

Annual Report 2018

CORPORATE INFORMATION

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrugh Zaeem
Director

Zia Ijaz
Director

Sharjeel Shahid
Director

Mirza Muhammad Sadeed
Hassan Barlas - Director

Naz Khan
Director

Audit Committee

Naz Khan
Chair

Zia Ijaz
Member

Sharjeel Shahid
Member

Mirza Muhammad Sadeed
Hassan Barlas
Member

Risk and Compliance Committee

Mirza Muhammad Sadeed Barlas
Chairman

Syed Furrugh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Sharjeel Shahid
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrugh Zaeem
Member

Zia Ijaz
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Aly Osman

Registered Office

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

Operations Office

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

UAN: (92-21) 111-825-262
Fax: (92-21) 32214930

Date of incorporation of the Management Company/ Pension Fund Manager

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

Management Quality Rating

AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

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

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

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

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

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

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

UBL Retirement Savings Fund
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan

Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its Al-Ameen series represented by Al-Ameen Islamic Cash Fund (AICF), Al-Ameen Islamic Sovereign Fund (AISF), Al-Ameen Islamic Aggressive Income Fund (AIAIF), Al-Ameen Islamic Asset Allocation Fund (AIAAF), Al-Ameen Shariah Stock Fund (ASSF), Al-Ameen Islamic Dedicated Equity Fund (AIDEF), Al Ameen Islamic Financial Planning Fund-I [Al-Ameen Islamic Active Allocation Plan –II (AIActAP-II), Al-Ameen Islamic Active Allocation Plan – III (AIActAP-III), Al-Ameen Islamic Active Allocation Plan – IV (AIActAP-IV), Al-Ameen Islamic Active Allocation Plan – V (AIActAP-V) and Al-Ameen Islamic Active Allocation Plan – VI (AIActAP-VI)] and Al Ameen Islamic Financial Planning Fund-II [Al-Ameen Islamic Active Allocation Plan – VII (AIActAP-VII), Al-Ameen Islamic Active Allocation Plan – VIII (AIActAP-VIII), Al-Ameen Islamic Active Allocation Plan – IX (AIActAP-IX), Al-Ameen Islamic Active Allocation Plan – X (AIActAP-X), Al-Ameen Islamic Conservative Allocation Plan (AICONAP), Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I) Al-Ameen Islamic Active Principal Preservation Plan-II (AIAPPP-II)] for the year / period ended June 30, 2018.

Economy Review – FY18

The Fiscal Year 2018 remained yet another eventful year for Pakistan as the country posted a real GDP growth rate of 5.8% highest in thirteen years. The main highlights in support of this strong momentum were low inflation and strong growth in private sector credit off-take (17%YoY) amid low interest rate environment. However, rising industrial expansion, growing aggregate demand and increased government spending resulted in external and fiscal deficits beyond projection.

The Headline Inflation for FY18 remained moderate, averaging to 3.9%YoY against 4.2% in FY17 largely due to low food inflation. Consequently, the CPI inflation stood well within the SBP's full year inflation target of 6.0%. However, towards the end of the fiscal year, core inflation jumped to 7.1% reflecting a build-up of inflationary pressures amid heating economy. Change in international oil prices outlook, growing aggregate demand and lagged-impact of PKR devaluation are expected to remain prime drivers for inflation for the upcoming fiscal year.

The SBP continued pre-emptive measures to allay concerns of overheating of economy. As per its latest MPC meeting, SBP highlighted that a strong fiscal growth in 2HFY18, growing inflationary pressures due to recent PKR devaluation and higher international oil prices has prompted need for near term price stability measures. As a result, the committee decided to increase policy rate by 100bps to 7.5% in Jul-18. We expect monetary tightening to continue further in coming months.

The current account position continued to deteriorate reaching a deficit of USD 18bn in FY18 (43%YoY). The widening deficit was mainly on account of high trade deficit (+17%). Despite positive growth in exports (13%YoY), external account position continues to remain challenging for the authorities warranting additional policy measures. Balance of payment imbalances created by a large trade deficit, debt servicing and low realization of foreign direct investments, eventually led to pressure on foreign exchange reserves. As a result, country's foreign reserves fell from USD21bn to USD16bn a decline of 23%. This ultimately led to pressure on rupee and resulted in depreciation of ~20% since last year. We expect the recent corrective policy measures by central bank to discourage imports and provide relief to exports, thus lead to improvement in overall external account position going forward.

On the fiscal side, higher government spending amidst low tax collection augmented fiscal deficit to a new high in recent years (~7%) than previously anticipated (4.1%). In a bid to increase tax-base, the government introduced tax amnesty scheme to encourage documentation of the economy and improve reserve position. However, response to

this scheme has been below expectations and the next government will have to initiate some austerity measures including cut in its development spending in order to contain its deficit.

During FY18, yields on short and long term tenor witnessed changes aligned with SBP's monetary policy tightening. Yield on 3M, 6M and 12M T-Bills increased by 79bps, 90bps and 116bps, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 180bps, 171bps and 86bps, respectively.

In light of recent elections, prospect of a stable government will bode well for the country's economy. In a bid to counter current economic challenges we expect a bundle of austerity measures including but not limited to re-entry into IMF's program, financial support from China and other friendly nations, issuance of Eurobonds or investment bonds for expatriates as well as extensive reforms on domestic front. Corrective measures by the newly formed Govt will lower GDP growth in FY19 this will aid in stabilizing economy over medium term (GDP growth: +4.5-5%).

Debt Market Review – FY18

The International Crude Oil prices exhibited an upward trend for the fiscal year. The prices increased from USD 45-per barrel increasing as much as ~70% closing at a new high of USD ~80 per barrel. Increasing oil prices, higher commodity prices (with exception of sugar) along with lagged impact of PKR devaluation (+16%) aided in increasing inflation rate to 4.4% for 4QFY18. Core measures of inflation witnessed an upward trajectory where NFNE which is somewhat sticky in nature increased to 7.1% by end of FY18. Taking cues from this trend we expect SBP to continue its current monetary tightening policy.

In twelve PIB auctions for FY18 conducted during the year, the government raised PKR~102bn (PKR ~894bn in FY17) against target of PKR 330bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 29.47trn. Participation in the auctions was largely skewed towards three and five year paper in line with interest rate hikes. Cut off yields in June auction trimmed to 7.5%, 8.5% and 8.7% for three, five and ten year PIB instruments respectively. In July'18 PIB Auction the government accepted PKR ~6.9bn.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 79bps, 90bps and 116bps, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 180bps, 171bps and 86bps, respectively. The spread between annualized yields of 1-year T-bills (7.20% p.a.) and 10-year PIBs (9.03% p.a.) stood at 1.83% as of 30 June 2018.

Stock Market Review – FY18

In the aftermath of distressing events in FY18, the KSE-100 index posted a cumulative loss of 10% after a prolonged period of 8-years. Market's decline was largely driven by a series of tensed political events, burgeoning concerns on macro-economic front along with continued sell-off by foreign investors (USD289mn). With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (84mn).

The benchmark index commenced the year with high hopes but soon suffered foreign outflows post MSCI inclusion. A series of setbacks augmented uncertainties during 1HFY18, keeping the equity market in a jittery position and pushing the index to a low of 37,919 points. The primary highlights among these were disqualification of sitting PM followed by barring of Finance Minister to run office; leaving little room to focus on economy. This was followed by a

21-day protest by TLP against the government pushing the regime into isolation. Without any proper economic manager in place, the country stood open to increasing hazards on the macroeconomic fronts.

With political tensions, concerns on external account started to unearth as support from low oil prices started to fade away. In the 3QFY18, some positive triggers like appointment of Finance Minister, smooth senate elections, announcement of tax amnesty scheme along with introduction of essential policy action prompted interest by market participants, leading to inflow of USD 31mn.

However, the concerns on macroeconomic front remained strong, requiring further use of policy actions. The full year FY18 current account deficit augmented to ~USD18bn (+43%YoY) further weighing down investor sentiment. Moreover, fiscal deficit came in much higher at ~7%. Mushrooming twin-deficit financing requirements weakened foreign reserves position. SBP's reserves were down to ~USD10bn at end of FY18, further deteriorating investor confidence.

On the international front, US Fed continued on its monetary tightening policy by 25bps to 2% during FY18. We expect this stance to continue in CY18. International oil prices mounted to a 4-year high of USD80/bbl amid better cooperation between member OPEC and Non-OPEC countries. Overall, commodity prices also rallied upwards with growing demands from importing countries. Escalation of ongoing trade-war is expected to push oil prices downhill. This will be favorable for a high energy importing country like Pakistan. Moreover, a stable government will also resume work on the multi-billion CPEC project.

Going forward, remedial measures taken by central bank combined with austerity by newly formed Government will enable corrective measures and stabilize economy over medium term. Moreover, subsiding political tensions, steep discount (~24% from its peak) along with a high earnings-yield offering (~12%) is expected to strengthen investor sentiment and bring investor's interest back in the local equity market.

Islamic Finance Review – FY18

The 1HFY18 stood challenging for the Islamic banking industry amid lower interest rates and benign inflation. However, as economy suffered issues of excessive demand SBP embarked on a pre-emptive monetary-tightening approach bringing policy rate upwards to 7.5% in Jul-18. Increase in discount-rates will remain positive for Islamic banks and financial institutions.

Despite high competition from conventional banking systems, Islamic banking industry grew at a good pace in FY18. The asset base of the Islamic Banking Industry grew to PKR 2,334bn (23.8%YoY Mar'18). Deposits of Islamic Banking Industry grew by PKR 31bn reaching PKR 1,916bn. The market share of Islamic banking assets and deposits in the overall banking industry was recorded at 13.5% and 14.6%, respectively at end of Mar'18.

With efforts concerted towards increasing exports, SBP introduced Financing Facility (ILTFF) on the basis of Mudarabah which is a Shariah compliant alternative to conventional Long Term Financing Facility (LTFF). This will aid in meeting growing demand of exporters seeking Shariah compliance along with expand asset base of Islamic banking system. Going forward, we expect the Islamic Finance Industry to maintain its growth trajectory and increase its market share in the overall banking industry.

Future Outlook

After a successful general elections process, a climate of political-stability is expected to reign in the country. The newly elected PTI government will face economic challenges in the months to follow, necessitating fresh loans from international financial institutions, including IMF, issuance of Eurobonds or Sukuk in international markets targeting expatriats, as well as possible financial support from China for sustaining foreign reserves position. We believe new PTI Govt to opt for effective and immediate reforms on fiscal side. This may involve cutting development expenditures, subsidies for power and agriculture and divesting in PSEs.

Taking cues from its recent bailout package for Argentina, we expect a similar support-program amounting in double-digits for Pakistan. Moreover, IMF will also work with the new government to smooth future debt repayments and push for endeavors to expand exports base and to make them more competitive.

Lagged impact of PKR devaluation, higher oil prices along with excessive demand will push inflation upwards requiring further use of price stability measures. We expect monetary tightening to continue, potentially pulling policy-rate upwards to 8.0-8.5%. On international front, political climate in US Mid-Term elections in Nov'18 and ongoing trade-war is expected to have medium term implications for oil price.

We expect the corrective policy course to bring about a slowdown in the economy for FY19. We believe these corrective measures will be important for stabilizing economy over medium term. Furthermore, improved security, better energy situation along with a stable regime will stand pivotal in bringing overall GDP growth to sustainable 5.0% level.

