global oil prices have dropped to the lowest levels since before Russia's February invasion of



Ukraine on fears of recession possibility later this year torpedoing energy demand. Going forward, with demand concerns continuing to take hold of crude prices, concerns of EU embargo on Russian oil may come into full force at the end of the year, which may tighten the oil market once again. With regards to gold, anticipation of a hawkish monetary policy by the U.S. Federal Reserve to curb inflation drove gold prices down to around USD 1,800/oz. from pandemic highs of around USD 2,000/oz. This contrasted gold's safe-haven asset status, as gold prices saw support from the Russian invasion of Ukraine in Feb-22, elevated tensions between the U.S. and China and knock-on recession fears.

FUTURE OUTLOOK

With the benchmark KSE-100 index trading at a P/E of 4.1x as compared to historical PE of 8.2x valuations have now fallen far enough to incorporate the above and stocks have reached a capitulation point. For patient investors, potential catalysts should eventually unlock enormous value in the stock market. Also, market's current earnings yield differential with 10Y PIB yield is 11.4% (24.4% vs. 13%) is much higher than the average yield gap of 1.7% over the last 15 years.

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 a gross income of PKR 85.734 million and net income of PKR 34.032 million during the year. The total fund size stood at PKR 3,988.829 million as at the year end.

Performance review for each sub fund is given below:

a) Equity Sub-Fund

For the year ended June 30, 2022, the equity sub-fund incurred a net loss of PKR 153.075 million. The net assets of equity sub-fund stood at PKR 1,403.114 million representing net asset value of PKR 731.1177 per unit as at June 30, 2022.

b) Debt Sub Fund

For the year ended June 30, 2022, the debt sub-fund earned a gross income of PKR 96.058 million and net income of PKR 83.077 million. The net assets of debt sub-fund stood at PKR 1,077.122 million representing net asset value of PKR 306.3681 per unit as at June 30, 2022.

c) Money Market Sub Fund

For the year ended June 30, 2022, the money market sub-fund earned a gross income of PKR 122.328 million and net income of PKR 104.106 million. The net assets of money market sub-fund stood at PKR 1,467.572 million representing net asset value of PKR 242.2754 per unit as at June 30, 2022.

d) Commodity Sub Fund

For the year ended June 30, 2022, the Commodity sub-fund earned a gross income of PKR 0.341 million and net loss of PKR 0.076 million. The net assets of commodity sub-fund stood at PKR 41.022 million representing net asset value of PKR 160.5500 per unit as at June 30, 2022.

SINDH WORKERS' WELFARE FUND

Sindh Revenue Board through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its



concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Auditors

The present statutory auditors M/s Yousuf Adil & Co., Chartered Accountants being the auditor of the fund are not eligible for re-appointment, for being statutory auditors of the Fund for consecutive three years. The Audit Committee has recommended the appointment of M/s BDO Ebrahim & Co., Chartered Accountants as the statutory auditors of the Fund for the year 2023.

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 Limited (Trustee) for their continued support, guidance and cooperation. The Board would also like to take this opportunity to express its appreciation to the employees for their dedication, commitment, enthusiasm and hard work.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

_____-sd-_____
Azhar Hamid
Chairman

_____-sd-_____
Yasir Qadri
Chief Executive Officer

Karachi
Dated: September 06, 2022

ڈائریکٹرز رپورٹ

یو بی ایل فنڈ منیجرز لمیٹڈ کے بورڈ آف ڈائریکٹرز آپ کی خدمت میں 30 جون 2022 کو ختم ہونے والے سال کے لئے "یو بی ایل ریٹائرمنٹ سیونگز فنڈ" کی سالانہ رپورٹ پیش کر رہے ہیں۔

معیشیت کا جائزہ

مالی سال 22 کے دوران ملکی مجموعی معیشیت 5.97 فیصد سے بڑھنے کے باوجود دیگر ملکی اور بین الاقوامی بنیادی اشاریے عدم توازن اور خطرات کی نشان دہی کر رہے ہیں۔ مجموعی طور پر پوری دنیا کی معیشیت پر خطرے کے بادل منڈلاتے ہوئے دکھ دے رہے ہیں۔ خاص طور پر ریاست امریکا اور یورپ کی معیشیت کی گراؤت ابھرتی معیشیتوں کا مزید قرضوں کے بوجھ تلے دبے جانا اور چین کا COVID-19 کے حوالے سے لچک نہ دکھانا سب ہی ہماری ملکی معیشیت اور اس کے حوالے سے اگلے 12 ماہ کی توقعات پر انتہائی منفی طور پر اثر انداز ہو رہا ہے۔ فارن ایکسچینج کے ذخائر میں پچھلی سے مابقی کے دوران 10.8 فیصد کی کمی واقع ہوئی جبکہ اسی مدت میں امریکی ڈالر کے مقابل روپے کی قیمت میں 11.6 فیصد سے کمی ہوئی۔ بیرونی اخراجات کی بڑھتی ضروریات اور بتدریج مضبوط ہوتا امریکی ڈالر اس کی بنیادی وجوہات میں شامل ہیں۔

جون 2022 کے دوران کرنٹ اکاؤنٹ کا خسارہ 2.3 ارب ڈالر تک پہنچ گیا جو کہ توقعات سے کافی زیادہ رہا۔ اس کی بنیادی وجہ توانائی کی بڑھتی قیمتوں کی وجہ سے درآمدات میں اضافہ رہا جو معاشی سال 2022 کے اختتام تک 17.4 ارب ڈالر (مجموعی معیشیت کے حجم کا 4.6 فیصد) ہو گیا۔ اس کے مقابلے میں معاشی سال 2021 کا کرنٹ اکاؤنٹ خسارہ محض 2.8 ارب ڈالر (مجموعی معیشیت کے حجم کا 0.8 فیصد) تھا۔ معاشی استحکام کے لئے اگلے چند مہینوں میں کرنٹ اکاؤنٹ کے خسارے میں کمی کے لئے درآمدی بل میں کمی کی ضرورت ہے اور یہ مشینوں، کوویڈ کی ویکسین اور تیل کی قیمت کی کمی کے باعث ممکن ہو سکتا ہے۔

جون 2022 کے لئے CPI افراط زر کی شرح 21.3 فیصد رہی جب کہ پورے سال کی اوسط 12.2 فیصد (مالی سال 21: 8.9 فیصد) رہی۔ ہم توقع کرتے ہیں کہ آنے والے چند مہینوں میں افراط زر میں اضافہ رہے گا جس کی وجہ خوراک اور توانائی کی قیمتوں میں اضافے، بجلی گیس وغیرہ کی قیمتوں میں اضافے، خوردہ ایندھن پر بڑھتے ہوئے ٹیکسوں اور حالیہ پاکستانی روپے تنزلی کے دوسرے دور کے اثرات ہیں۔ تاہم، ہم توقع کرتے ہیں کہ معاشی سال کی چوتھی سہ ماہی میں افراط زر میں کمی آنا شروع ہو جائے گی جس کی بنیاد عالمی اشیاء کی قیمتوں میں کمی، مقامی طلب کی نرمی اور high base effect ہے۔ افراط زر کے دباؤ کی وجہ سے اسٹیٹ بینک نے ستمبر 2021 سے پالیسی ریٹ بڑھانے کا آغاز کیا۔ اس کے بعد سے ملک میں پالیسی کی شرح مجموعی طور پر 8 فیصد بڑھ کر 15 فیصد ہو گئی مانیٹری پالیسی کے 22 جولائی کے اجلاس میں 1.25 فیصد کے تازہ ترین اضافے کا اعلان کیا گیا۔

FBR نے مالی سال 22 میں 6,125 ارب روپے جمع کیے جب کہ مالی سال 21 میں جمع ہونے والے 4,744 ارب روپے تھے جو پچھلے سال سے 29.1 فیصد کے اضافے کی عکاسی کرتے ہیں۔ یہ وصولی کے 6,100 ارب روپے کے ہدف سے اوپر پہنچ گئی۔ ہمیں خدشہ ہے کہ سال 2023 میں بجٹ کا خسارہ اندازے سے کم ریونیو، صوبوں کا سرپلس اور اندازے سے زیادہ سود کی ادائیگی کی وجہ سے مجموعی معاشی حجم کا چھ سے ساڑھے چھ فیصد تک جا پہنچے گا جب کہ بجٹ کا ہدف 4.9 فیصد ہے۔

قرض مارکیٹ کا جائزہ

بڑھتی ہوئی افراط زر اور کرنٹ اکاؤنٹ خسارے کے ساتھ ساتھ عالمی اجناس کی قیمتوں میں تیزی سے اضافے کی وجہ سے اسٹیٹ بینک نے پالیسی ریٹ کی شرح میں مجموعی طور پر 8 فیصد کا اضافہ کر کے 15 فیصد کر دیا۔ مالی سال 22 کے دوران مختصر مدت کے قرض آلات کی ثانوی مارکیٹ کے منافع میں بالترتیب 7.70، 7.62 اور 7.49 فیصد کا اضافہ ہوا، تاہم 3 سال، 5 سال اور 10 سال کے بونڈ میں منافع میں بالترتیب 3.44، 4.46 اور 2.98 فیصد کا اضافہ ہوا۔

مدتیں	30 جون 2022 PKRV	30 جون 2021 PKRV	تبدیلی (مالی سال '22)
3 ماہ	14.98	7.28	7.70
6 ماہ	15.15	7.53	7.62
1 سال	15.30	7.81	7.49
3 سال	13.45	8.99	4.46
5 سال	12.93	9.49	3.44
10 سال	12.92	9.94	2.98

مالی سال ۲۲ کے دوران ٹریژری بلوں کے لئے بازار کی طلب کافی مضبوط رہی اور ان میں ~30.2 ٹریلین پاکستانی روپے کی بھاری شرکت دیکھی گئی جس میں سے حکومت نے ~15.4 ٹریلین پاکستانی روپے قبول کیے۔ مالیاتی سختی کی وجہ سے 3 ماہ کے ٹریژری بلز کو واضح ترجیح دی گئی۔ مالی سال '22 کے دوران مارکیٹ نے 3 ماہ کے ٹریژری بلز میں ~15.3 ٹریلین پاکستانی روپے سے حصہ لیا جو کہ کل شرکت کا 51 فیصد تھا۔ جس کے بعد 6 ماہ کے ٹریژری بلز میں ~10.23 ٹریلین پاکستانی روپے (کل شرکت کا 34 فیصد) کی شرکت رہی۔ تاہم مارکیٹ 1 سالہ ٹریژری بلز میں شرکت کرنے سے گریزاں رہی جو کہ کل شرکت کا صرف 15 فیصد رہا۔

فکسڈ ریٹ PIB کی نیلامی میں مارکیٹ نے 5.6 ٹریلین پاکستانی روپے سے شرکت کی اور حکومت نے فکسڈ ریٹ PIB میں ہدف کے قریب حصہ لیا۔ کل قبول شدہ رقم ~1.7 ٹریلین پاکستانی روپے تھی۔

فلوٹر ریٹ PIB کے لئے شرح سود کے بڑھتے ہوئے منظر نامے نے سرمایہ کاری کو مزید سازگار بنا دیا تھا۔ فلوٹر ریٹ PIB میں نمایاں شرکت دیکھی گئی، فلوٹر ریٹ PIB کی نیلامی میں 4.3 ٹریلین پاکستانی روپے کی شرکت ہوئی جس میں سے حکومت نے 2.55 ٹریلین پاکستانی روپے قبول کیا۔ 2.55 ٹریلین پاکستانی روپے میں سے 2 سالہ فلوٹر PIB میں 816 ارب پاکستانی روپے، 3 سالہ فلوٹر PIB میں 1,616 ارب پاکستانی روپے اور 5 سالہ فلوٹر PIB میں 124 ارب پاکستانی روپے قبول کیے گئے۔ 10 سالہ فلوٹر PIB میں کوئی بولی قبول نہیں کی گئی۔

اسلامی سرمایہ کاری کے محاذ پر مالی سال '22 کے دوران 10 عدد ایجارا سکوک کی نیلامی کا انعقاد کیا گیا۔ بازار کا فلوٹر شرح ایجارا سکوک کی طرف زیادہ رجحان رہا۔ فلوٹر شرح ایجارا سکوک نیلامی میں مجموعی طور پر 1,413 ارب پاکستانی روپے کی شرکت ہوئی جس میں سے حکومت نے 750 ارب پاکستانی روپے کے مجموعی ہدف کے مقابلے میں پاکستانی روپے 1,139 ارب قبول کیے۔ تاہم مقرّرہ شرح منافع کے ایجارا سکوک میں 747 ارب پاکستانی روپے کی شرکت دیکھی گئی اور حکومت نے 250 ارب پاکستانی روپے کے مجموعی ہدف کے مقابلے میں 376 ارب پاکستانی روپے قبول کیے۔

اسٹاک مارکیٹ کا جائزہ

KSE-100 انڈیکس میں معاشی سال ۲۰۲۲ کی چوتھی سہ ماہی '22 (مالی سال '22: 12.3 فیصد) کے دوران 7.5 فیصد کمی ہوئی اور انڈیکس 41,541 کی سطح پر بند ہوا کیونکہ بڑھتی ہوئی مقامی سیاسی غیر یقینی صورتحال اور میکرو اکنامک خدشات نے سرمایہ کاروں کی حوصلہ شکنی کا باعث بنے۔ FATF پر موافق خبروں کے بہاؤ کے باوجود مالی سال '23 کا ایک سخت حتمی بجٹ، جس میں افراط زر کے تعصب اور کارپوریٹ سیکٹر/تنخواہ دار افراد کے لئے غیر متناسب ٹیکس کے اقدامات نے بینچ مارک کے ایس ای-100 انڈیکس کو مدہم رکھا۔

اصل بجٹ آئی ایم ایف سے منظوری میں ناکام رہا جس کی وجہ سے حکومت کو زیادہ تر امدادی اقدامات واپس لینے پر مجبور ہونا پڑا۔ آئی ایم ایف کی جانب سے آئندہ 1.2 ارب امریکی ڈالر کی قسط کی تقسیم (بورڈ کی منظوری سے



مشروط) سرمائے کی منڈیوں کا اعتماد بحال کرنے میں مددگار بن سکتی ہے۔ اس طرح پہلے سہ ماہی مالی سال ۲۳ ایف ایکس ذخائر کو نیچے دیکھ سکتا ہے اور دوبارہ تعمیر کرنا شروع کر سکتا ہے۔

کموڈٹی مارکیٹ کا جائزہ

سال کے اوائل میں 130 امریکی ڈالر فی بیرل تک پہنچنے کے بعد بگڑتے ہوئے معاشی ماحول نے تیل کی طلب پر اثر انداز ہونا شروع کر دیا ہے۔ نتیجتاً رواں سال کے آخر میں روس اور یوکرین کی جنگ اور اس کے حوالے سے مختلف ممالک کی امبارگوپالیسی کے باعث تیل کی قیمتوں کے حوالے سے خدشات جاری رہنے کا امکان ہے۔ البتہ امریکا کی مانیٹری پالیسی میں سود کے اضافے کے بعد سونے کے قیمت میں 2,000 ڈالر فی اونس سے 1,800 ڈالر فی اونس تک کمی واقع ہوئی۔ یہ گراؤ سونے کے بارے میں روایتی سوچ کے برخلاف تھی جس کی بنیادی وجہ روس کی جنگ اور امریکا اور چین کے درمیان کشیدگی کی وجہ سے معشی خدشات ہیں۔

مستقبل کا نقطہ نظر

مارکیٹ قیمتوں کے تاریخی P/E 8.2 کے مقابلے میں موجودہ P/E 4.1 پر بینچ مارک کے ایس ای-100 انڈیکس ٹریڈنگ کے ساتھ اب کافی گر گیا ہے اور اسٹاک کافی نچلے مقام پر پہنچ گئے ہیں۔ صبر کرنے والے سرمایہ کاروں کے لئے، ممکنہ محرکات کو بالآخر اسٹاک مارکیٹ میں بے پناہ قدر کو کھولنا چاہئے۔ اس کے علاوہ مارکیٹ کی موجودہ آمدنی منافع شرح میں 10 سالہ پی آئی بی کے منافع کے ساتھ فرق 11.4 فیصد (24.4 فیصد بمقابلہ 13 فیصد) ہے جو گزشتہ 15 سالوں کے دوران اوسط منافع کے فرق 1.7 فیصد سے کہیں زیادہ ہے۔

کارکردگی اور آپریشنل جائزہ – یو بی ایل ریٹائرمنٹ سیونگز فنڈ

اس فنڈ میں چار ذیلی فنڈز یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور کموڈٹی سب فنڈ شامل ہیں۔ اس سال کے دوران 34.032 ملین روپے کی اس فنڈ نے مجموعی طور کی مجموعی آمدنی 85.734 ملین روپے خالص آمدنی حاصل کی۔ سال کے اختتام تک فنڈ کا مجموعی حجم 3,988.829 ملین روپے رہا۔

ہر ذیلی فنڈ کے لئے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

الف) ایکویٹی سب فنڈ

30 جون 2022 کو ختم ہونے والے سال کے لئے ایکویٹی سب فنڈ کو 153.075 ملین روپے کا خالص نقصان ہوا۔ ایکویٹی سب فنڈ کے خالص اثاثے 1,403.114 ملین روپے رہے جو 30 جون 2022 تک 731.1177 روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

ب) ڈیٹ سب فنڈ

30 جون 2022 کو ختم ہونے والے سال کے لئے ڈیٹ سب فنڈ نے 96.058 ملین روپے کی مجموعی آمدنی اور 83.077 ملین روپے کی خالص آمدنی حاصل کی۔ قرض ذیلی فنڈ کے خالص اثاثے 30 جون 2022 تک 306.3681 روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہوئے 1,077.122 ملین روپے رہے۔

ج) منی مارکیٹ سب فنڈ

30 جون 2022 ء کو ختم ہونے والے سال کے لئے منی مارکیٹ کے ذیلی فنڈ نے 122.328 ملین روپے کی مجموعی آمدنی اور 104.106 ملین روپے کی خالص آمدنی کمائی۔ منی مارکیٹ سب فنڈ کے خالص اثاثے 30 جون 2022 تک 242.2754 روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہوئے 1,467.572 ملین روپے رہے۔

د) کموڈٹی سب فنڈ

30 جون 2022ء کو ختم ہونے والے سال کے لئے کموڈٹی سب فنڈ نے 0.341 ملین روپے کی مجموعی آمدنی اور 0.07 ملین روپے کا خالص نقصان پہنچایا۔ 30 جون 2022 تک کموڈٹی سب فنڈ کے خالص اثاثے 41.022 ملین روپے تھے جو 160.5500 روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

سندھ ورکرز ویلفیئر فنڈ

سندھ ریونیو بورڈ نے 12 اگست 2021 کو اپنے خط کے ذریعے مفاد کو مطلع کیا ہے کہ میوچل فنڈز مالیاتی اداروں / صنعتی اداروں کے طور پر اہل نہیں ہیں اور اس لئے وہ SWWF کی شراکت ادا کرنے کے ذمہ دار نہیں ہیں۔ اس پیش رفت پر MUFAP کی سطح پر تبادلہ خیال کیا گیا اور SECP کے ساتھ بھی اٹھایا گیا ہے اور تمام ایسیٹ مینجمنٹ کمپنیوں نے SECP کی مشاورت سے 13 اگست 2021 کو 21 مئی 2015 سے 12 اگست 2021 تک کی مدت کے لئے تسلیم شدہ SWWF کے لئے مجموعی فراہم کردہ اخراجات کو واپس لے لیا ہے۔ SECP نے SWWF کے لئے فراہمی کے ممکنہ واپسی کے لئے اپنی رضامندی دی ہے۔ اس کے مطابق آنے والے وقت میں فنڈ کے مالیاتی گوشواروں میں SWWF کے لئے کسی بھی شق کو تسلیم نہیں کیا جائے گا۔

آڈیٹرز

موجودہ قانونی آڈیٹرز میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس فنڈ کے آڈیٹر ہونے کے ناطے دوبارہ تقرری کے اہل نہیں ہیں، کیونکہ وہ لگاتار تین سال تک فنڈ کے قانونی آڈیٹر رہے ہیں۔ آڈٹ کمیٹی نے سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

اعترافات

ہم اپنے قابل قدر یونٹ ہولڈرز کا یو بی ایل فنڈ منیجرز لمیٹڈ پر اعتماد اور اعتماد پر شکریہ ادا کرنا چاہتے ہیں۔ اس کے علاوہ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (ٹرسٹی) اور شریعہ ایڈوائزری بورڈ کو ان کی مسلسل معاونت، رہنمائی اور تعاون پر تسلیم کرنا چاہتے ہیں۔ بورڈ اس موقع پر ملازمین کی لگن، عزم، جوش و خروش اور محنت کی تعریف کا اظہار کرنا چاہے گا۔

یو بی ایل فنڈ منیجرز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

_____sd
اظہر حمید
چینرمین

_____sd
یاسر قادری
چیف ایگزیکٹو آفیسر

کراچی
تاریخ: 6 ستمبر 2022

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.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-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)
Auditor	Yousuf Adil Chartered Accountants
Bankers	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited JS Bank Limited Khushhali Bank Limited MCB Bank Limited Samba Bank Limited Sindh Bank Limited Tameer MicroFinance Bank United Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited
Pension Fund Managers Rating	AM1 (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'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
URSF-ESF	0.20%	2.24%	-5.50%	6.35%	-1.76%	-1.92%	2.40%	-0.25%	-0.31%	-1.21%	-6.30%	-3.37%	-9.65%
URSF-DSF	6.01%	14.10%	6.14%	5.58%	5.92%	8.06%	9.38%	9.52%	9.35%	6.59%	9.54%	11.27%	8.79%
URSF-MMSF	5.70%	10.19%	5.89%	5.69%	5.70%	9.28%	8.81%	7.56%	9.23%	7.83%	11.51%	14.48%	8.83%
URSF-CSF	1.93%	1.03%	-2.72%	1.30%	-0.59%	3.00%	-1.41%	5.82%	1.60%	-2.22%	-1.63%	-0.55%	5.35%

UBL Retirement Savings Fund	FY'22
High Volatility	-6.0%
Medium volatility	-0.4%
Low volatility	4.2%
Lower volatility	8.8%

- 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 -9.65% during FY22. Major exposure was taken in Commercial Banks (22%), Oil & Gas Exploration (22%) and Fertilizer (8%).

The Debt Sub Fund maintained majority exposure in government securities during the year, keeping the return consistent by generating a yield of 8.79% 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 8.83% p.a.

The Commodity Sub Fund generated a return of 5.35% during the year, which was primarily due to the upward rising trend in international gold prices during the FY22.

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)**

Correction

URSF Debt (% of Total Assets)	Jun-22	Jun-21
T-Bills	0%	0%
Placements with banks	0%	6%
Term Finance Certificates/ Sukuks	8%	5%
Placement against TFC	0%	0%
PIBs	0%	36%
Cash	88%	52%
Others	4%	1%
GoP Ijara Sukuk	0%	0%
Leverage	Nil	Nil
URSF Money Market (% of Total Assets)	Jun-22	Jun-21
T-Bills	0%	0%
Placements with banks	0%	17%
PIBs	0%	0%
Cash	97%	82%
Term Finance Certificates / Sukuks	0%	0%
Others	3%	1%
Leverage	Nil	Nil
URSF Equity (% of Total Assets)	Jun-22	Jun-21
Equities	92%	86%
Cash	4%	11%
Others	4%	3%
Spread Transaction	0%	0%
Leverage	Nil	Nil
URSF Commodity (% of Total Assets)	Jun-22	Jun-21
Gold	81%	80%
T-Bills	0%	0%
Cash	95%	79%
Others*	-75%	-59%
Leverage	Nil	Nil

viii) **Analysis of the VPS performance**

URSF-ESF: FY'22 Return:	-9.65%
URSF-DSF: FY'22 Return:	8.79%
URSF-MMSF: FY'22 Return:	8.83%
URSF-CSF: FY'22 Return:	5.35%

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
	Rupees (000)		%	Rupees		%
URSF-ESF	1,403,114	1,835,640	-23.56	731.1177	809.2185	-9.65
URSF-DSF	1,077,121	845,788	27.35	306.3681	281.6105	8.79
URSF-MSF	1,467,572	1,135,942	29.19	242.2754	222.6121	8.83
URSF-CSF	41,021	12,768	221.27	160.55	152.39	5.35

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 Market Review

On account of rising inflation and current account deficit coupled with sharp rise in global commodity prices, SBP raised the policy rate by 800 bps cumulatively to 15%. The secondary market yields of shorter tenor reacted more sharply, 3M,6M and 1Y yields increased by 770, 762 and 749 bps respectively during the FY22, however 3Y, 5Y and 10Y yields increased by 446, 344 and 298 bps respectively.