Fund Performance and Announcements

AL-AMEEN ISLAMIC SOVEREIGN FUND (AISF):

The Fund earned total income of PKR 210.257 million for the year ended June 30, 2018 which mainly includes profit income on bank balances, placements and shariah compliant government securities. After accounting for the expenses of PKR 69.958 million, the Fund managed to earn a net income of PKR 58.681 million. The net assets of the Fund were PKR 4,936.518 million as at June 30, 2018 representing the net asset value of PKR 103.9136 per unit.

Subsequent to year end, on July 02, 2018, The Board of Directors of the Management Company approved a final distribution of Rs.3.0521 per unit on the face value of Rs.100 each (i.e.3.05%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the AA- (f) rating for the Fund during the year.

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND (AIAIF):

The Fund earned total income of PKR 57.32 million for the year ended June 30, 2018 which mainly includes profit income on bank balances, term deposit musharika, shariah compliant government securities and private sector sukus. After accounting for the expenses of PKR 23.076 million, the Fund managed to earn a net income of PKR 34.244 million. The net assets of the Fund were PKR 7,693.921 million as at June 30, 2018 representing the net asset value of PKR 103.4230 per unit.

Subsequent to year end, on July 02, 2018, The Board of Directors of the Management Company approved a final distribution of Rs.3.4854 per unit on the face value of Rs.100 each (i.e.3.49%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has maintained the fund stability rating of the fund at BBB+ (f) during the year.

AL-AMEEN ISLAMIC CASH FUND (AICF):

The Fund earned total income of PKR 290.797 million for the year ended June 30, 2018 which mainly includes profit income on bank balances, term deposit musharika and shariah compliant government securities. After accounting for the expenses of PKR 45.901 million, the Fund managed to earn a net income of PKR 244.896 million. The net assets of the Fund were PKR 5,242.740 million as at June 30, 2018 representing the net asset value of PKR 105.2621 per unit.

Subsequent to year end, on July 02, 2018, The Board of Directors of the Management Company approved a final distribution of Rs.5.0197 per unit on the face value of Rs.100 each (i.e.5.02%).

JCR-VIS has maintained the fund stability rating of AA (f) during the year.

AL-AMEEN SHARIAH STOCK FUND (ASSF):

The Fund earned a total loss of PKR 906.347 million for the year ended 30 June 2018 (including an unrealized loss of PKR 746.627 million on revaluation of investments) as compared to total income of PKR 1,674.312 million (including an unrealized gain of PKR 593.616 million on revaluation of investments) during the last year ended June 30, 2017. The earnings of the fund mainly include capital losses earned from sale of securities amounting to PKR 480.642 million (2017: capital gain amounting to PKR 830.975 million) and dividend income amounting to PKR 330.749 million (2017: PKR 218.312 million). After accounting for expenses of PKR 239.691 million, the Fund managed to earn a net loss of PKR 1,146.038 million. The net assets of the Fund were PKR 6,879.144 million as at June 30, 2018 representing the net asset value of PKR 134.28 per unit.

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (AIAAF):

The Fund earned a total income of PKR 62.528 million for the year ended 30 June 2018 (including an unrealized loss of PKR 173.532 million on revaluation of investments) as compared to total income of PKR 546.779 million (including an unrealized gain of PKR 143.58 million on revaluation of investments) during the last year ended June 30, 2017. The earnings of the fund mainly include capital loss earned from gain of securities amounting to PKR 210.192 million, income from shariah compliant placements / government securities and dividend income amounting to PKR 157.821 million. After accounting for expenses of PKR 185.434 million, the Fund managed to earn a net loss of PKR 122.906 million. The net assets of the Fund were PKR 6,455.833 million as at June 30, 2018 representing the net asset value of PKR 117.2141 per unit.

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND (AIDEF):

The Fund earned a total loss of PKR 1,310.15 million for the year ended 30 June 2018 (including an unrealized loss of PKR 1,088.574 million on revaluation of investments). The earnings of the fund mainly include capital loss on sale

of securities amounting to PKR 652.253 million, income from shariah compliant banks and dividend income amounting to PKR 524.366 million. After accounting for expenses of PKR 370.66 million, the Fund managed to earn a net loss of PKR 1,680.81 million. The net assets of the Fund were PKR 11,196.639 million as at June 30, 2018 representing the net asset value of PKR 155.94 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-II):

AICTAP-II was an Allocation Plan which was launched on September 28, 2015. The Plan matured on September 27, 2017 after completing duration of two years.

The Plan earned total loss of PKR 166.428 million for the period ended September 27, 2017. After accounting for the expenses of PKR1.822 million, the Plan managed to earn a net loss of PKR 168.250 million. The net assets of the Plan were PKR 2,986.997 million as at September 27, 2017 representing the net asset value of PKR 100.06 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 25.0428 per unit to the unit holders during the period ended September 22, 2017.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-III):

The Plan earned total loss of PKR 186.886 million for the period ended December 22, 2017. After accounting for the expenses of PKR 2.326 million, the Plan managed to earn a net loss of PKR 189.212 million. The net assets of the Plan were PKR 1,540.040 million as at December 22, 2017 representing the net asset value of PKR 101.40 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 12.4695 per unit to the unit holders during the period ended December 20, 2017.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-IV):

The Plan earned total loss of PKR 118.414 million for the period ended March 29, 2018. After accounting for the expenses of PKR 3.170 million, the Plan managed to earn a net loss of PKR 121.584 million. The net assets of the Plan were PKR 1,402.710 million as at March 29, 2018 representing the net asset value of PKR 101.65 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 14.6270 per unit to the unit holders during the period ended March 26, 2018.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-V):

The Plan earned total loss of PKR 179.631 million for the year ended June 30, 2018. After accounting for the expenses of PKR 5.460 million, the Plan managed to earn a net loss of PKR 185.091 million. The net assets of the Plan were PKR 1,749.387 million as at June 30, 2018 representing the net asset value of PKR 103.87 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VI):

The Plan earned total loss of PKR 228.021 million for the year ended June 30, 2018. After accounting for the expenses of PKR 6.268 million, the Plan managed to earn a net loss of PKR 234.289 million. The net assets of the Plan were PKR 2,066.428 million as at June 30, 2018 representing the net asset value of PKR 95.46 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VII):

The Plan incurred total loss of PKR 166.831 million for the year ended June 30, 2018. After accounting for the expenses of PKR 7.652 million, the Plan incurred net loss of PKR 174.483 million. The net assets of the Plan were PKR 1,651.162 million as at June 30, 2018 representing the net asset value of PKR 90.1436 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VIII):

The Plan incurred total loss of PKR 332.480 million for the year ended June 30, 2018. After accounting for the expenses of PKR 12.275 million, the Plan incurred net loss of PKR 344.755 million. The net assets of the Plan were PKR 4,325.796 million as at June 30, 2018 representing the net asset value of PKR 90.0985 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-IX):

The Plan incurred total loss of PKR 25.204 million for the period from August 31, 2017 to June 30, 2018. After accounting for the expenses of PKR 8.574 million, the Plan incurred net loss of PKR 33.778 million. The net assets of the Plan were PKR 3,610.270 million as at June 30, 2018 representing the net asset value of PKR 99.1053 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC CONSERVATIVE ALLOCATION PLAN):

The Plan incurred total income of PKR 6.398 million for the period from November 09, 2017 to June 30, 2018. After accounting for the expenses of PKR 345 million, the Plan incurred net income of PKR 6.053 million. The net assets of the Plan were PKR 00.00 million as at June 30, 2018 representing the net asset value of PKR 00.00 per unit.

The fund made various distributions during the period in total amounting to Rs 5.296 million.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-X):

The Plan incurred total income of PKR 32.565 million for the period from December 15, 2017 to June 30, 2018. After accounting for the expenses of PKR 2.672 million, the Plan incurred net income of PKR 29.893 million. The net assets of the Plan were PKR 1,718.622 million as at June 30, 2018 representing the net asset value of PKR 101.6568 per unit.

Subsequent to year end, on July 02, 2018, The Board of Directors of the Management Company approved a final distribution of Rs.0.0368 per unit on the face value of Rs.100 each (i.e.0.04%).

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-I):

The Plan incurred total income of PKR 11.085 million for the period from February 20, 2017 to June 30, 2018. After accounting for the expenses of PKR 1.642 million, the Plan incurred net income of PKR 9.443 million. The net assets of the Plan were PKR 2,149.930 million as at June 30, 2018 representing the net asset value of PKR 100.4416 per unit.

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-III (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-II):

The Plan incurred total income of PKR 5.460 million for the period from May 28, 2018 to June 30, 2018. After accounting for the expenses of PKR 0.653 million, the Plan incurred net income of PKR 4.807 million. The net assets of the Plan were PKR 761.974 million as at June 30, 2018 representing the net asset value of PKR 100.6354 per unit.

Strategy, review and Outlook of Funds

For strategy, review and Outlook of funds, kindly review the respective section of the Fund Manager's report in the Annual Report.

Code of Corporate Governance

The Management Company is committed to high standards of corporate governance and the Board of Directors of the Management Company is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Funds remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange.

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- Financial Statements present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holder's fund;
- Proper books of accounts have been maintained by the Funds;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
- Relevant International Financial Reporting Standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Funds' ability to continue as going concern, except for AIACTAP – V and AIACTAP – VI since these have been prepared on a basis other than going concern as these funds will be matured on August 14, 2018 and November 20, 2018.

- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- Performance table of Funds is given in the Annual report;
- The statement as to the value of investments of provident fund is not applicable on the Funds but applies to the Management Company, hence no disclosure is made in the Directors' Report of the Funds;
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements;
- **Risk framework and Internal Control System :**

UBL Fund Managers Limited has in place an approved Risk Management Policy that provides the framework to manage risks associated with its activities. It is designed to identify, assess, monitor and manage risk emanating from across the entity.

UBL Fund Managers Limited follows Enterprise Risk Management (ERM) which is a process, ongoing and flowing through an entity effected by people at every level of an organization applied in strategy setting applied across the enterprise, at every level and unit, and includes taking an entity-level portfolio view of risk designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite.

UBL Fund Managers Limited has total seven directors:

- a) Male: Six Directors;
- b) Female: One Director

The composition of board is as follows:

- a) Independent Directors: Two Directors
- b) Executive Directors: One Director
- c) Non-Executive Directors: Four Directors

The UBL Fund Managers Board's primary responsibility is to supervise affairs of the Company and provide direction to its management. The management is responsible to keep the Board informed regarding Company affairs and effectively implement directions and guidelines given by the BOD.

The Board, in exercise of effective governance and internal control system, strives to balance the spectrum of stakeholders of the Company, including its shareholders, unit holders, customers, employees, regulator and the communities in which it operates. In all actions taken by the Board, the Directors exercise independent business judgment in what they reasonably believe to be in the best interests of the Company.

According to best corporate governance practices, the Board of directors of UBL Fund Managers Limited has established several Board Committees to augment Risk Management , Internal Control system and good corporate governance throughout the entity. These Board Committees facilitate the Board and the Management on issues related to their particular area of competence.

The Board has the following committees:

a. Audit Committee

- i. Ms. Naz Khan (Chair-Independent);
- ii. Mr. Zia Ijaz;
- iii. Mirza Muhammad Sadeed Hassan Barlas;
- iv. Mr. Sharjeel Shahid.

b. HR and Remuneration Committee

- i. Mr. Azhar Hameed (Chairman-Independent);
- ii. Ms. Naz Khan;
- iii. Syed Furrukh Zaeem;
- iv. Mr. Zia Ijaz;
- v. Mr. Yasir Qadri

c. Risk Management Committee

- i. Mirza Muhammad Sadeed Hassan Barlas (Chairman);
- ii. Mr. Yasir Qadri;
- iii. Mr. Azhar Hameed;
- iv. Syed Furrukh Zaeem;
- v. Mr. Sharjeel Shahid.