Tenors	PKRV as at 30th June 2022	PKRV as at 30th June 2021	Change (FY22)
3 Months	14.98	7.28	7.70
6 Months	15.15	7.53	7.62
1 Year	15.30	7.81	7.49
3 years	13.45	8.99	4.46
5 Years	12.93	9.49	3.44
10 Years	12.92	9.94	2.98

Market appetite for treasury bills remained strong during FY22. Heavy participation amounting to PKR ~30.2 trillion was observed, out of which the government accepted ~PKR 15.4 trillion. Due to monetary tightening, a clear preference was observed in the 3M T-Bills. During FY22, the market participated PKR ~15.3 trillion in 3M T-Bills which constituted 51% of the total participation followed by 6M T-Bills with the participation of PKR ~10.23 trillion (34% of the total participation). However, the market was hesitant to participate in 1Y T-Bills which constituted only 15% of total participation.

In fixed rate PIB auctions, the market participated PKR 5.6 trillion, the government made close to target acceptance in fixed rate PIBs. Total accepted amount was ~PKR 1.7 trillion. Despite the heavy participation, the market demanded relatively higher yields. The government proactively managed the cost of borrowing and the maturity profile simultaneously.

For floater rate PIBs, the rising interest rate scenario made investment more favorable. A significant participation was observed in floater rate PIBs, a participation of PKR 4.3 trillion took place in the floater rate PIB auctions, out of which the government accepted PKR 2.55 trillion. Out of PKR 2.55 trillion, PKR 816 billion accepted in the 2Y floater PIB, PKR 1,616 bn was accepted in the 3Y floater PIB and PKR 124 billion was accepted in 5Y floater PIB. No bids were accepted in 10Y floater PIB.

On the Islamic front, 10 ijara sukuk's auctions were held during FY22. The market remained skewed towards variable rate Ijara sukuk. Total participation was PKR 1,413 billion in the variable rate Ijara sukuk auction out of which the government accepted PKR 1,139 billion against the total target of PKR 750 billion. However, PKR 747 billion participation was witnessed in the fixed rate Ijara sukuk and the government accepted PKR 376 billion against the total target of PKR 250 billion..

Stock Market Review

KSE-100 index declined 7.5% during 4QFY22 (FY22: -12.3%) and closed at 41,541 level as rising domestic political uncertainty and macroeconomic concerns dampened investor sentiments. Notwithstanding favorable news flow on FATF, a tough FY23 final budget, with inflationary bias and disproportionate taxation measures for the corporate sector/salaried individuals kept the benchmark KSE-100 index dull.

The original budget failed to get the nod from IMF, forcing the government to roll back most of the relief measures. The disbursement of upcoming USD 1.2bn tranche by the IMF (subject to Board approval) could help in restoring confidence of capital markets. 1QFY23 may thus see FX reserves bottom out and start to rebuild.

Commodity Market Review

After reaching USD 130 a barrel earlier in the year, deteriorating economic environment has started to take a toll on oil demand. Consequently, global oil prices have dropped to the lowest levels since before Russia's February invasion of Ukraine on fears of recession possibility later this year torpedoing energy demand. Going forward, with demand concerns continuing to take hold of crude prices, concerns of EU embargo on Russian oil may come into full force at the end of the year, which may tighten the oil market once again. With regards to gold, anticipation of a hawkish monetary policy by the U.S. Federal Reserve to curb inflation drove gold prices down to around USD1,800/oz. from pandemic highs of around USD2,000/oz. This contrasted gold's safe-haven asset status, as gold prices saw support from the Russian invasion of Ukraine in Feb-22, elevated tensions between the U.S. and China and knock-on recession fears.

- 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	1426	1752	1066	179
10,000.0000 - 49,999.9999	34	63	75	3
50,000.0000 - 99,999.9999	5	7	22	0
100,000.0000 - 499,999.9999	2	6	14	1
500,000.0000 & Above	0	0	0	0
Total	1467	1828	1177	183

- 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.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

UBL RETIREMENT SAVINGS FUND

**Report of the Trustee pursuant to Regulation 67D (viii) of the Non-Banking
Finance Companies and Notified Entities Regulations, 2008**

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, 2022 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2022

INDEPENDENT AUDITOR'S REPORT

To the Participants of UBL Retirement Savings Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UBL Retirement Savings Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in participants' sub funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and UBL Funds Managers Limited (the Pension Fund Manager) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Pension Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Pension Fund Manager and Those Charged with Governance for the Financial Statements

Pension Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Pension Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Pension Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Pension Fund Manager is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.
- Conclude on the appropriateness of Pension Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of Pension Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2022 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005;

- b) 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; and
- c) 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.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi

Date: September 28, 2022

UDIN: AR202210091Pa35EnvMK

UBL RETIREMENT SAVINGS FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

		2022					2021				
		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	90,211	983,018	1,446,952	39,974	2,560,155	209,502	611,349	937,155	10,548	1,768,554
Term deposit receipts	6	-	-	-	-	-	-	75,000	200,000	-	275,000
Investments	7	1,316,190	92,117	-	-	1,408,307	1,639,136	484,294	-	-	2,123,430
Advance income tax	8	1,223	1,542	2,994	43	5,802	1,194	768	1,302	38	3,302
Receivable against sale of investments		8,955	-	-	-	8,955	15,318	-	-	-	15,318
Dividend and mark-up receivable	9	1,333	10,429	23,273	17	35,052	7,893	6,727	7,384	51	22,055
Deposits and other receivables	10	14,515	2,108	6,035	2,803	25,461	32,195	5,577	2,333	3,363	43,468
Total assets		1,432,427	1,089,214	1,479,254	42,837	4,043,732	1,905,238	1,183,715	1,148,174	14,000	4,251,127
LIABILITIES											
Payable to UBL Funds Manager Limited - Pension Fund Manager	11	6,020	2,592	3,526	128	12,266	2,928	1,592	1,815	58	6,393
Payable to Central Depository Company of Pakistan Limited - Trustee	12	665	15	150	4	834	182	89	127	3	401
Payable to the Securities and Exchange Commission of Pakistan	13	591	354	437	8	1,390	400	211	273	3	887
Payable against purchase of investments		6,663	-	-	-	6,663	29,103	325,370	-	-	354,473
Accrued expenses and other liabilities	14	15,374	9,133	7,569	1,674	33,750	36,984	10,664	10,017	1,168	58,833
Total liabilities		29,313	12,094	11,682	1,814	54,903	69,597	337,926	12,232	1,232	420,987
NET ASSETS		1,403,114	1,077,120	1,467,572	41,023	3,988,829	1,835,641	845,789	1,135,942	12,768	3,830,140
PARTICIPANTS' SUB-FUNDS (AS PER STATEMENT ATTACHED)											
		1,403,114	1,077,120	1,467,572	41,023	3,988,829	1,835,641	845,789	1,135,942	12,768	3,830,140
Contingencies and commitments											
	15	----- Number of units -----									
Number of units in issue	20	1,919,136	3,515,776	6,057,453	255,500		2,268,412	3,003,398	5,102,787	83,785	
----- Rupees -----											
Net asset value per unit		731.1177	306.3681	242.2754	160.5500		809.2185	281.6105	222.6121	152.3900	

The annexed notes from 1 to 29 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Pension Fund Manager)

-----sd-----
Yasir Qadri
Chief Executive Officer

-----sd-----
Umair Ahmed
Chief Financial Officer

-----sd-----
Arif Akmal Saifie
Director

UBL RETIREMENT SAVINGS FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

		2022					2021				
		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									
INCOME											
Financial Income		6,382	98,189	125,850	1,500	231,921	4,971	66,850	79,734	506	152,061
(Loss) / gain on sale of investments - net		(66,669)	(3,856)	(3,703)	(168)	(74,396)	260,112	(1,532)	(161)	305	258,724
(Loss) on derivative contract		-	-	-	(1,011)	(1,011)	-	-	-	(705)	(705)
Dividend income		112,158	-	-	-	112,158	80,815	-	-	-	80,815
Unrealised (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		(184,876)	1,572	-	-	(183,304)	169,351	219	-	-	169,570
Other income		11	152	182	20	365	-	-	-	-	-
Total income		(132,994)	96,057	122,329	341	85,733	515,249	65,537	79,573	106	660,465
EXPENSES											
Remuneration of UBL Fund Managers Limited											
- Pension Fund Manager	11.1	28,019	13,498	16,559	305	58,381	23,975	12,668	16,386	170	53,199
Sindh Sales Tax on remuneration of the Pension Fund Manager	11.2	3,643	1,755	2,153	40	7,591	3,117	1,647	2,130	22	6,916
Selling and marketing expense	11.3	1,937	1,173	1,509	-	4,619	-	-	-	-	-
Allocated expenses	11.4	1,294	-	-	-	1,294	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12	2,021	1,201	1,479	25	4,726	2,005	1,062	1,372	15	4,454
Annual fee to the Securities and Exchange Commission of Pakistan	13	591	354	437	8	1,390	400	211	273	3	887
Auditor's remuneration	17	151	145	151	144	591	147	147	147	147	588
Brokerage expense		6,829	101	175	2	7,107	6,726	213	120	2	7,061
Custody and settlement charges		541	189	-	-	730	691	525	-	11	1,227
Legal and professional charges		47	47	47	47	188	50	47	46	23	166
Bank charges and other expenses		-	20	37	5	62	25	78	84	7	194
Total expenses		45,073	18,483	22,547	576	86,679	37,136	16,598	20,558	400	74,692
Net operating (loss) / income for the year		(178,067)	77,574	99,782	(235)	(946)	478,113	48,939	59,015	(294)	585,773
Element of Income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	4.8	-	-	-	-	-	35,128	(912)	536	(18)	34,734
Reversal of provision / (provision) for Sindh Workers' Welfare Fund (SWWF)	14.1	24,992	5,502	4,325	135	34,954	(10,065)	(943)	(1,169)	-	(12,177)
Net (loss) / income for the year before taxation		(153,075)	83,076	104,107	(100)	34,008	503,176	47,084	58,382	(312)	608,330
Taxation	18	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(153,075)	83,076	104,107	(100)	34,008	503,176	47,084	58,382	(312)	608,330
Earnings / (loss) per unit	19										

The annexed notes from 1 to 29 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Pension Fund Manager)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

**UBL RETIREMENT SAVINGS FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	2022					2021				
	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	(153,075)	83,076	104,107	(100)	34,008	503,176	47,084	58,382	(312)	608,330
Other comprehensive (loss) / income for the year:										
Items that may be reclassified subsequently to income statement										
Unrealised gain / (loss) on remeasurement of investments classified at fair value through other comprehensive - net	-	(231)	-	-	(231)	-	(193)	-	-	(193)
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(153,075)	82,845	104,107	(100)	33,777	503,176	46,891	58,382	(312)	608,137

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UBL RETIREMENT SAVINGS FUND
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022					2021				
	Equity	Debt	Money Market	Commodity	Total	Equity	Debt	Money Market	Commodity	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
----- Rupees in '000 -----										
Net assets at beginning of the year	1,835,641	845,789	1,135,942	12,768	3,830,140	1,222,486	800,221	1,076,277	9,684	3,108,668
Amount received on issuance of units	341,527	552,231	866,281	38,849	1,798,888	627,365	373,516	476,314	5,696	1,482,891
Effect of reallocation	81,369	(46,926)	(32,595)	(1,848)	-	1,360	3,615	(4,188)	(787)	-
Amount paid on redemption of units	(702,348)	(356,819)	(606,163)	(8,646)	(1,673,976)	(483,618)	(379,366)	(470,307)	(1,531)	(1,334,822)
	(279,452)	148,486	227,523	28,355	124,912	145,107	(2,235)	1,819	3,378	148,069
Element of (income) / loss and capital (gains) / / losses included in price of units sold less those in units redeemed - net	-	-	-	-	-	(35,128)	912	(536)	18	(34,734)
	1,556,189	994,275	1,363,465	41,123	3,955,052	1,332,465	798,898	1,077,560	13,080	3,222,003
Net movement on remeasurement of investments classified as 'fair value through other comprehensive income' arising during the year	-	(231)	-	-	(231)	-	(193)	-	-	(193)
Net (loss) / gain on sale of investments	(66,669)	(3,856)	(3,703)	(168)	(74,396)	260,112	(1,532)	(161)	305	258,724
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'	(184,876)	1,572	-	-	(183,304)	169,351	219	-	-	169,570
Other net income for the year	98,470	85,360	107,810	68	291,708	73,713	48,397	58,543	(617)	180,036
	(153,075)	83,076	104,107	(100)	34,008	503,176	47,084	58,382	(312)	608,330
Net assets at end of the year	1,403,114	1,077,120	1,467,572	41,023	3,988,829	1,835,641	845,789	1,135,942	12,768	3,830,140

The annexed notes from 1 to 29 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Pension Fund Manager)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

**UBL RETIREMENT SAVINGS FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

		2022					2021				
	Note	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
CASH FLOWS FROM OPERATING ACTIVITIES											
						Rupees in '000					
Net (loss) / income for the year before taxation		(153,075)	83,076	104,107	(100)	34,008	503,176	47,084	58,382	(312)	608,330
Adjustments for:											
Mark-up / interest income		(6,382)	(98,189)	(125,850)	(1,500)	(231,921)	(4,971)	(66,850)	(79,736)	(506)	(152,063)
Dividend income		(112,158)	-	-	-	(112,158)	(80,815)	-	-	-	(80,815)
Loss / (gain) on sale of investments - net		66,669	3,856	3,703	168	74,396	(260,112)	1,532	161	(305)	(258,724)
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'		184,876	(1,572)	-	-	183,304	(169,351)	(219)	-	-	(169,570)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		-	-	-	-	-	(35,128)	912	(536)	18	(34,734)
Reversal of provision / (provision) for Sindh Workers' Welfare Fund (SWWF)		(24,992)	(5,502)	(4,325)	(135)	(34,954)	10,065	943	1,169	-	12,177
Cash used in operations before working capital changes		(45,062)	(18,331)	(22,365)	(1,567)	(87,325)	(37,136)	(16,598)	(20,560)	(1,105)	(75,399)
(Increase) / decrease in assets											
Investments		71,401	389,662	(3,703)	(168)	457,192	(63,016)	149,946	(161)	-	86,769
Receivable against sale of investments		6,363	-	-	-	6,363	(13,878)	-	-	-	(13,878)
Deposits and other receivables		17,680	3,469	(3,702)	560	18,007	(20,285)	6,362	8,729	3	(5,191)
		95,444	393,131	(7,405)	392	481,562	(97,179)	156,308	8,568	3	67,700
Increase / (decrease) in liabilities											
Payable to UBL Funds Manager Limited - Pension Fund Manager		3,092	1,000	1,711	70	5,873	963	217	145	9	1,334
Payable to Central Depository Company of Pakistan Limited - Trustee		483	(74)	23	1	433	51	11	9	1	72
Payable to the Securities and Exchange Commission of Pakistan		191	143	164	5	503	82	3	(20)	1	66
Payable against purchase of investments		(22,440)	(325,370)	-	-	(347,810)	26,103	325,370	-	-	351,473
Accrued expenses and other liabilities		3,382	3,971	1,877	641	9,871	824	(5,577)	120	572	(4,061)
Cash (used in) / generated from operations		(15,292)	(320,330)	3,775	717	(331,130)	28,023	320,024	254	583	348,884
Mark-up / interest income received		6,229	94,487	109,961	1,534	212,211	4,441	72,000	73,793	455	150,689
Dividend income received		118,871	-	-	-	118,871	76,432	-	-	-	76,432
Advance tax paid		(29)	(774)	(1,692)	(5)	(2,500)	(279)	(177)	(244)	(6)	(706)
Net cash generated from / (used in) operating activities		160,161	148,183	82,274	1,071	391,689	(25,698)	531,557	61,811	(70)	567,600
CASH FLOWS FROM FINANCING ACTIVITIES											
Amount received on issuance of units		341,527	552,231	866,281	38,849	1,798,888	627,365	373,516	476,314	5,696	1,482,891
Re-allocation among funds		81,369	(46,926)	(32,595)	(1,848)	-	1,360	3,615	(4,188)	(787)	-
Amount paid on redemption of units		(702,348)	(356,819)	(606,163)	(8,646)	(1,673,976)	(483,618)	(379,366)	(470,307)	(1,531)	(1,334,822)
Net cash (used in) / generated from financing activities		(279,452)	148,486	227,523	28,355	124,912	145,107	(2,235)	1,819	3,378	148,069
Net (decrease) / increase in cash and cash equivalents		(119,291)	296,669	309,797	29,426	516,601	119,409	529,322	63,630	3,308	715,669
Cash and cash equivalents at the beginning of the year		209,502	686,349	1,137,155	10,548	2,043,554	90,093	157,027	1,073,525	7,240	1,327,885
Cash and cash equivalents at the end of the year		90,211	983,018	1,446,952	39,974	2,560,155	209,502	686,349	1,137,155	10,548	2,043,554
Cash and cash equivalents											
Bank balances	5	90,211	983,018	1,446,952	39,974	2,560,155	209,502	611,349	937,155	10,548	1,768,554
Term Deposit Receipts	6	-	-	-	-	-	-	75,000	200,000	-	275,000
Treasury bills - 3 months	7.2	-	-	-	-	-	-	-	-	-	-
		90,211	983,018	1,446,952	39,974	2,560,155	209,502	686,349	1,137,155	10,548	2,043,554

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

**UBL RETIREMENT SAVINGS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Retirement Savings Fund (the "Fund"), was established under the Trust Deed executed between UBL Fund Managers Limited (the "Pension Fund Manager" - a wholly owned subsidiary company of United Bank Limited) as the Pension Fund Manager and the MCB Financial Services Limited as the Trustee. The Trust Deed was executed on November 17, 2009, and the Fund was approved as a pension fund by the Securities and Exchange Commission of Pakistan (SECP) on January 29, 2010 in accordance with the requirements of Voluntary Pension System Rules, 2005 (the VPS Rules). The Fund commenced its operations from May 19, 2010. The trusteeship of the Fund was transferred to Central Depository Company of Pakistan Limited (CDC) effective from March 31, 2014 through a supplemental trust deed dated February 21, 2014.

The Pension Fund Manager of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Pension Fund Manager is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

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 at least '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 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 periodic basis such as annual, semi annual, quarterly or monthly basis. UBL Retirement Savings Fund also offers optional insurance cover to the contributors.

VIS Credit Rating Company Limited has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2021.

Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this connection, the Management Company submitted restated Trust Deed of the Fund which was duly registered during the year on August 13, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- the requirements of the Trust Deed, Voluntary Pension System Rules, 2005 (the VPS Rules), Part V of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation) - 'Voluntary Pension System' and the directives issued by the SECP.

Where the requirements of the Trust Deed, Voluntary Pension System Rules, 2005 (the VPS Rules), Part V of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation) - 'Voluntary Pension System' and the directives issued by the SECP differ from the IFRS Standards, the requirements of the Trust Deed, Voluntary Pension System Rules, 2005 (the VPS Rules), Part V of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation) - 'Voluntary Pension System' and the directives issued by the SECP have been followed.

2.1.2 The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of thousand rupees, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by management in the application of the accounting policies, that have the most significant effect on the amount recognised in these financial statements, are given below:

- (i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2, 6 and 7);
- (ii) Impairment of financial assets (note 4.2.3); and
- (iii) Provision for taxation (notes 4.6 and 18).

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023

- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred indefinitely

Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for element of income / (loss) and capital gain / (losses) included in the price of units issued less those in units redeemed (Note 4.8)

4.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term highly liquid investments, with original maturities of three months or less, that are readily convertible to known amount of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments.

4.2 Financial Instruments

4.2.1 Initial recognition and measurement

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition.

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Amortized cost ("AC");
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

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

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

Financial instruments classified as amortised cost are subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial instruments carried at amortised cost are derecognised or impaired.

Financial assets at FVOCI

A financial asset is classified as FVOCI only if it meets both of the following conditions and is not designated as FVTPL;

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

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

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered.

Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on the Fund's hold to collect and sell business model. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit and loss or at fair value through other comprehensive income. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- At amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

4.2.3 Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

As disclosed in note 2.1.2 of these financial statements, the Fund follows the requirements of circular 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non-performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.2.4 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

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 aforementioned 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.

Basis of valuation of government securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV and PKRV rates) which are based on the remaining tenor of the securities.

4.2.6 Regular way contracts

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

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 realize the assets and settle the liabilities simultaneously.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.4 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.

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies that collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.7 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.

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

During the year, the SECP through S.R.O.1068 (I)/2021 and 1069 (I)/2021 made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and Voluntary Pension System Rules, 2005 (the VPS Rules) respectively. One of these amendments relate to removal of Rule 7 (e) and (f) from the VPS Rules, which contained the principles for the preparation and presentation of the financial statements of Pension Funds. Since, the guidance issued under these rules are not applicable, therefore, for the current year no amount is reflected in the income statement, the cash flow statement and the statement of unit holders fund under "Element of income / (loss) and capital gains /(loss) included in the price of units issued less those in units redeemed".

4.9 Net asset value per unit

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

4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income' are included in the equity through other comprehensive income in the year in which they arise.
- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Mark-up / return on investments in debt and government securities is recognised using effective yield method.
- Income on bank balances, placements and term deposits are recognised on time proportionate basis.

4.11 Expenses

All expenses including remuneration of Pension Fund Manager, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.12 Unit holders' fund

Unit holders' 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.

Note	2022					2021				
	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									
5.1	90,211	983,011	1,446,715	39,974	2,559,911	209,502	611,349	937,147	10,548	1,768,546
	-	7	237	-	244	-	-	8	-	8
	90,211	983,018	1,446,952	39,974	2,560,155	209,502	611,349	937,155	10,548	1,768,554

5.1 These carry mark-up at the rates ranging from 8.50% to 15.50% (2021: 3.75% to 7.85%) per annum.

6. TERM DEPOSIT RECEIPTS

	2022					2021				
	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				
Term deposit receipts - at amortized cost	-	-	-	-	-	-	75,000	200,000	-	275,000

6.1 Held by Debt Sub-Fund

Name of Company	As at July 1, 2021	Purchased during the year	Matured / sold during the year	As at June 30, 2022	Market value as a percentage of net assets of the Fund	Interest rate	Maturity date up to
	Rupees in '000				%		
Held by Debt Sub-Fund							
Habib Bank Limited	-	90,000	90,000	-	-	8.75	October 22, 2021
Allied Bank Limited	75,000	-	75,000	-	-	9.00	July 29, 2021
June 30, 2022	75,000	90,000	165,000	-	-		
June 30, 2021	-	75,000	-	75,000	8.87		

6.2 Held by Money Market Sub-Fund

	As at July 1, 2021	Purchased during the year	Matured / sold during the year	As at June 30, 2022	Market value as a percentage of net assets of the Fund	Interest rate	Maturity date up to
	Rupees in '000				%		
Bank Alfalah Limited	100,000	-	100,000	-	-	7.62	July 2, 2021
Allied Bank Limited	100,000	-	100,000	-	-	9.00	July 29, 2021
Bank Alfalah Limited	-	100,000	100,000	-	-	7.80	October 5, 2021
Habib Bank Limited	-	100,000	100,000	-	-	8.75	October 22, 2021
Bank Alfalah Limited	-	100,000	100,000	-	-	8.15	November 22, 2021
Bank Alfalah Limited	-	100,000	100,000	-	-	8.90	December 16, 2021
Bank Alfalah Limited	-	100,000	100,000	-	-	9.40	January 4, 2022
Allied Bank Limited	-	100,000	100,000	-	-	13.25	April 5, 2022
Allied Bank Limited	-	100,000	100,000	-	-	13.25	April 15, 2022
June 30, 2022	200,000	700,000	900,000	-	-		
June 30, 2021	-	400,000	200,000	200,000	8.80		

	2022					2021				
	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									

7. INVESTMENTS

Investments by category

'At fair value through profit or loss'

Listed equity securities	7.1	1,316,190	-	-	-	1,316,190	1,639,136	-	-	-	1,639,136
Government securities - Market Treasury Bills	7.2	-	-	-	-	-	-	-	-	-	-
Government securities - Pakistan Investment Bonds	7.3	-	-	-	-	-	423,932	-	-	-	423,932
Debt securities - Term Finance Certificates / Sukuks	7.4	-	92,117	-	-	92,117	-	56,841	-	-	56,841
		1,316,190	92,117	-	-	1,408,307	1,639,136	480,773	-	-	2,119,909

'At fair value through other comprehensive income'

Government Securities - Pakistan Investment Bonds	7.5	-	-	-	-	-	3,521	-	-	-	3,521
Total		1,316,190	92,117	-	-	1,408,307	1,639,136	484,294	-	-	2,123,430

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

(Ordinary Shares of Rs. 10 each unless indicated otherwise)