- The details as required by the Code of Corporate Governance regarding the pattern of holding are given in their respective financial statements. The name wise detail of associated companies, undertakings and related parties are hereunder:

AL-AMEEN ISLAMIC SOVEREIGN FUND

| Name | Closing Units |
|--|---------------|
| Shahid Gul Motiwala | 28,270 |
| Mr. Sharjeel Shahid | 68 |
| Al- Ameen Islamic Active Allocation Plan- V | 8,284,793 |
| Al- Ameen Islamic Active Allocation Plan- VI | 4,570,538 |
| Al- Ameen Islamic Active Allocation Plan- VII | 3,830,633 |
| Al- Ameen Islamic Active Allocation Plan- X | 3,837,318 |
| Al- Ameen Islamic Active Allocation Plan- VIII | 10,022,144 |
| Al- Ameen Islamic Active Allocation Plan- IX | 8,640,507 |

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND (AIAIF)

| Name | Closing Units |
|------|---------------|
|------|---------------|

| | |
|---------------------|---------|
| Shahid Gul Motiwala | 120,780 |
|---------------------|---------|

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (AIAAF)

| Name | Closing Units |
|---------------------|---------------|
| United Bank Limited | 1,882,718 |
| Mr. Sharjeel Shahid | 33,530 |
| REHANA BASHIR | 50,205 |

AL-AMEEN ISLAMIC CASH FUND (AICF)

| Name | Closing Units |
|---|---------------|
| Al-Ameen Islamic Active Allocation Plan-X | 668,581 |
| Al- Ameen Islamic Active Principal Preservation Plan-I | 18,587,661 |
| Al- Ameen Islamic Active Principal Preservation Plan-II | 6,794,214 |
| Sardar Muhammad Aly Osman | 47,931 |
| Shahid Gul Motiwala | 1,875 |
| Mr. Sharjeel Shahid | 52,681 |

AL-AMEEN SHARIAH STOCK FUND (ASSF)

| Name | Closing Units |
|---|---------------|
| Zeeshan Quddus | 10,052 |
| Hadi Hassan Mukhi | 5,126 |
| Shahid Gul Motiwala | 93,544 |
| Ammar Valika | 19,815 |
| Amin Gulamani | 1,163 |
| Mr. Yasir Qadri | 146 |
| Mr. Zia Ijaz | 313 |
| Mr. Sharjeel Shahid | 6,921 |
| Syed Furrugh Zaeem | 47,208 |
| SINDH GENERAL PROVIDENT INVESTMENT FUND | 9,229,383 |

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND (AIDEF)

| Name | Closing Units |
|------|---------------|
|------|---------------|

| | |
|---|------------|
| Al- Ameen Islamic Active Allocation Plan- V | 7,531,683 |
| Al- Ameen Islamic Active Allocation Plan- VI | 13,654,331 |
| Al- Ameen Islamic Active Allocation Plan- VII | 10,713,152 |
| Al-Ameen Islamic Active Allocation Plan-IX | 23,418,772 |
| Al-Ameen Islamic Active Allocation Plan-X | 10,734,294 |
| Al- Ameen Islamic Active Principal Preservation Plan-I | 1,678,509 |
| Al- Ameen Islamic Active Principal Preservation Plan-II | 519,508 |
| Al- Ameen Islamic Active Allocation Plan- VIII | 28,321,218 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-V):

| Name | Closing Units |
|---------------------|---------------|
| United Bank Limited | 1,022,687 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VI):

| Name | Closing Units |
|---------------------|---------------|
| United Bank Limited | 1,023,267 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VIII):

| Name | Closing Units |
|-----------------------|---------------|
| FATEH KHAN AKHTAR | 629,412 |
| HAFEEZULLAH ISHAQ | 77,618 |
| FAKHAR UN NISA AKHTAR | 185,894 |
| Syed Furrukh Zaeem | 97,574 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-IX):

| Name | Closing Units |
|-----------------------|---------------|
| FATEH KHAN AKHTAR | 212,924 |
| FAKHAR UN NISA AKHTAR | 174,116 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PERSERVATION PLAN-I):

| Name | Closing Units |
|-----------------------|---------------|
| Mr. Zia Ijaz | 4,852 |
| FATEH KHAN AKHTAR | 290,466 |
| | |
| FAKHAR UN NISA AKHTAR | 183,880 |
| IBRAR HUSSAIN BUKHARI | 2,974,805 |

- There have been no trades in the units of the funds carried out by the Directors, CEO, CFO , Company Secretary except as disclosed below and in the notes to the accounts;

AL-AMEEN ISLAMIC SOVEREIGN FUND

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|-------------------------------------|--|-----------------|--------------|----------------|-------------|---------------|
| SHARJEEL SHAHID | Director | 19 | 54 | 5 | | 68 |
| HADI HASSAN MUKHI | Head of Compliance | - | 218 | 218 | - | - |
| MIRZA MUHAMMAD SADEED HASSAN BARLAS | Director | - | 41 | 41 | - | - |
| | | | | | | |
| Sardar Muhammad Aly Osman | Company Secretary and Head of Internal Audit | - | 19,179 | 19,179 | - | - |
| SHAHID GUL Motiwala | Chief Executive Officer (Al-Ameen) | 28,764 | - | 494 | | 28,270 |

AL-AMEEN ISLAMIC CASH FUND

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|-------------------------------------|--|-----------------|--------------|----------------|-------------|---------------|
| Sardar Muhammad Aly Osman | Company Secretary and Head of Internal Audit | - | 124,178 | 76,247 | - | 47,932 |
| HADI HASSAN MUKHI | Head of Compliance | - | 6 | 6 | - | - |
| MIRZA MUHAMMAD SADEED HASSAN BARLAS | Director | - | 101,187 | 101,187 | - | - |
| SHARJEEL SHAHID | Director | 15,008 | 57,475 | 19,802 | - | 52,681 |
| SHAHID GUL Motiwala | Chief Executive Officer (Al-Ameen) | - | ,9,517 | 7,642 | - | 1,875 |

AL-AMEEN ISLAMIC AGGRESSIVE INCOME FUND

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|-------------------------------------|------------------------------------|-----------------|--------------|----------------|-------------|---------------|
| Shahid Gul Motiwala | Chief Executive Officer (Al-Ameen) | 136,374 | 4,499 | 20,093 | - | 120,780 |
| MIRZA MUHAMMAD SADEED HASSAN BARLAS | Director | 25,418 | 4,668 | 30,086 | - | - |

AL-AMEEN SHARIAH STOCK FUND

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|---------------------------|--|-----------------|--------------|----------------|-------------|---------------|
| HADI HASSAN MUKHI | Head of Compliance | - | 17,847 | 12,721 | - | 5,126 |
| SHARJEEL SHAHID | Director | 12 | 6,912 | 2 | - | 6,921 |
| SYED FURRUKH ZAEEM | Director | 47,208 | - | - | - | 47,208 |
| AMMAR VALIKA | Head of Retail Sales & Marketing | 19,815 | 19,815 | 19,815 | - | 19,815 |
| AMIN KAMRUDDIN GULAMANI | Head of HR | 1,163 | - | - | - | 1,163 |
| SARDAR MOHAMMAD ALY OSMAN | Company Secretary and Head of Internal Audit | - | 72,546 | 72,546 | - | - |
| YASIR QADRI | Chief Executive Officer | 5,114 | 2,178 | 7,146 | - | 146 |
| ZEESHAN QUDDUS | Chief Business Development Officer | 10,052 | - | - | - | 10,052 |
| SHAHID GUL MOTIWALA | Chief Executive Officer (Al-Ameen) | 73,440 | 28,759 | 8,656 | - | 93,544 |
| SYED ZIA IJAZ | Director | 313 | - | - | - | 313 |

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|---------------------|--------------------|-----------------|--------------|----------------|-------------|---------------|
| Mr. Sharjeel Shahid | Director | - | 33,530 | - | - | 33,530 |
| HADI HASSAN MUKHI | Head of Compliance | - | 12 | 12 | - | - |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE ALLOCATION PLAN-VIII):

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|--------------------|-------------|-----------------|--------------|----------------|-------------|---------------|
| SYED FURRUKH ZAEEM | Director | 97,562 | 12 | - | - | 97,574 |

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II (AL-AMEEN ISLAMIC ACTIVE PRINCIPAL PRESERVATION PLAN-I):

| Name | Designation | Beginning Units | Units issued | Units redeemed | Bonus Units | Closing Units |
|--------------|-------------|-----------------|--------------|----------------|-------------|---------------|
| Mr. Zia Ijaz | Director | - | 4,852 | - | - | 4,852 |

The details of attendance of Board of Directors meeting is disclosed in the attached financial statements of respective Funds. Below is the details of committee meetings held during the year ended June 30, 2018:

BOARD OF DIRECTORS (BOD)

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

| Members | August 23, 2017 | September 25, 2017 | October 27, 2017 | December 06, 2017 | February 16, 2018 | April 26, 2018 | May 02, 2018 | Total meetings attended |
|-------------------------------------|-----------------|--------------------|------------------|-------------------|-------------------|----------------|--------------|-------------------------|
| Tariq Kirmani ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Azhar hamid * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | x | ✓ | x | 3 |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ | •x | •✓ | •x | 5 |
| Syed Furrukh Zaeem | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mirza Muhammad Sadeed Hassan Barlas | ✓ | ✓ | ✓ | ✓ | •x | •✓ | ✓ | 6 |
| Fawaz Taj Siddiqui **** | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | N/A | 5 |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| S.M. Aly Osman **** | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ | 2 |

* Elected at EOGM held on September 29, 2017

** Independent Directors have completed three consecutive term

*** Mr. Zulfiqar Alavi resigned on August 07, 2017.

**** Mr. Fawaz Taj siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from April 2, 2018 as Company Secretary

BOARD AUDIT COMMITTEE (BAC)

During the year ended June 30, 2018 five (5) BAC meetings held. The details of attendance are as under:

| Members | 22-Aug-17 | 12-Sep-17 | 26-Oct-17 | 15-Feb-18 | 25-Apr-18 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | ✓ |
| Syed Furrugh Zaeem * | ✓ | ✓ | N/A | N/A | N/A |
| Zia Ijaz | ✓ | ✗ | ✓ | ✗ | ✓ |
| Mirza Muhammad Sadeed Hassan Barlas | ✓ | ✓ | ✓ | ✗ | ✓ |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fawaz Siddiqui *** | ✓ | ✓ | ✓ | ✓ | N/A |
| S.M. Aly Osman *** | N/A | N/A | N/A | N/A | ✓ |

* Board has reconstituted the committee effective from October 13, 2017

** Independent Director has completed three consecutive term

*** Mr. Fawaz Taj Siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from April 2, 2018 as Head of Internal Audit

HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC)

During the year ended June 30, 2018 four (4) HRCC meetings held. Below are the attendance of Board of Directors:

| Name | 21-Aug-17 | 22-Sept-17 | 7-Feb-18 | 2-May-18 |
|------------------------|-----------|------------|----------|----------|
| Tariq Kirmani | ✓ | ✓ | ✗ | ✗ |
| Shabbir Hussain Hashmi | ✓ | ✓ | ✗ | ✗ |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ |
| Amin Gulamani | ✓ | ✓ | ✓ | ✓ |
| Azhar Hamid | ✗ | ✗ | ✓ | ✓ |
| Naz Khan | ✗ | ✗ | ✓ | ✓ |
| Syed Furrugh Zaeem | ✗ | ✗ | ✓ | ✓ |

RISK MANAGEMENT & COMPLIANCE COMMITTEE

During the year ended June 30, 2018 four (4) BRCC meetings held. Below is the attendance of Board of Directors:

| Members | Aug 22, 2017 | Sept 22, 2017 | Feb 15, 2018 | April 25, 2018 |
|--------------------|--------------|---------------|--------------|----------------|
| Sadeed Barlas * | ✓ | ✓ | ✗ | ✓ |
| Tariq Kirmani **** | ✓ | ✓ | - | - |
| Furrugh Zaeem | ✓ | ✓ | ✓ | ✓ |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ |

| | | | | |
|-----------------------|---|---|---|---|
| Azhar hamid ***** | - | - | ✓ | ✓ |
| Sharjeel Shahid ***** | - | - | × | ✓ |
| Hadi Hassan Mukhi *** | - | - | - | ✓ |
| S.M. Aly Osman ** | ✓ | ✓ | ✓ | - |

* Mr. Sadeed Barlas was elected as the New Chairman BRCC on 22nd August 2017.