Sector and Name of Security	As at July 01, 2021	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2022	Balance as at June 30, 2022			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	
					Carrying value	Market value	Unrealised gain / (loss)				
Note	Number of shares				Rupees in '000			%			
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	32,600	-	32,600	-	-	-	-	-	-	-	
Indus Motor Company Limited	920	-	920	-	-	-	-	-	-	-	
Al-Ghazi Tractors Limited**	500	-	500	-	-	-	-	-	-	-	
Millat Tractors Limited	21,755	-	21,755	-	-	-	-	-	-	-	
					-	-	-	-	-	-	
Automobile parts and accessories											
Thal Limited**	126,150	-	126,150	-	-	-	-	-	-	-	
Agri autos Industries Limited**	10,200	-	10,200	-	-	-	-	-	-	-	
Loads Limited	-	602,500	-	602,500	7,197	5,850	(1,347)	0.42	0.44	2.40	
Panther Tyres Limited	28,500	807,300	448,000	387,800	11,862	12,565	703	0.90	0.95	2.77	
					19,059	18,415	(644)	1.31	1.40	5.17	
Oil and gas exploration companies											
Mari Petroleum Company Limited	81,333	21,400	23,319	79,414	122,952	138,160	15,208	9.85	10.50	0.60	
Oil and Gas Development Company Limited	481,199	971,500	385,578	1,067,121	94,301	83,950	(10,351)	5.98	6.38	0.25	
Pakistan Oilfields Limited	27,403	97,438	89,200	35,641	13,782	14,463	681	1.03	1.10	0.13	
Pakistan Petroleum Limited	759,408	1,022,097	593,500	1,188,005	92,143	80,202	(11,941)	5.72	6.09	0.44	
					323,178	316,775	(6,403)	22.57	24.06	1.41	
Oil and gas marketing companies											
Pakistan State Oil Company Limited	7.1.2	2,354	444,300	393,115	53,539	8,683	9,200	517	0.66	0.70	0.11
Attock Petroleum Limited	-	-	25,000	-	-	-	-	-	-	-	
Hi-Tech Lubricants Limited	98,000	197,000	295,000	-	-	-	-	-	-	-	
Sui Northern Gas Pipelines Limited	-	217,066	-	217,066	7,135	7,426	291	0.53	0.56	0.34	
					15,818	16,626	808	1.18	1.26	0.46	
Construction and materials (cement)											
Attock Cement (Pakistan) Limited	1,200	-	1,200	-	-	-	-	-	-	-	
Kohat Cement Pakistan Limited	377,520	31,700	162,400	246,820	50,324	32,119	(18,205)	2.29	2.44	1.23	
Lucky Cement Limited	90,276	139,900	138,214	91,962	64,892	42,214	(22,678)	3.01	3.21	0.28	
Maple Leaf Cement Factory Limited	160,500	2,130,000	1,963,080	327,420	12,129	8,955	(3,174)	0.64	0.68	0.30	
Pioneer Cement Limited	243,000	257,001	500,001	-	-	-	-	-	-	-	
Fauji Cement Company Limited	206,500	185,000	391,500	-	-	-	-	-	-	-	
Cherat Cement Company Limited	-	352,000	351,500	500	66	47	(19)	0.00	0.00	0.00	
					127,411	83,335	(44,076)	5.95	6.33	1.82	
Chemical											
ICI Pakistan Limited	17,300	-	17,300	-	-	-	-	-	-	-	
Engro Polymer and Chemicals Limited	366,872	225,000	591,872	-	-	-	-	-	-	-	
Dynea Pakistan Limited**	13,100	27,700	30,400	10,400	2,760	1,809	(951)	0.13	0.14	0.28	
					2,760	1,809	(951)	0.13	0.14	0.28	
Fertilizer											
Fauji Fertilizer Bin Qasim Limited	1,008,000	279,500	1,287,500	-	-	-	-	-	-	-	
Fatima Fertilizer Company Limited	500	559,500	500	559,500	19,771	21,149	1,378	1.51	1.61	0.27	
Engro Corporation Limited	54,577	98,000	100,656	51,921	14,795	13,348	(1,447)	0.95	1.01	0.09	
Engro Fertilizers Limited	206	710,000	457,206	253,000	21,454	22,426	972	1.60	1.70	0.19	
Fauji Fertilizer Company Limited	668,803	953,362	1,044,549	577,616	60,450	63,665	3,215	4.54	4.84	0.45	
					116,470	120,588	4,118	8.59	9.15	0.99	
Engineering											
Agha Steel Industries Limited	361,500	186,675	548,175	-	-	-	-	-	-	-	
Aisha Steel Mills Limited	700,000	863,500	1,563,500	-	-	-	-	-	-	-	
International Industries Limited	47,800	38,000	85,800	-	-	-	-	-	-	-	
International Steels Limited	110,500	167,930	180,500	97,930	6,545	5,813	(732)	0.41	0.44	0.23	
Mughal Iron and Steel Industries Limited	-	485,710	477,195	8,515	807	491	(316)	0.03	0.04	0.03	
					7,352	6,304	(1,048)	0.45	0.48	0.24	

Sector and Name of Security	As at July 01, 2021	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2022	Balance as at June 30, 2022			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	
					Carrying value	Market value	Unrealised gain / (loss)				
Note	Number of shares				Rupees in '000			%			
Pharmaceuticals											
IBL HealthCare Limited	-	132,120	108,900	23,220	2,270	1,207	(1,063)	0.09	0.09	0.43	
The Searle Company Limited	7.1.2	100,906	37,092	131,098	6,900	1,016	752	(264)	0.05	0.06	
Highnoon Laboratories Limited	7.1.2	65,689	3,633	29,350	39,972	21,803	21,180	(623)	1.51	1.61	
GlaxoSmithKline Consumer Healthcare Pakistan Limited		41,600	-	41,600	-	-	-	-	-	-	
AGP Limited		-	191,500	111,700	79,800	7,692	6,992	(700)	0.50	0.53	
Citi Pharma Limited		-	1,059,500	210,000	849,500	29,658	27,728	(1,930)	1.98	2.11	
					62,439	57,859	(4,580)	4.12	4.40	2.16	
Glass and ceramics											
Tariq Glass Industries Limited		132,500	220,000	352,500	-	-	-	-	-	-	
Shabbir Tiles and Ceramics Limited**		535,000	193,000	687,000	41,000	1,355	600	(755)	0.04	0.05	
Nimir Resin Limited		-	639,500	-	639,500	11,447	9,292	(2,155)	0.66	0.71	
					12,802	9,892	(2,910)	0.71	0.75	0.52	
Paper and board											
Century Paper and Board Limited	-	262,700	39,500	223,200	16,791	13,794	(2,997)	0.98	1.05	1.27	
					16,791	13,794	(2,997)	0.98	1.05	1.27	
Textile composite											
Gul Ahmed Textile Mills Limited		897,080	619,384	632,300	884,164	43,846	29,894	(13,952)	2.13	2.27	
Interloop Limited		411,000	204,190	113,969	501,221	35,014	30,574	(4,440)	2.18	2.32	
Kohinoor Textile Mills Limited		996,000	64,500	431,000	629,500	47,065	31,475	(15,590)	2.24	2.39	
Nishat Chunian Limited		-	388,000	385,300	2,700	128	121	(7)	0.01	0.01	
Towellers Limited		136,500	18,200	-	154,700	18,941	14,147	(4,794)	1.01	1.07	
The Crescent Textile Mills Limited		-	772,000	321,500	450,500	12,932	8,104	(4,828)	0.58	0.62	
					157,926	114,315	(43,611)	8.15	8.69	13.96	
Food and personal care products											
Al-Shaheer Corporation Limited		747	-	747	-	-	-	-	-	-	
Shezan International Limited		44,590	20,519	5,300	59,809	18,171	10,168	(8,003)	0.72	0.77	
The Organic Meat Company Limited		205,000	977,000	663,000	519,000	10,918	11,335	417	0.81	0.86	
Treet Corporation Limited		207,000	250,000	457,000	-	-	-	-	-	-	
Unity Foods Limited		-	600,000	600,000	-	-	-	-	-	-	
National Foods Limited		-	50,000	-	50,000	7,215	7,239	24	0.52	0.55	
At-Tahur Limited (PREMA)		-	693,860	213,500	480,360	12,672	9,160	(3,512)	0.65	0.70	
					48,976	37,902	(11,074)	2.70	2.88	11.71	
Power generation and distribution											
Hub Power Company Limited		1,261,405	830,210	1,186,500	905,115	65,375	61,702	(3,673)	4.40	4.69	
Nishat Power Limited		605,000	548,500	1,062,500	91,000	1,679	1,775	96	0.13	0.13	
Saif Power Limited		-	1,167,000	808,000	359,000	7,149	7,482	333	0.53	0.57	
					74,203	70,959	(3,244)	5.06	5.39	1.88	
Commercials banks											
Habib Bank Limited	7.1.1	677,119	694,500	823,450	548,169	64,483	50,070	(14,413)	3.57	3.80	
Allied Bank Limited		313,700	-	140,000	173,700	12,880	11,985	(895)	0.85	0.91	
Bank Al-falah Limited	7.1.1	1,093,678	565,000	481,500	1,177,178	37,826	37,670	(156)	2.68	2.86	
Faysal Bank Limited	7.1.2	12,275	1,670,500	215,000	1,467,775	35,620	33,847	(1,773)	2.41	2.57	
MCB Bank Limited		181,019	165,000	346,019	-	-	-	-	-	-	
Meezan Bank Limited		212,750	486,048	485,105	213,693	24,417	24,143	(274)	1.72	1.83	
Bank Al-Habib Limited	7.1.1	935,500	64,386	397,577	602,309	42,095	34,970	(7,125)	2.49	2.66	
Bank Of Punjab Limited		9,500	-	9,500	-	-	-	-	-	-	
Habib Metropolitan Bank Limited		280,000	324,000	135,000	469,000	19,634	18,314	(1,320)	1.31	1.39	
United Bank Limited		325,000	1,030,000	354,700	1,000,300	134,755	113,164	(21,591)	8.07	8.60	
					371,710	324,163	(47,547)	23.10	24.63	4.11	
Investment banks											
Dawood Hercules Corporation Limited		1,300	-	1,300	-	-	-	-	-	-	
					-	-	-	-	-	-	
Insurance											
IGI Holding Limited		19,100	5,000	24,100	-	-	-	-	-	-	
Adamjee Insurance Company Limited	7.1.1	794,000	337,000	1,126,500	4,500	181	142	(39)	0.01	0.01	
					181	142	(39)	0.00	0.02	0.01	
Technology and communication											
Systems Limited		62,320	64,773	46,400	80,693	24,379	26,617	2,238	1.90	2.02	
Air Link Communication Limited		-	47,500	45,000	2,500	96	101	5	0.01	0.01	
					24,475	26,718	2,243	1.90	2.03	0.59	

Sector and Name of Security	As at July 01, 2021	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2022	Balance as at June 30, 2022			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
					Carrying value	Market value	Unrealised gain / (loss)			
Note	Number of shares				Rupees in '000			%		
Leather and tanneries										
Service Industries Limited	59,562	36,650	3,100	93,112	51,775	32,845	(18,930)	2.34	2.50	1.98
Service Global Footwear Limited	310,000	68,000	378,000	-	-	-	-	-	-	-
					51,775	32,845	(18,930)	2.34	2.50	1.99
Transportation										
Pakistan National Shipping Corporation Limited	90,000	-	90,000	-	-	-	-	-	-	-
Cable and Electrical Goods										
Emco Industries Limited	202,500	-	202,500	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	970,000	840,500	129,500	1,773	1,649	(124)	0.12	0.13	0.46
Pakistan Cables Limited	-	79,300	-	79,300	12,824	11,062	(1,762)	0.79	0.84	0.22
					14,597	12,711	(1,886)	0.91	0.97	0.68
Synthetic and Rayon										
Image Pakistan Limited	348,500	2,625	351,125	-	-	-	-	-	-	-
Miscellaneous										
Synthetic Products Enterprises Limited	22,700	26,332	24,516	24,516	488	345	(143)	0.02	0.03	0.27
Shifa International Hospitals Limited	55,500	17,610	5,000	68,110	14,284	12,201	(2,083)	0.87	0.93	1.10
Shahmurad Sugar Mills Limited	-	52,000	-	52,000	4,326	4,370	44	0.31	0.33	0.25
Pakistan Aluminium Beverage Can Limited	-	525,500	211,000	314,500	10,312	9,916	(396)	0.71	0.75	0.09
Hum Network Limited***	-	5,439,500	2,040,000	3,399,500	23,733	24,206	473	1.73	1.84	0.04
					53,143	51,038	(2,105)	3.64	3.88	1.73
Total as at June 30, 2022					1,501,066	1,316,190	(184,876)			
Total as at June 30, 2021					1,469,785	1,639,136	169,351			

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

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

*** These have a face value of Re.1 per share

The above equity securities include 1.373 million (2021: 2.123 million) shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 58.692 million (2021: Rs. 97.045 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder were to be treated as income and a tax at the rate of 5 percent was 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 was to be collected at source by the investee company which was to be considered as final discharge of tax liability on such income. However, the Pension Fund Manager jointly with other asset management companies and Mutual Funds Association of Pakistan, 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 funds based on the premise of exemption given to mutual funds under clause 47 B and 99 of Second schedule of the Income Tax Ordinance, 2001. Consequently, the Honorable Sindh High Court granted stay order till the final outcome of the case. As of year end, 1,392 shares (2021: 1,392) of PSO having a fair market value of Rs. 0.239 million (2021: Rs. 0.31 million), 5,300 shares (2021: 5,300 shares) of Searl having a fair market value of Rs. 0.751 million (2021: Rs. 1.29 million), 856 shares (2021: 856) of HINOON having a fair market value of Rs. 0.498 million (2021: Rs. 0.51 million) and 7,864 shares (2021: 7,864) of FABL having a fair market value of Rs. 0.498 million (2021: Rs. 0.13 million) are disputed. Such shares have not been deposited by the investee company in CDC account of the department of Income Tax. The Pension Fund Manager is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