** S.M. Aly Osman was redesignated as the Head of Internal Audit as of 1st March 2018.

*** Mr. Hadi Hassan Mukhi was redesignated as the Head of Risk Management and Compliance as of 1st March 2018.

**** Independent Directors have completed three consecutive term.

***** Elected at EOGM held on September 29, 2017

As required by the Code, five directors on the Board have completed the Director Training Program (DTP).

All the directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

Auditors

The present auditors as per table below retire on conclusion of the audit for the year ended June 30, 2018:

| S.R. No | Name of Fund | Name of auditors as of June 30, 2018 | Status of appointment for the year ending June 30, 2019 |
|---------|--|---|--|
| 1. | Al Ameen Islamic Asset Allocation Fund | M/s EY Ford Rhodes & Co., Chartered Accountants | Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years |
| 2. | Al Ameen Islamic Aggressive Income Fund | M/s KPMG Taseer Hadi & Co., Chartered Accountants | Eligible for re-appointment |
| 3. | Al Ameen Islamic Sovereign Fund | M/s KPMG Taseer Hadi & Co., Chartered Accountants | Eligible for re-appointment |
| 4. | Al Ameen Islamic Cash Fund | M/s BDO Ebrahim & Co., Chartered Accountants | Eligible for re-appointment |
| 5. | Al Ameen Shariah Stock Fund | M/s Deloitte Yousuf Adil & Co., Chartered Accountants | Eligible for re-appointment |
| 6. | Al Ameen Islamic Financial Planning Fund | M/s Deloitte Yousuf Adil & Co., Chartered Accountants | Eligible for re-appointment |
| 7. | Al Ameen Islamic Dedicated Equity | M/s Deloitte Yousuf Adil & Co., Chartered Accountants | Eligible for re-appointment |
| 8. | Al Ameen Islamic Financial Planning Fund-II | M/s BDO Ebrahim & Co., Chartered Accountants | Eligible for re-appointment |
| 9. | Al Ameen Islamic Financial Planning Fund-III | M/s KPMG Taseer Hadi & Co., Chartered Accountants | Eligible for re-appointment |

The auditors, where being eligible, offered themselves for reappointment and where the change in the external auditors is required because of the completion of the maximum time allowed under the NBFC Regulations, the new auditors have consented to be appointed as the external auditors of the firm. The Audit Committee of the Board has recommended their appointment as external auditors for the year ending June 30, 2019.

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, Central Depository Company of Pakistan Limited (Trustee) and Shariah Advisory Board 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 & ON BEHALF OF THE BOARD

YASIR QADRI
Chief Executive Officer

Karachi **Dated: August 28, 2018**

ڈائریکٹرز کی رپورٹ

یو بی ایل فنڈ نیچرز لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2018ء کو ختم شدہ عرصے کیلئے اپنی الامین سیریز جسے الامین اسلامک کیش فنڈ (اے آئی سی ایف) الامین اسلامک سوورن فنڈ (اے آئی ایس ایف)، الامین اسلامک ایگریسیو اکم فنڈ (اے آئی اے آئی ایف)، الامین اسلامک ایسیٹ ایلوکیشن فنڈ (اے آئی اے اے ایف)، الامین شریعہ اسٹاک فنڈ (اے ایس ایس ایف)، الامین اسلامک ڈیڈ ویلٹیٹیو ایکویٹی فنڈ (اے آئی ڈی ای ایف)، الامین اسلامک فنانشل پلاننگ فنڈ-I (اے آئی ایف پی ایف-I)، الامین اسلامک ایکٹیو ایلوکیشن پلان-II (اے آئی اے سی ٹی اے پی-II)، الامین اسلامک ایکٹیو ایلوکیشن پلان-III (اے آئی اے سی ٹی اے پی-III)، الامین اسلامک ایکٹیو ایلوکیشن پلان-IV (اے آئی اے سی ٹی اے پی-IV)، الامین اسلامک ایکٹیو ایلوکیشن پلان-V (اے آئی اے سی ٹی اے پی-V)، اور الامین اسلامک ایکٹیو ایلوکیشن پلان-VI (اے آئی اے سی ٹی اے پی-VI)، اور الامین اسلامک فنانشل پلاننگ فنڈ-V (اے آئی ایف پی ایف-V)، الامین اسلامک ایکٹیو ایلوکیشن پلان-VII (اے آئی اے سی ٹی اے پی-VII)، الامین اسلامک ایکٹیو ایلوکیشن پلان-VIII (اے آئی اے سی ٹی اے پی-VIII)، الامین اسلامک ایکٹیو ایلوکیشن پلان-IX (اے آئی اے سی ٹی اے پی-IX)، الامین اسلامک ایکٹیو ایلوکیشن پلان-X (اے آئی اے سی ٹی اے پی-X)، الامین اسلامک کنزرویٹیو ایلوکیشن پلان (اے آئی سی او این اے پی)، الامین اسلامک ایکٹیو پرنسپل ریزرویشن پلان-I (اے آئی اے پی پی پی-I)، الامین اسلامک ایکٹیو پرنسپل ریزرویشن پلان-II (اے آئی اے پی پی پی-II) سے ظاہر کیا جاتا ہے کہ رپورٹس آپ کو پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

اقتصادی جائزہ- مالی سال 2018ء

مالی سال 2018ء بھی پاکستان کیلئے ایک اور بھر پور سال رہا کیونکہ ملک نے تیرہ برسوں میں بلند ترین 5.8% کی حقیقی شرح نمو ظاہر کی ہے اس مستحکم رفتار کی ہم وجہ کم افراط زر اور نجی شعبے میں حصول قرضہ جات کی مستحکم نمو (سال بہ سال 17%) تھی جو کم شرح کے ماحول کے بیچ رہی تاہم بڑھتی ہوئی مصنوعی توسیع، بڑھتی ہوئی مجموعی طلب اور بڑھتے ہوئے حکومتی اخراجات توقع سے کہیں زیادہ بیرونی اور مالیاتی خسارہ جات پر منتج ہوئے۔

مالی سال 18ء کیلئے سرنامہ افراط زر معتدل رہا، مالی سال 17ء میں 4.2% کے مقابلے میں سال بہ سال 3.9% تک اوسطاً رہا جس کی بڑی وجہ کم سطح پر رہنے والا غذائی افراط زر تھا۔ نتیجے کے طور پر سی پی آئی افراط زر ایس جی پی کے پورے سال کے افراط زر کے ہدف 6% کے اندر رہی رہا، تاہم مالی سال کے اختتام کی طرف، بنیادی افراط زر 7.1% پر جا پہنچا جو پُر جوش معیشت کے بیچ افراط زر کے دباؤ کی تشکیل کی عکاسی کرتا ہے۔ بین الاقوامی تیل کی قیمتوں کی توقعات میں تبدیلی، بڑھتی ہوئی مجموعی طلب اور پاکستانی روپے کی قدر میں کمی کے سست رو اثرات آنے والے مالی سال کیلئے افراط زر کیلئے حسب توقع بڑے محرکات ثابت ہوں گے۔

ایس بی پی نے معیشت کی برافروختگی کی تشویش اور پریشانیوں کو کم کرنے کی غرض سے پیشگیرانہ اقدامات جاری رکھے۔ اس کے تازہ ترین ایم پی سی اجلاس کے مطابق، ایس پی سی نے واضح کیا کہ مالی سال 18ء کے دوسرے نصف میں مستحکم مالیاتی نمو، پاکستانی روپے کی قدر میں حالیہ کمی کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ اور بین الاقوامی تیل کی قیمتوں میں قدرے اضافے نے قریب ترمیم کیلئے قیمتوں میں استحکام کے اقدامات کی ضرورت کو تیز کر دیا ہے۔ جس کے نتیجے میں کمیٹی نے فیصلہ کیا ہے کہ جولائی 18ء میں شرح پالیسی 100 بی پی ایس کے اضافے سے اُسے 7.5% تک بڑھا دیا جائے۔ آنے والے مہینوں میں ہم مالیاتی سختی کے تسلسل کی توقع کرتے ہیں۔

حسابات کی حالیہ صورتحال مالی سال 18 میں مسلسل خراب ہوتے ہوئے 18 ارب ڈالر کے خسارے تک پہنچ گئی ہے (سال بہ سال 43%)۔ بڑھتے ہوئے خسارے کی بڑی وجہ بہت زیادہ تجارتی خسارہ (+17%) تھا برآمدات میں مثبت اضافے کے باوجود (سال بہ سال 13%)، بیرونی حسابات کی صورتحال حکام کیلئے اضافی پالیسی اقدامات کے جواز کی غرض سے مسلسل چیلنجنگ رہے گی۔ بہت بڑے تجارتی خسارے، قرضہ جات سروسنگ اور براہ راست غیر ملکی سرمایہ کاری کی کم سے کم عملی شکل اختیار کرنے سے تخلیق کردہ ادائیگی کے توازن میں عدم ہائے توازن، نے بالآخر غیر ملکی زرمبادلہ کے ذخائر پر دباؤ ڈال رکھا ہے۔ جس کے نتیجے کے طور پر، غیر ملکی زرمبادلہ کے ملکی ذخائر 23% کی کمی سے 21 ارب ڈالر سے 16 ارب ڈالر تک گر چکے ہیں۔ اس نے آخر کار پاکستانی روپے پر دباؤ ڈالا اور پچھلے سال سے تقریباً 20% کی قدر کی کمی پر منتج ہوا۔ مرکزی بینک کی جانب سے درآمدات کی حوصلہ شکنی اور برآمدات کو سہارا فراہم کرنے کی غرض سے لیے گئے حالیہ اصلاحی پالیسی اقدامات سے ہمیں توقع ہے کہ مجموعی طور پر بیرونی حسابات کی صورتحال میں بہتری کی طرف پیش رفت ہو جائے گی۔