(Right Shares of Rs. 10 each unless indicated otherwise)

Sector and Name of Security	As at July 01, 2021	Right received during the year	Exercised during the year	As at June 30, 2022	Balance as at June 30, 2022			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
					Carrying value	Market value	Unrealised gain / (loss)			
Synthetic and Rayon										
Image Pakistan Limited	-	2,625	2,625	-	-	-	-	-	-	-
Total as at June 30, 2022					-	-	-			
Total as at June 30, 2021					-	-	-			

7.2 Government securities - Treasury Bills 'at fair value through profit or loss'

Particulars	Face value				Balance as at June 30, 2022			Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of total investments of the Sub-Fund
	As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----									----- % -----

Held by Debt Sub-Fund

Treasury Bills - 1 year	-	250,000	250,000	-	-	-	-	-	-
Treasury Bills - 6 months	-	1,375,000	1,375,000	-	-	-	-	-	-
Treasury Bills - 3 months	-	2,070,000	2,070,000	-	-	-	-	-	-
June 30, 2022					-	-	-	-	-
June 30, 2021					-	-	-		

Held by Money Market Sub-Fund

Treasury Bills - 6 months	-	11,829,000	11,829,000	-	-	-	-	-	-
Treasury Bills - 3 months	-	10,686,000	10,686,000	-	-	-	-	-	-
June 30, 2022					-	-	-	-	-
June 30, 2021					-	-	-		

7.2.1 These Market Treasury Bills carried effective yield ranging from 7.07% to 14.5% (2021: 4% to 8.55%) per annum.

7.3 Government securities - Pakistan Investment Bonds 'at fair value through profit or loss'

Particulars	Note	Face value				Balance as at June 30, 2022			Market value as a percentage of net assets of the Sub - Fund	Market value as a percentage of total investments of the Sub - Fund
		As at July 1, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									-----%-----	

Held by Debt Sub-Fund

Pakistan Investment Bonds - 3 years	7.3.1	225,000	300,000	525,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years	7.3.1	125,000	-	125,000	-	-	-	-	-	-
Pakistan Investment Bonds - 10 years	7.3.1	75,000	-	75,000	-	-	-	-	-	-
June 30, 2022						-	-	-	-	-
June 30, 2021						424,338	423,932	(406)		

7.3.1 These Pakistan Investment Bond carried effective yield ranging from 8.79% to 12% (2021: 4% to 8.55%) per annum.

7.4 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, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market values at June 30, 2022	Appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of total investments of the Sub - Fund
		Number of units			Rupees in '000			%		
Held by Debt Sub-Fund										
Jahangir Siddiqui & Company Limited - Listed (Issue date - July 19, 2017)	7.4.1	10,000	-	-	10,000	17,567	17,847	280	1.66%	19.37%
Samba Bank Limited (Issue date - March 01, 2021)	7.4.1	330	-	-	330	32,986	33,117	131	3.07%	35.95%
Bank Al Habib Limited (Issue date - September 30, 2021)	7.4.1	-	8,000	-	8,000	39,992	41,153	1,161	3.82%	44.67%
June 30, 2022		10,330	8,000	-	18,330	90,545	92,117	1,572	8.55%	100.00%
June 30, 2021		11,200	330	1,200	10,330	56,216	56,841	625		

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

Name of security	Mark-up rate (Per annum)	Maturity
Jahangir Siddiqui & Company Limited	6M KIBOR + 1.40%	July 18, 2022
Samba Bank Limited	6M KIBOR + 1.35%	March 01, 2031
Bank Al Habib Limited	6M KIBOR + 0.75%	September 30, 2031

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

Particulars	Note	Face value				Balance as at June 30, 2022			Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of total investments of a Sub-Fund	
		As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / (diminution)			
Rupees in '000											%
Held by Debt Sub-Fund											
Pakistan Investment											
Pakistan Investment											
Bonds - 3 years	7.5.1	-	1,195,000	1,195,000	-	-	-	-	-	-	
June 30, 2022						-	-	-			
June 30, 2021						3,290	3,521	231			

7.5.1 These Pakistan Investment Bonds carried mark-up of 12% (2021: 12%).

8. ADVANCE INCOME TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001 in prior and current periods. The Management Company is confident that the amount will be refunded to the Fund.

	2022					2021				
	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 -----										
Dividend receivable	581	-	-	-	581	7,294	-	-	-	7,294
Profit receivable on bank accounts and Term deposit receipts	752	3,098	23,273	17	27,140	599	2,851	7,384	51	10,885
Profit receivable on Government securities and term finance certificates	-	7,331	-	-	7,331	-	3,876	-	-	3,876
	1,333	10,429	23,273	17	35,052	7,893	6,727	7,384	51	22,055

10. DEPOSITS AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited (CDC)	100	100	-	-	200	100	100	-	-	200
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500	-	-	-	2,500	2,500	-	-	-	2,500
Margin deposit account	-	-	-	2,452	2,452	-	-	-	3,332	3,332
Receivable against main collection account against issuance of units	11,904	1,891	5,853	281	19,929	14,307	5,397	2,333	31	22,068
Other receivables	11	117	182	50	360	15,288	80	-	-	15,368
Receivable from Management Company	-	-	-	20	20	-	-	-	-	-
	14,515	2,108	6,035	2,803	25,461	32,195	5,577	2,333	3,363	43,468

11. PAYABLE TO THE UBL FUND MANAGERS LIMITED - PENSION FUND MANAGER

		2022					2021				
		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									
Remuneration payable to Pension Fund Manager	11.1	2,894	883	1,168	62	5,007	2,158	1,029	1,459	16	4,662
Sindh Sales Tax on remuneration to the Pension Fund Manager	11.2	376	115	152	8	651	280	134	190	2	606
Selling & Marketing Expense Payable	11.3	1,937	1,173	1,509	-	4,619	-	-	-	-	-
Allocated expenses	11.4	244	-	-	-	244	-	-	-	-	-
Sales load payable		565	417	693	31	1,706	486	425	162	13	1,086
Other payables		4	4	4	27	39	4	4	4	27	39
		6,020	2,592	3,526	128	12,266	2,928	1,592	1,815	58	6,393

11.1 This represents remuneration of the Pension Fund Manager at the following rates of the daily net assets of each sub-fund.

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund
%								
Of the daily net assets of each sub-fund:	1.5 - 2.5	1 - 1.5	1 - 1.5	1.5	1.5	1.5	1.5	1.5

11.2 Sale tax on Management Remuneration has been charged at the rate of 13% (2021: 13%) on each sub-fund.

11.3 In accordance with Circular 11 dated July 5, 2019, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except funds of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the following rates:

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund
%								
From July 1, 2021 till April 10, 2022	-	-	-	-	-	-	-	-
From April 11, 2022 till June 16 2022	0.50%	0.50%	0.50%	-	-	-	-	-
From June 17, 2022 to June 30, 2022	1.00%	0.50%	0.50%	-	-	-	-	-

11.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 20) prescribed by the SECP vide SRO 639 (I) / 2019 dated June 20, 2019 is complied with. During the year, the Management Company has charged the Fund at the following rates;

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund
	----- % -----				----- % -----			
From July 1, 2022 till September 12, 2021	-	-	-	-	-	-	-	-
From September 13, 2021 till June 30, 2022	0.10%	-	-	-	-	-	-	-

12. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		2022				2021				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodity Sub-Fund	Total
Note		----- 'Rupees in '000 -----				----- 'Rupees in '000 -----				
Remuneration payable	12.1	589	13	133	4	739	161	79	112	355
Sales tax on remuneration payable	12.2	76	2	17	-	95	21	10	15	46
		<u>665</u>	<u>15</u>	<u>150</u>	<u>4</u>	<u>834</u>	<u>182</u>	<u>89</u>	<u>127</u>	<u>401</u>

12.1 The Central Depository Company of Pakistan Limited is entitled to remuneration at the following rates on net assets of the Fund:

Net Assets	Tariff per annum
Up to Rs.1,000 million	0.15% per annum of net assets
Above Rs.1,000 million and up 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 and up 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

12.2 Sales tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual SECP fee. SECP vide S.R.O. 1620 (I) / 2019, dated December 24, 2019 revised its annual fee to 0.025% (2021: 0.025%) per annum of average daily net assets of the Fund.

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2022					2021				
		Equity	Debt	Money	Commodity	Total	Equity	Debt	Money	Commodity	Total
		Sub-Fund	Sub-Fund	Market	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Rupees in '000											
Provision for Sindh Workers' Welfare Fund	14.1	-	-	-	-	-	24,992	5,502	4,325	135	34,954
Provision for indirect duties and taxes	14.2	5,897	4,599	2,578	194	13,268	5,897	4,599	2,578	194	13,268
Auditor's remuneration		25	20	26	38	109	148	99	107	66	420
Zakat payable		4	5	175	-	184	3	5	123	-	131
Withholding tax payable		3,128	3,381	4,296	56	10,861	1,703	3	2,815	26	4,547
Brokerage payable		5,676	182	220	-	6,078	3,830	81	46	-	3,957
Legal and professional fees		18	47	17	69	151	23	52	22	42	139
Payable against derivative contract	14.3	-	-	-	1,011	1,011	-	-	-	705	705
Sales load payable		599	692	254	16	1,561	-	-	-	-	-
Others		27	207	3	290	527	388	323	1	-	712
		15,374	9,133	7,569	1,674	33,750	36,984	10,664	10,017	1,168	58,833

14.1 Provision for Sindh Workers' Welfare Fund (SWWF)

During the year, the Sindh Revenue Board (SRB) through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 34.95 million (net of current period reversal and the amount receivable from the Management Company in respect of SWWF agreed to be borne by the Management Company during last year), for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. No provision for SWWF was recognised by the Fund on or after August 13, 2021.

14.2 Provision for indirect duties and taxes

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager was applied with effect from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Pension Fund Manager jointly with other Asset Management Companies / Pension Fund Managers and Trustees of respective Collective Investment Schemes (CISs) / Pension Funds, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

On 30 June 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. 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, 2022 aggregates to Rs.5.897 (2021: Rs.5.897) million, Rs.4.599 (2021: Rs.4.599) million, Rs.2.578 (2021: Rs.2.578) million and Rs.0.194 (2021: Rs.0.194) 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, 2022 would have been higher by Rs.3.07 (2021: Rs. 2.60) per unit, Rs.1.31 (2021: Rs.1.53) per unit, Rs.0.43 (2021: Rs. 0.51) per unit and Rs.0.75 (2021: Rs.2.32) per unit respectively.

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies / Pension Fund Managers, which are already subject to provincial sales tax, has been withdrawn. Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

14.3 This represents net unrealised loss on cash settled future gold contracts with settlement date of July 25, 2022 (2021: July 26, 2021)

15. CONTINGENCIES AND COMMITMENTS**15.1 CONTINGENCIES**

There were no contingencies as at June 30, 2022 and June 30, 2021.

15.2 COMMITMENTS

2022 **2021**
----- Rupees in '000 -----

Purchase of 91 (2021: 38) ounce gold in US\$ 169,454 (2021: US\$ 67,275)

33,567 **10,644**

This represents the investment in future gold contracts by commodity sub-fund with settlement date of July 25, 2022 (2021: July 26, 2021).

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

16.1 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.

16.2 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.

16.3 Auditor's remuneration is allocated equally to each sub-fund.

17. AUDITOR'S REMUNERATION

	2022					2021				
	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	78	76	78	76	308	70	70	70	70	280
Half yearly review fee	47	46	47	46	186	43	43	43	43	172
	125	122	125	122	494	113	113	113	113	452
Sales tax	11	11	11	11	44	11	11	11	11	44
Out of pocket expenses	15	12	15	12	54	23	23	23	23	92
	151	145	151	144	591	147	147	147	147	588

18. TAXATION

No provision for taxation for the year ended June 30, 2022 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.

19. EARNINGS / (LOSS) PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of management determination of cumulative weighted average number of outstanding units is not practicable.

20. NUMBER OF UNITS IN ISSUE

	2022					2021				
	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
	----- Number of units -----									
At beginning of the year	2,268,412	3,003,398	5,102,787	83,785	10,458,382	2,081,183	3,008,374	5,096,712	62,036	10,248,305
Add: Issued during the year	533,239	1,428,690	3,563,441	224,365	5,749,736	829,552	1,365,708	2,188,221	36,322	4,419,803
Effect of reallocation	(201,167)	459,003	146,545	11,587	415,968	2,284	13,564	(19,825)	(5,066)	(9,043)
Less: Redeemed during the year	(681,348)	(1,375,316)	(2,755,319)	(64,238)	(4,876,221)	(644,607)	(1,384,248)	(2,162,321)	(9,507)	(4,200,684)
At the end of the year	1,919,136	3,515,776	6,057,453	255,500	11,747,864	2,268,412	3,003,398	5,102,787	83,785	10,458,382

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2022					2021				
	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									
Financial assets										
At fair value through profit or loss										
Investments	1,316,190	92,117	-	-	1,408,307	1,639,136	480,773	-	-	2,119,909
Derivative contract asset	-	-	-	-	-	-	-	-	-	-
At fair value through other comprehensive income										
Investments	-	-	-	-	-	-	3,521	-	-	3,521
At amortised cost										
Bank balances and Term deposit receipts	90,211	983,018	1,446,952	39,974	2,560,155	209,502	686,349	1,137,155	10,548	2,043,554
Receivable against sale of investments	8,955	-	-	-	8,955	15,318	-	-	-	15,318
Dividend and mark-up receivable	1,333	10,429	23,273	17	35,052	7,893	6,727	7,384	51	22,055
Deposits and other receivables	14,515	2,108	6,035	2,803	25,461	32,195	5,577	2,333	3,363	43,468
	<u>1,431,204</u>	<u>1,087,672</u>	<u>1,476,260</u>	<u>42,794</u>	<u>4,037,930</u>	<u>1,904,044</u>	<u>1,182,947</u>	<u>1,146,872</u>	<u>13,962</u>	<u>4,247,825</u>
Financial liabilities										
At amortised cost										
Payable to the Pension Fund Manager	6,020	2,592	3,526	128	12,266	2,928	1,592	1,815	58	6,393
Payable to the Trustee	665	15	150	4	834	182	89	127	3	401
Payable against purchase of investment	6,663	-	-	-	6,663	29,103	325,370	-	-	354,473
Accrued and other liabilities	6,345	1,148	520	413	8,426	4,389	555	176	108	5,228
At fair value through profit or loss										
Derivative contract liability	-	-	-	1,011	-	-	-	-	705	705
	<u>19,693</u>	<u>3,755</u>	<u>4,196</u>	<u>1,556</u>	<u>28,189</u>	<u>36,602</u>	<u>327,606</u>	<u>2,118</u>	<u>874</u>	<u>367,200</u>

22. CONTRIBUTION TABLE

		2022							
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodity Sub-Fund	
		Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
Contributions net of front end fee									
Individuals		533,239	341,527	1,428,690	552,231	3,563,441	866,281	224,365	38,849
								5,749,736	1,798,888
2021									
Individuals		829,552	627,365	1,365,708	373,516	2,188,221	476,314	36,322	5,696
								4,419,803	1,482,891

23. FINANCIAL PERFORMANCE TABLE

Equity Sub-Fund					Debt Sub-Fund				
June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Rupees in '000					Rupees in '000				
Net income / (loss) for the year after taxation	(153,075)	503,176	89,844	(212,002)	(185,240)	83,076	47,084	102,853	49,418
Realised capital (losses) / gains	(66,669)	260,112	39,487	(15,085)	(100,585)	(3,856)	(1,532)	14,358	(2,135)
Unrealised (losses) / gains	(184,876)	169,351	(4,771)	(237,541)	(119,244)	1,572	219	12,344	(2,636)
Dividend income	112,158	80,815	51,252	56,216	56,128	-	-	-	-
Interest income	6,382	4,971	9,301	6,347	5,349	98,189	66,850	89,733	67,234
Total contribution received - Gross	341,527	627,365	516,146	241,913	591,257	552,231	373,516	296,748	237,554
									414,538
Money Market Sub-Fund					Commodity Sub-Fund				
June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Rupees in '000					Rupees in '000				
Net (loss) / income for the year after taxation	104,107	58,382	110,977	63,839	28,852	(100)	(312)	1,975	522
Realised capital (losses) / gains	(3,703)	(161)	3,256	(2,265)	(66)	(168)	305	1,229	10
Unrealised (losses) / gains	-	-	623	(92)	(45)	-	-	304	460
Dividend income	-	-	-	-	-	-	-	-	-
Interest income	125,850	79,734	127,446	74,814	21,950	1,500	506	774	352
Total contribution received - Gross	866,281	476,314	651,125	479,204	661,005	38,849	5,696	32,744	2,984
									1,771

23.1 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							
721.2068	847.6023	279.8712	306.3681	221.5711	242.2754	148.9600	175.9800

24. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors of the Pension Fund Manager. These controls and limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk type and activities.

The Fund primarily invests in a portfolio of money market investments and government securities. The Fund's activities expose it to a variety of financial risks, i.e., market risk, credit risk and liquidity risk.

24.1 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 Pension 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 risks: currency risk, interest rate risk and other price risk.

24.1.1 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 currency exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Commodity Sub-Fund is exposed to foreign currency risk on sales and purchases of Future Gold Contracts, which are entered in a currency other than Pak Rupees. As at year end, the financial assets exposed to currency risk are as follows:

	2022	2021	2022	2021
	USD		PKR	
Future Gold Contracts	(4,935)	(4,476)	(1,010,894)	(705,186)

The following significant exchange rates applied during the year:

	2022	2021	2022	2021
	Average rates		Rates at reporting date	
US Dollars to PKR	181.20	162.80	204.85	157.54

At June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, profit of the Sub-Fund for the year would have been lower / higher by Rs. 0.1 million (2021: Rs. 0.07 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated in Future Gold Contracts.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on bank balances, letter of placement, TDRs, PIBs and TFCs. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's variable interest rate risk arises from bank balances, TFCs on which interest rate ranges from 3.75% to 9% (2021: 3.75% to 9%). The net income for the period would have increased / (decreased) by URSF-ESF Rs. 0.91 million, URSF-DSF Rs. 9.83 million, URSF-MMSF Rs. 14.47 million and URSF-CSF Rs. 0.4 million, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in PIBs.

In case of 100 basis points increase / decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the year and the net assets of debt sub-fund would have been lower / higher by URSF-DSF Rs. 0.92 million (2021: Rs.1.12 million) and URSF-MMSF Rs. nil (2021: Rs. 2 million)

24.1.3 Fair value interest rate risk

The Debt Sub-Fund and Money Market Sub-Fund are exposed to Fair value interest rate risk for fixed coupon rate investments in government securities classified as 'at fair value through profit or loss'.

In case of 100 basis points increase / decrease in interest rates as at reporting date, with all other variables held constant, the net income of the Debt Sub-Fund for the year and the net assets would have been lower / higher by Rs. 4.84 million (2021: Rs. 4.84 million) and and by Rs. Nil (2020: Rs. 5.70 million) respectively.

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, 2022 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.

Effective yield / interest rate	Total	2022																
		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	
		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		
%		Rupees in '000																
On-balance sheet financial instruments																		
Financial assets																		
Bank balances	8.50 - 15.50	2,560,155	90,211	-	-	-	983,011	-	-	7	1,446,715	-	-	237	39,974	-	-	-
Term deposits receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	8.75 -13.26	1,408,307	-	-	-	1,316,190	17,847	74,270	-	-	-	-	-	-	-	-	-	-
Receivable against sale of investments		8,955	-	-	-	8,955	-	-	-	-	-	-	-	-	-	-	-	-
Dividend and mark-up receivable		35,052	-	-	-	1,333	-	-	-	10,429	-	-	-	23,273	-	-	-	17
Deposits and other receivables		25,461	-	-	-	14,515	-	-	-	2,108	-	-	-	6,035	-	-	-	2,803
		4,037,930	90,211	-	-	1,340,993	1,000,858	74,270	-	12,544	1,446,715	-	-	29,545	39,974	-	-	2,820
Financial liabilities																		
Payable to the Pension Fund Manager		12,266	-	-	-	6,020	-	-	-	2,592	-	-	-	3,526	-	-	-	128
Payable to the Trustee		834	-	-	-	665	-	-	-	15	-	-	-	150	-	-	-	4
Payable against purchase of investments		6,663	-	-	-	6,663	-	-	-	-	-	-	-	-	-	-	-	-
Accrued and other liabilities		8,426	-	-	-	6,345	-	-	-	1,148	-	-	-	520	-	-	-	413
		28,189	-	-	-	19,693	-	-	-	3,755	-	-	-	4,196	-	-	-	545
On-balance sheet gap (a)																		
		4,009,741	90,211	-	-	1,321,300	1,000,858	74,270	-	8,789	1,446,715	-	-	25,349	39,974	-	-	2,275
Off-balance sheet financial instruments																		
Purchase of 91 ounce gold in US\$ 169,454		33,567	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,567
Off-balance sheet gap (b)																		
		33,567	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,567
Total interest rate sensitivity gap (a) + (b)																		
			90,211	-	-	1,321,300	1,000,858	74,270	-	8,789	1,446,715	-	-	25,349	39,974	-	-	35,842
Cummulative interest rate sensitivity gap																		
			90,211	-	-	1,321,300	1,000,858	74,270	-	8,789	1,446,715	-	-	25,349	39,974	-	-	35,842
	Total	2021																
		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	
		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		
Rupees in '000																		
On-balance sheet financial instruments																		
Financial assets																		
Bank balances	3.75 - 7.85	1,768,554	209,502	-	-	-	611,349	-	-	-	937,147	-	-	8	10,548	-	-	-
Term deposits receipts	7.62 - 9.00	275,000	-	-	-	-	75,000	-	-	-	200,000	-	-	-	-	-	-	-
Investments	4.00 - 13.11	2,123,430	-	-	-	1,639,136	-	-	484,294	-	-	-	-	-	-	-	-	-
Receivable against sale of investments		15,318	-	-	-	15,318	-	-	-	-	-	-	-	-	-	-	-	-
Dividend and mark-up receivable		22,055	-	-	-	7,893	-	-	-	6,727	-	-	-	7,384	-	-	-	51
Deposits and other receivables		43,468	-	-	-	32,195	-	-	-	5,577	-	-	-	2,333	-	-	-	3,363
		4,247,825	209,502	-	-	1,694,542	686,349	-	484,294	12,304	1,137,147	-	-	9,725	10,548	-	-	3,414
Financial liabilities																		
Payable to the Pension Fund Manager		6,393	-	-	-	2,928	-	-	-	1,592	-	-	-	1,815	-	-	-	58
Payable to the Trustee		401	-	-	-	182	-	-	-	89	-	-	-	127	-	-	-	3
Payable against purchase of investments		354,473	-	-	-	29,103	-	-	-	325,370	-	-	-	-	-	-	-	-
Accrued and other liabilities		5,228	-	-	-	4,389	-	-	-	555	-	-	-	176	-	-	-	108
		366,495	-	-	-	36,602	-	-	-	327,606	-	-	-	2,118	-	-	-	169
On-balance sheet gap																		
		3,881,330	209,502	-	-	1,657,940	686,349	-	484,294	(315,302)	1,137,147	-	-	7,607	10,548	-	-	3,245
Off-balance sheet financial instruments																		
Purchase of 38 ounce gold in US\$ 71,733		10,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,644
Off-balance sheet gap (b)																		
		10,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,644
Total interest rate sensitivity gap (a) + (b)																		
			209,502	-	-	1,657,940	686,349	-	484,294	(315,302)	1,137,147	-	-	7,607	10,548	-	-	13,889
Cummulative interest rate sensitivity gap																		
			209,502	-	-	1,657,940	686,349	-	484,294	(315,302)	1,137,147	-	-	7,607	10,548	-	-	13,889

24.1.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments 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'. 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, 2022, the net assets relating to the Equity Sub-Fund and total net assets of the Fund would increase / decrease by Rs.65.81 (2021: Rs.81.597) 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, 2022 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

The Commodity Sub-Fund is exposed to price risk because of Gold Futures Contracts held by the Commodity Sub-Fund and classified on the balance sheet as 'at fair value through profit or loss'.

A decrease / increase of 5% in the quoted price of future gold contracts of Pakistan Mercantile Exchange would have an impact of approximately Rs.1.678 (2021: Rs.0.53) 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.

24.2 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, however, investments in T Bills and PIBs being Government securities are not subject to credit risk. The Fund is also exposed to counter party credit risks on balances with banks and profit receivable.

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2021 and June 30, 2022 is the carrying amounts of following financial assets.