مالیاتی پہلو پر، ٹیکس کی کم وصولی کے بیچ حکومت کے بلند تر اخراجات نے حالیہ برسوں میں پچھلے پیش بینی (4.1%) سے زیادہ (تقریباً 7%) تک کی ایک نئی بلندی تک مالیاتی خسارے کو پہنچا دیا ہے ٹیکس بیس میں کچھ اضافے کی کوششوں میں حکومت نے معیشت کو ضبط و تھریں لانے کی حوصلہ افزائی کی غرض سے ٹیکس ایمنسٹی اسکیم متعارف کروائی اور ذخائر (زرمبادلہ) کی صورتحال کو بہتر کیا ہے تاہم، اس اسکیم کی پذیرائی توقع سے کم رہی ہے اور آنے والی حکومت کو کفایت شعاری کے کچھ اقدامات کا آغاز کرنا پڑے گا جس میں اس کے خسارے کو کم کرنے کیلئے اس کے ترقیاتی اخراجات میں کمی کرنا بھی شامل ہوگا۔

مالی سال 18 کے دوران، قلیل اور طویل مدتی آمدن (ماحول) پر ایس بی پی کی سختی والی مالیاتی پالیسی سے ہم آہنگ تبدیلیوں کا مشاہدہ بھی کیا گیا 3 ماہ، 6 ماہ، اور 12 ماہ کے ٹریڈری بلز پر آمدن (ماحول) علی الترتیب 79، 90، اور 116 بی پی ایس تک بڑھ گئے۔ اسی طرح 3، 5، اور 10 سال کے بانڈز پر آمدن میں علی الترتیب 171، 180، اور 86 بی پی ایس تک اضافہ ہو گیا۔

حالیہ انتخابات کی روشنی میں، مستحکم حکومت کا امکان ملک کی معیشت کیلئے نیک شگون ہوگا۔ حالیہ معاشی چیلنجز کا مقابلہ کرنے کی کوشش میں ہم کفایت شعاری کے کئی اقدامات کی توقع کرتے ہیں جس میں آئی ایم ایف کے پروگرام میں دوبارہ شمولیت، چین اور دیگر دوست ممالک سے مالیاتی مدد، تارکین وطن کیلئے یورو بونڈز یا سرمایہ کاری بونڈز کے اجراء کے ساتھ ساتھ ملکی محاذ پر طویل اصلاحات بھی شامل ہیں لیکن صرف انہیں اقدامات تک محدود نہیں۔ تشکیل پانے والی نئی حکومت کی جانب سے اصلاحی اقدامات مالی سال 19ء میں شرح نمو میں کمی لائیں گے جس سے وسط مدت پر ہی معیشت کو مستحکم کرنے میں مدد ملے گی (شرح نمو 4.5-5%)۔

بازار قرض کا جائزہ - مالی سال 2018ء

بین الاقوامی خام تیل کی قیمتوں نے اس مالی سال کیلئے تیزی کے رجحان کو ظاہر کیا ہے۔ قیمتیں 45 ڈالر فی بیرل سے تقریباً 70% کے اضافے کے ساتھ 80 ڈالر فی بیرل کے ایک نئی بلندی پر بند ہوئی ہیں۔ تیل کی بڑھتی ہوئی قیمتوں، بلند تر ایشیائی قیمتوں (شکر کی توقع کے ساتھ) مع پاکستانی روپے میں کمی کے پڑنے والے اثرات نے مالی سال 18ء کی چوتھی سہ ماہی کیلئے افراط زر کی 4.4% تک کی شرح میں اضافے میں بڑی مدد کی ہے۔ اس رجحان کے اشاروں سے ہم توقع کرتے ہیں کہ ایس بی پی (مرکزی بینک) اپنی جاری سخت مالیاتی پالیسی کے تسلسل کو برقرار رکھے گا۔

مالی سال 18ء کیلئے اس سال کے دوران منصفانہ 12 پی آئی جی آکشنز سے حکومت نے 330 ارب روپے کے ہدف کے مقابلے میں تقریباً 102 ارب روپے (مالی سال 17ء میں تقریباً 894 ارب روپے) حاصل کیے۔ نتیجتاً مارکیٹ میں پی آئی جی بیز کیلئے بقا یا رقم 29.74 کھرب روپے تک بڑھ گئی۔ آکشن میں شرکت زیادہ تر شرح میں اضافے سے ہم آہنگ 3 اور 5 سال کی ضمانت (پیپر) کی طرف رہی۔ جولائی 18ء میں پی آئی جی آکشن میں حکومت نے تقریباً 6.9 ارب روپے قبول کیے۔

خط آمدن (ماحول) جو مختلف پینٹنگوں کی حکومتی ضمانتوں (سکیورٹیز) پر مبنی تھا بڑھتے ہوئے جاری شرح ہائے رعایت سے ہم آہنگ اوپر کی جانب منتقل ہو گیا۔ 3، 6 اور 12 ماہ کے ٹریڈری بلز پر آمدن علی الترتیب 90، 99 اور 116 بی پی ایس تک بڑھ گئی۔ پھیلاؤ ایک سالہ ٹی بلز (7.20% سالانہ) اور 10 سالہ پی آئی جی بیز (9.03% سالانہ) کے سالانہ کی بنیاد پر آمدن کے درمیان بمطابق 30 جون 2018ء 1.83% پر قائم رہا۔

جائزہ بازار حصص برائے مالی سال 18ء

مالی سال 18ء میں پریشان کن واقعات کے ہوجانے کے بعد، کے ایس ای-100 انڈیکس نے 8 برسوں کے طویل عرصے کے بعد 10% کے مجموعی نقصان کو ظاہر کیا۔ بازار میں مندی کے بڑے محرکات میں کشیدہ سیاسی واقعات کا سلسلہ، اقتصادی مچاؤ پر بڑھتی تشویش کے ساتھ غیر ملکی سرمایہ کاروں کی جانب سے مسلسل فروخت (289 ملین ڈالر) شامل ہیں۔ بڑھتی ہوئی غیر یقینی کی کیفیات کے ساتھ بازار میں شریک ہونے اور حصہ لینے والے محتاط ہو گئے جس نے مارکیٹ میں تجارت کردہ احجام (والیوم) کو اوسطاً مندی کا شکار رکھا (84 ملین)۔

بینچ مارک انڈیکس نے سال کا آغاز بلند توقعات کے ساتھ کیا لیکن جلد ہی ایم ایس سی آئی میں شمولیت کے بعد غیر ملکی اخراج سے دو چار ہو گیا۔ مالی سال 18ء کے پہلے نصف کے دوران پریشانیوں کے سلسلے میں اضافہ ہو گیا، جس نے بازار حصص کو غیر پائیدار صورتحال میں رکھا اور انڈیکس کو 37,919 پوائنٹس کی کم تر سطح پر دھکیل دیا۔ ان بڑے بڑے واقعات کے بیچ برسرِ اقتدار وزیر اعظم کی نااہلی بھی تھی جس کے بعد وزیر خزانہ کو بھی کام کرنے سے روک دیا گیا، جس نے معیشت پر توجہ کیلئے بہت تھوڑی گنجائش چھوڑی۔ اس کے بعد ڈی ایل پی کی جانب سے حکومت کا 21 دن کا احتجاج شروع ہوا جس نے حکومت کو تنہا کر دیا۔ کسی بھی مناسب معاشی نظم کار کی موقع پر موجودگی کے بغیر، ملک اقتصادی (میکرو اکنامک) محاذوں پر زیادہ سے زیادہ خطروں کیلئے کھلا چھوڑ دیا گیا تھا۔

سیاسی بحرانوں کے ساتھ، بیرونی حسابات پر تشویش نے ظاہر ہونا شروع کر دیا کیونکہ تیل کی کم قیمتوں سے ملنے والی مدد رفتہ رفتہ ختم ہوتی چلی گئی۔ مالی سال 18ء کی تیسری سہ ماہی میں، کچھ مثبت آثار جیسے وزیر خزانہ کی تقرری، سینیٹ کے ہموار انتخابات، ٹیکس ایمنسٹی اسکیم کا اعلان اور ساتھ ہی ایم پالیسی اقدام کے آغاز سے شریک بازار کی جانب سے دلچسپی کو افسوسناک کیا۔ جس کے نتیجے میں 31 ملین ڈالر کا دخول (Inflow) ہوا۔ تاہم، اقتصادی (میکرو اکنامک) محاذ پر تشویشات مستحکم رہیں، مزید پالیسی اقدامات کے استعمال کی ضرورت ہے۔ پورے مالی سال 18ء کے حسابات جاریہ کا خسارہ تقریباً 18 ارب ڈالر تک بڑھ گیا (سال بہ سال +43%) جو سرمایہ کاروں کے جذبات کو مزید ٹھنڈا کرنے کا سبب ہے۔ علاوہ ازیں مالیاتی خسارہ تقریباً 7% سے زیادہ پر آ گیا۔ بڑھتے ہوئے خسارے کی فراہمی قرضہ شراکت نے غیر ملکی زرمبادلہ کے ذخائر کو کمزور کر کے رکھ دیا ہے۔ ایس بی پی کے ذخائر مالی سال 18ء کے اختتام پر تقریباً 10 ارب ڈالر تک گر گئے ہیں، جو سرمایہ کاروں کے اعتماد کو مزید خراب کر رہا ہے۔

بین الاقوامی محاذ پر، امریکی فیڈرل ریزرو بورڈ نے مالی سال 18ء کے دوران اپنی مالیاتی پالیسی کو سختی کے تسلسل کو 25 بی پی ایس سے 2% تک جاری رکھا۔ ہم اس موقف کے تسلسل کی توقع جاری سال 18ء میں بھی رکھتے ہیں۔ تیل کی بین الاقوامی قیمتیں 80 ڈالر فی بیرل کی 4 سالہ بلندی کو پہنچ گئی جو کہ اوپیک ممبر اور غیر اوپیک ممالک کے درمیان بہتر تعاون کا شاخسانہ ہے۔ مجموعی طور پر ایشیائی صرف کی قیمتیں بھی درآمدی ممالک سے بڑھتی ہوئی طلب کے ساتھ اوپر کی طرف گئی ہیں۔ جاری تجارتی جن کے بڑھ جانے سے توقع ہے کہ اس سے تیل کی قیمتیں نیچے کی طرف لڑھک جائیں گی۔ یہ تیل کے زیادہ درآمدی ملک جیسے پاکستان کیلئے سازگار ہوگا۔ تاہم، مستحکم حکومت ملٹی بلین سی پیک منصوبے پر کام کو پھر سے شروع کر دے گی۔ پیش قدمی کرتے ہوئے مرکزی بینک کی جانب سے نئی تشکیل پانے والی حکومت کی کفایت شعاری کو ساتھ ملا کر لیے گئے چارہ ساز اقدامات اصلاحی اقدامات کو ممکن بنائیں گے اور وسط مدت پر معیشت کو مستحکم کر پائیں گے۔ اس کے علاوہ سیاسی بحرانوں کو کم کرنے سے، فوری رعایت (اس کی بلندی سے تقریباً 24%) مع زیادہ آمدن کی پیشکش (تقریباً 12%) سے توقع ہوگی کہ اس سے سرمایہ کار کا اعتماد مضبوط ہوگا اور مقامی بازار حصص میں سرمایہ کار کی دلچسپی لوٹ آئے گی۔

اسلامی مالیاتی جائزہ۔ مالی سال 2018ء

اسلامی بینکاری صنعت کیلئے کمتر شرح ہائے منافع اور بے خطر افراط زر کے بیچ مالی سال 18ء کے پہلے نصف میں چیلنجنگ رہا۔ تاہم جیسا کہ معیشت کو زیادہ طلب کے مسائل کا سامنا رہا، اسٹیٹ بینک جولائی 18ء میں ایک تدارکی مالیاتی سختی کی طرح نگرانی پتاتے ہوئے شرح پالیسی کو اوپر کی طرف %7.5 تک لے آیا۔ شرح رعایت میں اضافہ اسلامی بینکنگ اور مالیاتی اداروں کیلئے مثبت رہے گا۔

کنوشنل بینکنگ سسٹمز سے زبردست مقابلے کے بعد، اسلامی بینکاری صنعت مالی سال 18ء میں ایک اچھی رفتار سے آگے بڑھتی رہی۔ اسلامی بینکاری صنعت کی اساس اثاثہ جات 2,334 ارب روپے تک (%23.8 سال بہ سال مارچ 18ء) بڑھ گئی۔ اسلامی بینکاری صنعت کے ڈپازٹس 31 ارب روپے کے اضافے کے ساتھ 1,916 ارب روپے تک پہنچ گئے۔ اسلامی بینکاری اثاثہ جات اور ڈپازٹس کا بینکاری صنعت میں مجموعی طور پر مارکیٹ حصہ مارچ 18ء کے اختتام پر %13.5 اور %14.6 علی الترتیب ریکارڈ کیا گیا۔

برآمدات میں اضافے کی باہمی کوششوں کے ساتھ، ایس بی پی نے مضاربہ جو کہ روایتی طویل المدت فراہمی قرضہ سہولت (ایل ٹی ایف ایف) کا متبادل شریعہ موافق حل ہے، کی بنیاد پر ایک فراہمی قرض سہولت (آئی ایل ٹی ایف ایف) متعارف کروائی ہے۔ اس سے برآمد کنندگان کو جو شریعہ موافق مع اسلامی بینکاری نظام کی وسیع اساس اثاثہ کے ساتھ حل کی بڑھتی ہوئی طلب کی تکمیل میں مدد ملے گی۔

توقعات مستقبل

کامیاب عام انتخابات کے عمل کے بعد، توقع کی جاتی ہے کہ ملک کے اندر سیاسی استحکام کی ایک فضا قائم ہو جائے گی۔ نئی منتخب کردہ پی ٹی آئی حکومت آگے آنے والے مہینوں میں معاشی چیلنج کا سامنا کرے گی، جس سے بین الاقوامی مالیاتی اداروں بشمول آئی ایم ایف، بیرون ملک پاکستانیوں کو ہدف بناتے ہوئے بین الاقوامی مارکیٹس میں یورو بونڈز یا سکوک کا اجراء ساتھ ہی ساتھ زرمبادلہ کے ذخائر کی صورتحال کو پائیدار رکھنے کی غرض سے چین سے مکنہ مالی امداد کے ذریعے تازہ قرضوں کی ضرورت پڑے گی۔ ہمیں یقین ہے کہ پی ٹی آئی حکومت مالیاتی پہلو پر مؤثر اور فوری اصلاحات کا انتخاب کرے گی۔ اس میں ترقیاتی اخراجات میں کمی، توانائی اور زراعت کیلئے رعایات اور پبلک سیکٹر انٹرنیٹ پر انٹرنیٹ (پی ایس ایز) میں سرمایہ کاری واپس لینا بھی شامل ہے۔

ارجنٹائن کیلئے اس کے حالیہ بیل آؤٹ پیکیج سے رہنمائی حاصل کرتے ہوئے، ہم پاکستان کیلئے دو ہندسوں پر مشتمل مالیت کے ایک ایسے ہی اعانتی پروگرام کی توقع کرتے ہیں۔ علاوہ ازیں، آئی ایم ایف بھی نئی حکومت کے ساتھ مستقبل کے قرضوں کی ادائیگیوں کو ہموار کرنے کی غرض سے کام کرے گا اور اساس برآمدات بڑھانے کی کوششوں کیلئے زور دے گا اور انہیں زیادہ مسابقتانہ بنانے میں مدد کرے گا۔

پاکستانی روپے کی قدر میں کمی، تیل کی بلند قیمتوں مع زیادہ طلب کے پڑنے والے اثرات افراط زر کو اوپر دھکیل دیں گے جسے قیمتوں کے استحکام کے اقدامات کے مزید استعمال کی ضرورت پڑے گی۔ ہم مالیاتی سختی کے تسلسل کی توقع کرتے ہیں جو ممکنہ طور پر شرح پالیسی کو 8.0 سے %8.5 تک اوپر لے جائے گی۔ بین الاقوامی محاذ پر نومبر 18ء میں امریکی وسط مدتی انتخابات میں سیاسی فضا اور جاری تجارتی جنگ سے توقع ہے کہ اس سے تیل کی قیمتوں کیلئے درمیانی مدت کے اثرات پڑیں گے۔

ہم اصلاحی پالیسی کے چلنے سے توقع کرتے ہیں کہ یہ مالی سال 19ء کیلئے معیشت میں سست روی کا سبب بنے گی۔ ہمیں یقین ہے کہ یہ اصلاحی اقدامات وسط مدتی عرصے کیلئے معیشت کے استحکام کی غرض سے اہم ہوں گے۔ مزید برآں بہتر سیوریٹی، توانائی کی بہتر صورتحال مع ایک مستحکم و پائیدار حکومت مجموعی شرح نمو کو پائیدار %5.0 سطح پر لانے میں مرکزی حیثیت کی حامل ہوگی۔

فنڈ کارکردگی اور اعلانات

الامین اسلامک سوورن فنڈ (اے آئی ایس ایف)

30 جون 2018ء کو ختم شدہ سال کیلئے اس فنڈ نے 210.275 ملین روپے کی کل آمدن حاصل کی جس میں بینک بیلنسز پر آمدن منافع، تقررات اور شریعہ موافق حکومتی سیوریٹیز (عقار) شامل ہیں۔ 69.958 ملین روپے کے اخراجات کے بعد، اس فنڈ نے 58.681 ملین روپے کی خاص آمدن کی نظم کاری کی۔ اس فنڈ کے خالص اثاثہ جات بمطابق 30 جون 2018ء 4,936.518 ملین روپے رہے جو فی پونٹ 103.9136 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

سال کے اختتام کے بعد، 02 جولائی 2018ء پر ریٹینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے ہر-100 روپے کی فیس ویلیو (ظاہری قیمت) پر فی پونٹ 3.0521 روپے کی حتمی تقسیم (یعنی %3.05) کی منظوری دی۔

جے آئی آر-وی آئی ایس کرڈٹ ریٹنگ کمپنی لمیٹڈ (جے آئی آر-وی آئی ایس) نے دوران سال اس فنڈ کیلئے اے اے- (ایف) یعنی ڈبل اے اے مائسن (ایف) کی درجہ بندی کی توثیق کر دی ہے۔

الامین اسلاک ایگریگیشن فنڈ (اے آئی اے آئی ایف)

30 جون 2018ء کو ختم شدہ سال کیلئے اس فنڈ نے 57.32 ملین روپے کی کل آمدن حاصل کی جس میں بینک بینکنگ پر آمدن منافع، ٹرم ڈپازٹ مشارکہ، شریعہ موافق حکومتی سکیورٹیز اور نجی شعبہ صکوک شامل ہیں۔ 23.076 ملین روپے کے اخراجات کے بعد، اس فنڈ نے 34.244 ملین روپے کی خالص آمدن کے حصول کی نظم کاری کی۔ اس فنڈ کے خالص اثاثہ جات بمطابق 30 جون 2018ء 7,693.921 ملین روپے رہے جو کہ فی یونٹ 103.4230 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

سال کے اختتام کے بعد، 02 جولائی 2018ء پر، مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے ہر-100 روپے کی فیس ویلیو پر فی یونٹ 3.4854 روپے (یعنی 3.49%) کی حتمی تقسیم کی منظوری دی۔

جے سی آر-وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (جے سی آر-وی آئی ایس) نے دوران سال بی بی بی + (ایف) یعنی ٹریپل بی پلس (ایف) پر اس فنڈ کی فنڈ اسٹیبلٹی ریٹنگ کو برقرار رکھا۔

الامین اسلاک کیش فنڈ (اے آئی سی ایف)

30 جون 2018ء کو ختم شدہ سال کیلئے اس فنڈ نے 290.797 ملین روپے کی کل آمدن حاصل کی جس میں بینک بینکنگ پر آمدن منافع، ٹرم ڈپازٹ مشارکہ اور شریعہ موافق گورنمنٹ سکیورٹیز شامل ہیں۔ 45.901 ملین روپے کے اخراجات کے بعد، اس فنڈ نے 244.896 ملین روپے کی خالص آمدن کے حصول کی نظم کاری کی۔ 30 جون 2018ء کے مطابق اس فنڈ کے خالص اثاثہ جات 5,242.740 ملین روپے رہے جو کہ فی یونٹ 105.2621 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

سال کے اختتام کے بعد، 02 جولائی 2018ء پر، مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے ہر-100 روپے کی فیس ویلیو پر فی یونٹ 5.0197 روپے کی حتمی تقسیم (یعنی 5.02%) کی منظوری دی۔

جے سی آر-وی آئی ایس نے دوران سال اے اے (ایف) یعنی ڈبل اے (ایف) کی فنڈ اسٹیبلٹی ریٹنگ کو برقرار رکھا۔

الامین شریعہ اسٹاک فنڈ (اے ایس ایس ایف)

اس فنڈ نے 30 جون 2018ء کو ختم شدہ سال کیلئے 906.347 ملین روپے کا کل نقصان اٹھایا (بشمول سرمایہ کاریوں کی ازسر نو تخمین پر 746.627 ملین روپے کا غیر حقیقی نقصان)۔ 30 جون 2017ء کے ختم شدہ پچھلے سال کے دوران کل آمدن کی مالیت مقابلتاً 1,674.312 ملین روپے (بشمول سرمایہ کاریوں کی ازسر نو تخمین پر 593.616 ملین روپے کا غیر حقیقی فائدہ) تھی۔ اس فنڈ کی آمدن میں زیادہ تر 480.642 ملین روپے کی مالیت کی سکیورٹیز کی فروخت سے حاصل شدہ نقصانات سرمایہ (830.975 کی مالیت کا منافع سرمایہ) اور 330.749 ملین روپے کی مالیت کا منافع منقسمہ آمدن (2017ء: 218.312 ملین روپے) شامل ہیں۔ 239.691 ملین روپے کے اخراجات کے بعد، اس فنڈ نے 1,146.038 ملین روپے کے خالص نقصان کے حصول کی نظم کاری کی۔ اس فنڈ کے خالص اثاثہ جات بمطابق 30 جون 2018ء 6,879.144 ملین روپے تھے جو کہ فی یونٹ 134.28 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلاک ایسیٹ ایلیکیشن فنڈ (اے آئی اے آئی ایف)

اس فنڈ نے 30 جون 2018ء کو ختم شدہ سال کیلئے 62.528 ملین روپے کی کل آمدن حاصل کی (بشمول سرمایہ کاریوں کی ازسر نو تخمین پر 173.532 ملین روپے کا غیر حقیقی نقصان)، 30 جون 2017ء کے ختم شدہ پچھلے سال کے دوران کل آمدن کی مالیت مقابلتاً 546.779 ملین روپے (بشمول سرمایہ کاریوں کی ازسر نو تخمین پر 143.58 ملین روپے کا غیر حقیقی فائدہ) تھی۔ اس فنڈ کی آمدن میں زیادہ تر 210.192 ملین روپے مالیت کی سکیورٹیز کی فروخت سے حاصل شدہ نقصان سرمایہ، شریعہ موافق تقررات/حکومتی سکیورٹیز اور منافع منقسمہ سے آمدن بہ مالیت 157.821 ملین روپے شامل ہیں۔ 185.434 ملین روپے کے اخراجات کے بعد، اس فنڈ نے 122.906 ملین روپے کے خالص نقصان کی نظم کاری کی۔ اس فنڈ کے خالص اثاثہ جات بمطابق 30 جون 2018ء 6,455.833 ملین روپے تھے جو کہ فی یونٹ 117.2141 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلاک ڈیڈ ویگٹ ایگریگیشن فنڈ (اے آئی ڈی ایف)