	2022					2021				
	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	90,211	983,018	1,446,952	39,974	2,560,155	209,502	611,349	937,155	10,548	1,768,554
Investments	-	92,117	-	-	92,117	-	56,841	-	-	56,841
Receivable against sale of investments	8,955	-	-	-	8,955	15,318	-	-	-	15,318
Term deposits receipts	-	-	-	-	-	-	75,000	200,000	-	275,000
Dividend and mark-up receivable	1,333	3,098	23,273	17	27,721	7,893	2,851	7,384	51	18,179
Deposits and other receivables	14,515	2,108	6,035	2,803	25,461	32,195	5,577	2,333	3,363	43,468
	115,014	1,080,341	1,476,260	42,794	2,714,409	264,908	751,618	1,146,872	13,962	2,177,360

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, 2022:

	Rating long-term	2022 ----- (Rupees in '000) -----	2021
Bank balances by rating category			
Allied Bank Limited	AAA	4,251	569,520
Bank Alfalah Limited	AA+	124,499	156,287
United Bank Limited	AAA	113,357	29,623
JS Bank Limited	AA-	11	10
MCB Bank Limited	AAA	18,487	5,757
Samba Bank Limited	AA	41,313	63,059
Telenor Microfinance Bank Limited (formerly Tameer Microfinance Bank Limited)	A	13	13
Habib Bank Limited	AAA	1,985,576	930,239
Sindh Bank Limited	A+	3,788	34
National Bank of Pakistan	AAA	8,044	5,267
Zarai Taraqati Bank Limited	AAA	9	9
Soneri Bank Limited	AA-	280,563	17,080
Habib Metro Bank Bank Limited	AA+	20	20
First Microfinance Bank Limited	A+	7,364	-
		2,587,295	1,776,918
Term Deposits Receipts			
Allied Bank Limited	AAA	-	75,277
Allied Bank Limited	AAA	-	100,715
Bank Alfalah Limited	AAA	-	100,041
		-	276,033
Term Finance Certificates by rating category			
AA+		62,104	24,894
A+		-	33,993
AA-		34,479	-
		96,583	58,887

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's transactions are entered into with credit worthy counterparties thereby mitigating any significant concentration of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to the daily settlement of securities and to daily cash redemption requests on a regular basis. Units are redeemable at the holders' option based on the Fund's net asset value per unit, at the time of redemption, calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Pension Fund Manager in extraordinary circumstances.

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.

Total	2022															
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Commodity Sub-Fund			
	Total	Upto one month	More than one month and upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year
----- Rupees'000 -----																
12,266	6,020	6,020	-	-	2,592	2,592	-	-	3,526	3,526	-	-	128	128	-	-
834	666	666	-	-	14	14	-	-	150	150	-	-	4	4	-	-
6,663	6,663	6,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,426	6,345	6,345	-	-	1,148	1,148	-	-	520	520	-	-	413	413	-	-
28,189	19,694	19,694	-	-	3,754	3,754	-	-	4,196	4,196	-	-	545	545	-	-

3,988,829	1,403,114	1,403,114	-	-	1,077,120	1,077,120	-	-	1,467,572	1,467,572	-	-	41,023	41,023	-	-

Total	2021															
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Commodity Sub-Fund			
	Total	Upto one month	More than one month upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year	Total	Upto one month	More than one month upto three months	More than three months and upto one year
----- (Rupees'000) -----																
6,393	2,928	2,928	-	-	1,592	1,592	-	-	1,815	1,815	-	-	58	58	-	-
380	161	161	-	-	89	89	-	-	127	127	-	-	3	3	-	-
354,473	29,103	29,103	-	-	325,370	325,370	-	-	-	-	-	-	-	-	-	-
5,228	4,389	4,389	-	-	555	555	-	-	176	176	-	-	108	108	-	-
366,474	36,581	36,581	-	-	327,606	327,606	-	-	2,118	2,118	-	-	169	169	-	-

3,830,140	1,835,641	1,835,641	-	-	845,789	845,789	-	-	1,135,942	1,135,942	-	-	12,768	12,768	-	-

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. Consequently, differences can arise between carrying value and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments classified as 'at fair value through profit or loss' which are tradable in an open market is based on the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using Inputs for assets or liabilities that are not based on observable market data (i.e. unobservable inputs) (level 3).

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:

2022				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	1,316,190	-	-	1,316,190
Debt Sub-Fund				
Government securities - Pakistan Investment Bonds	-	-	-	-
Debt securities - Term Finance Certificates / Sukuks	-	92,117	-	92,117
Investments at fair value through other comprehensive income				
Debt Sub-Fund				
Government securities - Pakistan Investment Bonds	-	-	-	-
	1,316,190	92,117	-	1,408,307

2021				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	1,639,136	-	-	1,639,136
Debt Sub-Fund				
Government securities - Pakistan Investment Bonds	-	423,932	-	423,932
Debt securities - Term Finance Certificates / Sukuks	56,841	-	-	56,841
Investments at fair value through other comprehensive income				
Debt Sub-Fund				
Government securities - Pakistan Investment Bonds	-	3,521	-	3,521
	1,695,977	427,453	-	2,123,430

26. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise United Bank Limited (Holding Company of the Pension Fund Manager), UBL Fund Managers Limited (Pension Fund Manager), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Pension Fund Manager), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee), Directors and Officers of Pension Fund Manager, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Pension Fund Manager.

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 at contracted / agreed rates.

Remuneration payable to the Pension Fund Manager 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, 2022					
Transactions during the year						
Mark-up on bank accounts	-	1,389	-	-	-	-
Bank charges	-	-	-	-	-	-
Units issued (units in '000)	-	-	-	-	4	-
Units redeemed (units in '000)	-	-	-	-	36	-
Value of unit issued	-	-	-	-	2,831	-
Value of unit redeemed	-	-	-	-	29,281	-
Remuneration*	31,662	-	2,021	-	-	-
Selling and marketing expense	1,937	-	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	-	-	-
Central Depository Service (CDS) expenses	-	-	113	-	-	-
For the year ended June 30, 2021						
Mark-up on bank accounts	-	1,198	-	-	-	-
Bank charges	-	9	-	-	-	-
Units issued (units in '000)	-	-	-	-	6,806	-
Units redeemed (units in '000)	-	-	-	-	3,729	-
Remuneration*	27,092	-	2,005	-	-	-
Purchase of securities	-	41,624	-	-	-	-
Sale of securities	-	-	-	-	-	-
Central Depository Service (CDS) expenses	-	-	97	-	-	-
Equity Sub-Fund	As at June 30, 2022					
Balances held						
Units held (units in '000)	-	-	-	-	20	-
Units held Rupees in '000	-	-	-	-	15	-
Investments	-	113,164	-	-	-	-
Bank balances	-	21,390	-	-	-	-
Remuneration payable*	3,270	-	665	-	-	-
Sales load payable	565	-	-	-	-	-
Allocated expenses payable	244	-	-	-	-	-
Mark-up receivable	895	-	-	-	-	-
Other payable	4	-	-	-	-	-
As at June 30, 2021						
Units held	-	-	-	-	55,006	-
Units held Rupees in '000	-	-	-	-	44,512	-
Investments	-	39,715	-	-	-	-
Bank balances	-	2,777	-	-	-	-
Remuneration payable*	2,438	-	182	-	-	-
Sales load payable	486	-	-	-	-	-
Mark-up receivable	-	97	-	-	-	-
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, 2022					

Debt Sub-Fund

Transactions during the year

Mark-up on bank accounts	-	1,277	-	-	-
Bank charges	-	11	-	-	-
Units issued (units in '000)	-	-	-	67	-
Units redeemed (units in '000)	-	-	-	68	-
Value of unit issued				18,968	
Value of unit redeemed				20,330	
Purchase of securities	-	242,300	-	-	-
Sale of securities	-	-	-	-	-
Remuneration*	15,253	-	1,201	-	-
Selling and marketing expense	1,173	-	-	-	-
CDS expenses	-	-	4	-	-

For the year ended June 30, 2021

Mark-up on bank accounts	-	409	-	-	-
Bank charges	-	44	-	-	-
Units issued (units in '000)	-	-	-	6,164	-
Units redeemed (units in '000)	-	-	-	-	-
Purchase of securities	-	169,802	-	-	-
Sale of securities	-	299,476	-	-	-
Remuneration*	14,315	-	1,062	-	-
CDS expenses	-	-	33	-	-

As at June 30, 2022

Debt Sub-Fund

Balances held

Units held	-	-	-	-	-
Units held Rupees in '000	-	-	-	-	-
Bank balances	-	22,190	-	-	-
Remuneration payable*	998	-	15	-	-
Sales load payable	565	-	-	-	-
Allocated expenses payable	-	-	-	-	-
Other payable	4	-	-	-	-
Mark-up receivable	-	666	-	-	-

As at June 30, 2021

Units held (units in '000)	-	-	-	6,164	-
Units held Rupees in '000	-	-	-	1,736	-
Bank balances	-	9,185	-	-	-
Remuneration payable*	1,163	-	89	-	-
Sales load payable	425	-	-	-	-
Other payable	4	-	-	-	-
Mark-up receivable	-	22	-	-	-

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, 2022					

Money Market Sub-Fund

Transactions during the year

Mark-up on bank accounts	-	1,160	-	-	-
Bank charges	-	36	-	-	-
Units issued (units in '000)	-	-	-	120	-
Units redeemed (units in '000)	-	-	-	11	-
Value of unit issued				28,122	
Value of unit redeemed				2,473	
Purchase of securities	-	818,507	-	-	-
Sale of securities	-	145,457	-	-	-
Remuneration*	18,712	-	1,479	-	-
Selling and marketing expense	1,509	-	-	-	-

For the year ended June 30, 2021

Mark-up on bank accounts	-	304	-	-	-
Bank charges	-	58	-	-	-
Units issued (units in '000)	-	-	-	26,683	-
Units redeemed (units in '000)	-	-	-	-	-
Purchase of securities	-	217,746	-	-	-
Sale of securities	-	437,234	-	-	-
Remuneration*	18,516	-	1,372	-	-

As at June 30, 2022

Money Market Sub-Fund

Balances held

Units held	-	-	-	122	-
Units held Rupees in '000	-	-	-	5,940	-
Bank balances	-	66,161	-	-	-
Remuneration payable*	1,320	-	127	-	-
Sales load payable	693	-	-	-	-
Other payable	4	-	-	-	-
Mark-up receivable	-	918	-	-	-

As at June 30, 2021

Units held (units in '000)	-	-	-	26,683	-
Units held Rupees in '000	-	-	-	5,940	-
Bank balances	-	2,777	-	-	-
Remuneration payable*	1,649	-	127	-	-
Sales load payable	162	-	-	-	-
Other payable	4	-	-	-	-
Mark-up receivable	-	19	-	-	-

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, 2022					

Commodity Sub-Fund

Transactions during the year

Mark-up on bank accounts	-	95	-	-	-
Bank charges	-	-	-	-	-
Units issued (units in '000)	-	-	-	-	190
Units redeemed (units in '000)	-	-	-	-	50
Value of unit issued					31,407
Value of unit redeemed					8,142
Remuneration*	345	-	25	-	-

For the year ended June 30, 2021

Mark-up on bank accounts	-	31	-	-	-
Bank charges	-	3	-	-	-
Units issued (units in '000)	-	-	-	-	16,808
Units redeemed (units in '000)	-	-	-	-	2,901
Remuneration*	192	-	15	-	-

As at June 30, 2022

Commodity Sub-Fund

Balances held

Units held	-	-	-	-	165
Units held Rupees in '000	-	-	-	-	7,922
Bank balances	-	1,111	-	-	-
Remuneration payable*	70	-	4	-	-
Sales load payable	31	-	-	-	-
Mark-up receivable	20	71	-	-	-
Other payable	27	-	-	-	-

As at June 30, 2021

Units held (units in '000)	-	-	-	-	51,986
Units held Rupees in '000	-	-	-	-	7,922
Bank balances	-	316	-	-	-
Remuneration payable*	18	-	3	-	-
Sales load payable	13	-	-	-	-
Mark-up receivable	-	1	-	-	-
Other payable	27	-	-	-	-

* Remuneration for the year is inclusive of sales tax.

27. 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.

28. GENERAL

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

28.2 Comparative figures have been reclassified where necessary for better presentation and comparison.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager in their meeting held on 6th September 2022.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UBL Retirement Savings Fund-Equity Sub Fund

	Resolutions	For	Against	Abstain*
Number	13	13	-	-
Percentage	100%	100%	-	-

*Reasons for abstaining shall be disclosed (if applicable).

2. Details where Management Company did not participate in investee company's shareholders meetings (if applicable)

3. The proxy voting policy of the Fund is available on the website of UBL Fund Managers Limited (Management Company) and detailed information regarding actual proxies voted by the Management Company in respect of the Fund is also available without charge, upon request, to all unit holders.