اس فنڈ نے 30 جون 2018ء کو ختم شدہ سال کیلئے 1,310.15 ملین روپے کا کل نقصان کمایا (بشمول سرمایہ کاریوں کی ازسر نو تخمین پر 1,088.574 ملین روپے کا غیر حقیقی نقصان)۔ اس فنڈ کی کمائیوں میں 652.253 ملین روپے مالیت کی سکیورٹیز کی فروخت پر نقصان سرمایہ، 524.366 ملین روپے مالیت کی موافق شریعہ بینک ڈپازٹس سے آمدن اور منافع منقسمہ آمدن شامل ہیں۔ 370.66 ملین روپے مالیت کے اخراجات کے بعد، اس فنڈ نے 1,680.81 ملین روپے کے خالص نقصان کی آمدن کی نظم کاری کی۔ اس فنڈ کے خالص اثاثہ جات بمطابق 30 جون 2018ء 11,196.639 ملین روپے تھے جو کہ فی یونٹ 155.94 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوایلوکیشن پلان-II)

اسے آئی اے سی ٹی اے پی-II ایک ایلوکیشن پلان تھا جس کا آغاز 28 ستمبر 2015ء کو کیا گیا تھا۔ دو سال کی مدت کی تکمیل کے بعد یہ پلان 27 ستمبر 2017ء کو پختہ (مچھورڈ) ہو گیا۔

اس پلان نے 27 ستمبر 2017ء کو ختم شدہ عرصے کیلئے 166.428 ملین روپے کا کل نقصان حاصل کیا۔ 1.822 ملین روپے کے اخراجات کے بعد، اس پلان نے 168.250 ملین روپے کا خالص نقصان کمانے کی نظم کاری کی۔ پلان کے خالص اثاثہ جات بمطابق 27 ستمبر 2017ء 2,986.997 ملین روپے تھے جو کہ فی یونٹ 100.06 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ اختیار کے تحت منتظم اعلیٰ (چیف ایگزیکٹو) نے 22 ستمبر 2017ء کو ختم شدہ عرصے کے دوران یونٹ ہولڈرز کو 25.0428 روپے فی یونٹ کی عبوری تقسیم کی منظوری دی۔

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوایلوکیشن پلان-III)

اس پلان نے 22 دسمبر 2017ء کو ختم شدہ عرصے کے دوران 186.886 ملین روپے کے کل نقصانات اٹھائے۔ 2.326 ملین روپے کے اخراجات کے بعد، اس پلان نے 189.212 ملین روپے کا خالص نقصان کمانے کی نظم کاری کی۔ اس پلان کے خالص اثاثہ جات 1,540.040 ملین روپے بمطابق 22 دسمبر 2017ء تھے جو کہ 101.40 روپے فی یونٹ کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ اختیار کے تحت منتظم اعلیٰ نے 20 دسمبر 2017ء کو ختم شدہ عرصے کے دوران یونٹ ہولڈرز کو فی یونٹ 12.4695 روپے کی عبوری تقسیم کی منظوری دی۔

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوایلوکیشن پلان-IV)

اس پلان نے 29 مارچ 2018ء کو ختم شدہ عرصے کے دوران 118.414 ملین روپے کا کل نقصان کیا۔ 3.170 ملین روپے کے اخراجات کے بعد، اس پلان نے 121.584 ملین روپے کے خالص نقصان کی نظم کاری کی۔ اس پلان کے خالص اثاثہ جات 1,402.710 ملین روپے بمطابق 29 مارچ 2018ء تھے جو کہ فی یونٹ 101.65 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ اختیار کے تحت منتظم اعلیٰ نے 26 مارچ 2018ء کو ختم شدہ عرصے کیلئے یونٹ ہولڈرز کو فی یونٹ 14.6270 روپے کی عبوری تقسیم کی منظوری دے۔

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوایلوکیشن پلان-V)

اس پلان نے 30 جون 2018ء کو ختم شدہ سال کیلئے 179.631 ملین روپے کا کل نقصان کیا۔ 5.460 ملین روپے کے اخراجات کے حساب کے بعد، اس پلان نے 185.091 ملین روپے کے خالص نقصان کی نظم کاری کی۔ اس پلان کے خالص اثاثہ جات بمطابق 30 جون 2018ء کی مالیت 1,749.387 ملین روپے رہی جو کہ فی یونٹ 103.87 روپے کی خالص مالیت اثاثہ جات کی ترجمان ہے۔

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوایلوکیشن پلان-VI)

اس پلان نے 30 جون 2018ء کو ختم شدہ سال کیلئے 228.021 ملین روپے کی مالیت کے کل نقصانات اٹھائے۔ 6.268 ملین روپے کے اخراجات کے حساب کے بعد، اس پلان نے 234.289 ملین روپے کے خالص نقصان کی نظم کاری کی۔ اس پلان کے خالص اثاثہ جات کی مالیت 2,066.428 ملین روپے بمطابق 30 جون 2018ء رہی جو کہ فی یونٹ 95.46 روپے کی خالص مالیت اثاثہ جات کی ترجمان ہے۔

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-VII)

اس پلان نے 30 جون 2018ء کو ختم شدہ سال کیلئے 166.831 ملین روپے کا کل خسارہ اٹھایا۔ 7.652 ملین روپے کے اخراجات کے حساب کے بعد، اس پلان نے 174.483 ملین روپے کا خالص نقصان برداشت کیا۔ بمطابق 30 جون 2018ء اس پلان کے خالص اثاثہ جات کی مالیت 1,651.162 ملین روپے رہی جو کہ فی یونٹ 90.1436 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-VIII)

اس پلان نے 30 جون 2018ء کو ختم شدہ سال کیلئے 332.480 ملین روپے کا مجموعی خسارہ کیا۔ 12.275 ملین روپے کے اخراجات کے حساب کے بعد، اس پلان نے 344.755 ملین روپے کا خالص نقصان برداشت کیا۔ بمطابق 30 جون 2018ء اس پلان کے خالص اثاثہ جات کی مالیت 4,325.796 ملین روپے رہی جو کہ فی یونٹ 90.0985 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلامک کی فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-IX)

اس پلان نے 31 اگست 2017ء سے 30 جون 2018ء تک کے عرصے کیلئے 25.204 ملین روپے کا کل نقصان اٹھایا۔ 8.574 ملین روپے کے اخراجات کے حساب کے بعد، اس پلان نے 33.778 ملین روپے کا خالص نقصان برداشت کیا۔ بمطابق 30 جون 2018ء اس پلان کے خالص اثاثہ جات کی مالیت 3,610.270 ملین روپے تھی جو کہ فی یونٹ 99.1053 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک کنزرویٹو ایجوکیشن پلان)

اس پلان نے 09 نومبر 2017ء سے 30 جون 2018ء تک کے عرصے کیلئے 6.398 ملین روپے کا کل نقصان اٹھا۔ 345 ملین روپے کے اخراجات کے بعد، اس پلان نے 6.053 ملین روپے کی خالص آمدن حاصل کی۔ برعکس 30 جون 2018ء اس پلان کے خاص اثاثہ جات کی مالیت 00.00 روپے تھی جو کہ فی یونٹ 00.00 روپے کی خالص مالیت اثاثہ جات کی ترجمانی کرتے ہیں۔

اس عرصے کے دوران فنڈ نے کئی تقسیمات کیں جن کی کل مالیت 5.296 ملین روپے رہی۔

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایجوکیشن پلان-X)

اس پلان نے 15 دسمبر 2017ء سے 30 جون 2018ء تک کے عرصے کیلئے 32.565 ملین روپے کی کل آمدن حاصل کی۔ 2.672 ملین روپے کے اخراجات کے بعد، اس پلان کی خالص آمدن 29.893 ملین روپے تھی۔ 30 جون 2018ء کے مطابق اس پلان کے خاص اثاثہ جات کی مالیت 1,718.622 ملین روپے تھی جو کہ فی یونٹ 101.6568 روپے کی خالص مالیت اثاثہ جات کی ترجمانی ہے۔

سال کے اختتام کے بعد 02 جولائی 2018ء پر منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے ہر-100 روپے کی فیس ویلیو پر فی یونٹ 0.0368 روپے کی حتمی تقسیم (یعنی %0.04) کی منظوری دی۔

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایجوکیشن پلان-I)

اس پلان نے 20 فروری 2017ء سے 30 جون 2018ء تک کے عرصے کیلئے 11.085 ملین روپے کی کل آمدن حاصل کی۔ 1.642 ملین روپے کے اخراجات کے بعد، اس پلان کی خالص آمدن 9.443 ملین روپے رہی۔ اس پلان کے خاص اثاثہ جات کی مالیت برعکس 30 جون 2018ء، 2,149.930 ملین روپے تھی جو کہ فی یونٹ 100.4416 روپے کی خالص مالیت اثاثہ جات کی ترجمانی ہے۔

الامین اسلامک فنانشل پلاننگ فنڈ-III (الامین اسلامک ایجوکیشن پلان-II)

اس پلان نے 28 مئی 2018ء سے 30 جون 2018ء تک کے عرصے کیلئے 5.450 ملین روپے کی کل آمدن حاصل کی۔ 0.653 ملین روپے کے اخراجات کے بعد، اس پلان کی خالص آمدن 4.807 ملین روپے رہی۔ اس پلان کے خاص اثاثہ جات کی مالیت برعکس 30 جون 2018ء، 761.974 ملین روپے رہی جو کہ فی یونٹ 100.6354 روپے کی خالص مالیت اثاثہ جات کی ترجمانی ہے۔

فنڈز کی حکمت عملی، جائزہ اور توقعات

فنڈز کی حکمت عملی، جائزہ اور توقعات کیلئے ازراہ کرم سالانہ رپورٹ پر فنڈ منیجرز رپورٹ کے متعلقہ حصے کا جائزہ لیں۔

ادارہ جاتی نظم و نسق کا ضابطہ

منجمنٹ کمپنی کارپوریٹ گورننس یعنی ادارہ جاتی نظم کے بلند معیارات کی طرف پُر عزم ہے اور منجمنٹ کمپنی کا بورڈ آف ڈائریکٹرز اچھے ادارہ جاتی نظم کیلئے یونٹ ہولڈرز کو جواب دہ ہے۔ منجمنٹ تسلسل کے ساتھ ضابطہ ادارہ جاتی نظم میں متعین کیے گئے بہترین طور طریقوں کی فراہمی کی تعمیل کرتی ہے، خاص طور پر نان-ایگزیکٹو ڈائریکٹرز کی خود مختاری کے سلسلے میں۔ یہ فنڈ پاکستان/اسٹاک ایکسچینج کے مندرجہ ضوابط سے ہم آہنگی کے ساتھ کاروبار کی تعمیل میں پُر عزم رہتا ہے۔

ضابطہ ادارہ جاتی نظم کی شرائط کی تکمیل کے سلسلے میں درج ذیل خصوصی بیانات پیش کیے جا رہے ہیں:

- مالیاتی گوشوارہ جات امور کار کی صورتحال، افعال کے نتائج، نقد بہاؤ اور فنڈ کے یونٹ ہولڈرز میں تبدیلی کو ایمانداری سے پیش کرتے ہیں؛
- فنڈز کی جانب سے مناسب کتب حسابات قائم رکھی گئی ہیں؛
- مالیاتی گوشوارہ جات کی تیاری میں حسابات کی مناسب تدابیر (پالیسیز) کو مستقل مزاجی سے بروئے کار لایا گیا ہے اور حسابات کے تخمینہ جات معقول اور محتاط آراء پر مبنی ہیں؛
- متعلقہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز، جیسے کہ پاکستان میں الگ ہیں، نان-بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003ء کا قانون، نان-بینکنگ فنانس کمپنیز اور نوٹیفائیڈ انٹلیجر ریگولیشنز 2008ء، متعلقہ ٹرسٹ ڈیڈز کی شرائط اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ احکامات کی مالیاتی گوشواروں کی تیاری میں بیرونی کی جاتی رہی ہے؛
- انٹرنل کنٹرول کا نظام بلحاظ ترتیب و تدوین بالکل درست اور مؤثر ہے اور اس کی نگرانی کی جاتی رہی ہے؛
- جاری و ساری کاروبار کے طور پر فنڈز کے تسلسل کی صلاحیت پر کوئی قابل ذکر شبہ نہیں ہے سوائے اے آئی اے سی ٹی اے پی-7 اور اے آئی اے سی ٹی اے پی-VI کیلئے کیونکہ یہ دونوں جاری و ساری کاروبار کی بنیاد پر تیار نہیں کیے گئے ہیں جس کی وجہ یہ ہے کہ یہ فنڈز 14 اگست 2018ء اور 20 نومبر 2018ء پر پختہ (مچھوڑے) ہوں گے؛

- مندرجہ ضوابط میں تفصیل کے مطابق ادارہ جاتی نظم کے بہترین طور طریقوں سے ذرہ برابر بھی انحراف نہیں رہا ہے؛
- فنڈز کی جدول کارکردگی سالانہ رپورٹ میں دی گئی ہے؛
- پروویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت بمطابق گوشوارہ (بیان) فنڈز پر لاگو نہیں ہے لیکن مینجمنٹ کمپنی پر قابل اطلاق، لہذا فنڈز کی ڈائریکٹرز رپورٹ میں اُسے ظاہر نہیں کیا گیا ہے؛
- ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی باقی ہے، اگر ہے تو، اُسے مالیاتی گوشوارہ جات میں مکمل طور پر ظاہر کیا جا رہا ہے

رسک فریم ورک اور انٹرنل کنٹرول سسٹم

یو بی ایل فنڈ مینجری لمیٹڈ نے ایک منظور شدہ رسک مینجمنٹ پالیسی کو نافذ کر رکھا ہے جو کہ اس کی سرگرمیوں سے جڑے خطرات کی نظم کاری کی غرض سے ایک فریم ورک فراہم کرتی ہے۔ اسے پورے کے پورے ادارے سے صادر ہونے والے خطرات کی نشاندہی، تعین، نگرانی اور نظم کاری کی غرض سے تشکیل دیا گیا ہے۔ یو بی ایل فنڈ مینجری لمیٹڈ انٹرنل رسک مینجمنٹ (ای آر ایم) کی پیروی کرتا ہے جو کہ ایک پروسیس (عمل) ہے جو جاری و ساری ہے اور مسلسل چل رہا ہے ایک وجود کار (ابتنی) کے ذریعے چلایا جاتا ہے جو کہ ادارے کی ہر سطح پر اُس کے افراد مؤثر کرتے ہیں جو پورے کاروبار پر حکمت عملی کے تعین کیلئے ہر سطح اور ہر اکائی پر بروئے کار لایا جاتا ہے بشمول خطرے کے اس نقطہ نظر کیلئے جو ادارے کی سطح کے پورٹفولیو کیلئے لیا جاتا ہے اور اس لیے تشکیل دیا جاتا ہے کہ اگر ممکنہ واقعات رونما ہو جائیں تو ان کی نشاندہی کرے، اُسے (وجود کار) پر اثر انداز ہو اور اس کے خطرے کی رغبت و میلان کے اندر اندر خطرے کی نظم کاری یعنی اُسے منظم کرے۔

یو بی ایل فنڈ مینجری کے کل سات (7) ڈائریکٹرز ہیں:

(ا) مرد: چھ (6) ڈائریکٹرز؛

(ب) عورت: ایک (1) ڈائریکٹر

بورڈ کی تشکیل درج ذیل ہے:

(ا) آزاد ڈائریکٹرز: 2 ڈائریکٹرز

(ب) ایگزیکٹو ڈائریکٹرز: 1 ڈائریکٹر

(ج) نان-ایگزیکٹو ڈائریکٹرز: 4 ڈائریکٹرز

یو بی ایل فنڈ مینجری بورڈ کی بنیادی ذمہ داری کمپنی کے امور کی نگرانی و سرپرستی ہے اور اس کی انتظامیہ کو ہدایت کی فراہمی ہے۔ انتظامیہ کی ذمہ داری ہے کہ وہ کمپنی سے متعلق امور کے سلسلے میں بورڈ کو آگاہ رکھے اور بورڈ آف ڈائریکٹرز کی جانب سے دیے گئے اصول ہائے رہنمائی اور ہدایت کو مؤثر طور پر نافذ کرے۔

بورڈ، مؤثر نظم و نسق اور انٹرنل کنٹرول سسٹم پر عمل درآمد کرتے ہوئے، کمپنی کے اسٹیک ہولڈرز کے سلسلے کو متوازن رکھنے کی کوشش کرتا ہے، جس میں اس کے شیئر ہولڈرز، یونٹ ہولڈرز، کسٹمرز، ملازمین، ریگولیٹرز اور وہ معاشرے و سماج جن میں وہ کام کرتے ہیں۔ بورڈ کی جانب سے لیے گئے تمام اقدامات میں، ڈائریکٹرز آزاد کاروباری رائے کو بروئے کار لاتے ہیں جنہیں وہ کمپنی کے بہترین مفاد میں معقول طور پر درست سمجھتے ہیں۔

بہترین ادارہ جاتی نظم کے طور طریقوں کے مطابق، یو بی ایل فنڈ مینجری لمیٹڈ کے بورڈ آف ڈائریکٹرز نے پورے ادارے کے ان رسک مینجمنٹ، انٹرنل کنٹرول سسٹم اور اچھے ادارہ جاتی نظم کو بڑھاو دینے کی غرض سے کئی بورڈ کمیٹیز قائم کر رکھی ہیں۔ یہ بورڈ کمیٹیز مہارت کے اپنے خاص میدان سے متعلق مسائل پر مینجمنٹ اور بورڈ کو سہولت، ہم پہنچاتی ہیں۔

بورڈ کی درج ذیل کمیٹیز ہیں:

(ا) آڈٹ کمیٹی

(i) محترمہ مہناز خان (صدر، آزاد)؛

(ii) جناب ضیا اعجاز؛

(iii) مرزا محمد سدید حسان برلاس؛

(iv) جناب شرجیل شاہد

(ب) ایچ آر اینڈ ریسیوریشن کمیٹی

(i) جناب انظہر حمید (صدر، آزاد)؛

- (ii) محترمہ ناز خان؛
 (iii) سید فرخ زعیم؛
 (iv) جناب ضیا اعجاز
 (v) جناب یاسر قادری

(ج) رسک مینجمنٹ کمیٹی

- (i) مرزا محمد سعید حسان برلاس (چیئرمین)
 (ii) جناب یاسر قادری
 (iii) جناب انظر حمید
 (iv) سید فرخ زعیم
 (v) جناب شرجیل شاہد

• بیٹرن آف ہولڈنگ سے متعلق ادارہ جاتی نظم کے ضابطے کی جانب سے درکار تفصیلات ان کے متعلقہ مالیاتی گوشواروں میں دے دی گئیں ہیں۔ منسلکہ کمپنیز، انڈر ٹیکنگز، اور متعلقہ فریقین کی بلحاظ نام تفصیل درج ذیل ہے:

الامین اسلامک سوورن فنڈ

| کلوزنگ پونٹس | نام |
|--------------|--|
| 28,270 | شاہد گل موتی والا |
| 68 | شرجیل شاہد |
| 8,284,793 | الامین اسلامک ایکٹیو بلوکیشن پلان-V |
| 4,570,538 | الامین اسلامک ایکٹیو بلوکیشن پلان-VI |
| 3,830,633 | الامین اسلامک ایکٹیو بلوکیشن پلان-VII |
| 3,837,318 | الامین اسلامک ایکٹیو بلوکیشن پلان-X |
| 10,022,144 | الامین اسلامک ایکٹیو بلوکیشن پلان-VIII |
| 8,640,507 | الامین اسلامک ایکٹیو بلوکیشن پلان-IX |

الامین اسلامک ایگریسیو انکم فنڈ (اے آئی اے آئی ایف)

| کلوزنگ پونٹس | نام |
|--------------|-------------------|
| 120,780 | شاہد گل موتی والا |

الامین اسلامک گلوبل ایلیٹ فنڈ (اے آئی اے آئی ایف)

| کلوزنگ پونٹس | نام |
|--------------|---------------------|
| 1,882,718 | یونائیٹڈ بینک لمیٹڈ |
| 33,530 | شرجیل شاہد |
| 50,205 | ریحانہ بشیر |

الامین اسلامک کیش فنڈ (اے آئی سی ایف)

| کلوزنگ پونٹس | نام |
|--------------|-------------------------------------|
| 668,581 | الامین اسلامک ایکٹیو بلوکیشن پلان-X |

| | |
|------------|---|
| 18,587,661 | الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-I |
| 6,794,214 | الامین اسلامک ایکٹیو پرنسپل پریزرویشن پلان-II |
| 47,931 | سردار محمد علی عثمان |
| 1,875 | شاہد گل موتی والا |
| 52,681 | شرجیل شاہد |

الامین شریعہ اسٹاک فنڈ (اے ایس ایس ایف)

| کلوزنگ پونٹس | نام |
|--------------|----------------------------------|
| 10,052 | ذیشان قدوس |
| 5,126 | ہادی حسن محی |
| 93,544 | شاہد گل موتی والا |
| 19,815 | عمار ولیکا |
| 1,163 | امین غلامانی |
| 146 | یاسر قادری |
| 313 | ضیا اعجاز |
| 6,921 | شرجیل شاہد |
| 47,208 | سید فرخ زعیم |
| 9,229,383 | سندھ جنرل پروویڈنٹ انویسٹمنٹ فنڈ |

الامین اسلامک ڈیڈ بیک ایڈ ایکٹیوٹی فنڈ (اے آئی ڈی ای ایف)

| کلوزنگ پونٹس | نام |
|--------------|---|
| 7,531,683 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-V |
| 13,654,331 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-VI |
| 10,713,152 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-VII |
| 23,418,772 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-IX |
| 10,734,294 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-X |
| 1,678,509 | الامین اسلامک ایکٹیوٹی پرنسپل پریزرویشن پلان-I |
| 519,508 | الامین اسلامک ایکٹیوٹی پرنسپل پریزرویشن پلان-II |
| 28,321,218 | الامین اسلامک ایکٹیوٹی بلوکیشن پلان-VIII |

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوٹی بلوکیشن پلان-V)

| کلوزنگ پونٹس | نام |
|--------------|---------------------|
| 1,022,687 | یونائیٹڈ بینک لمیٹڈ |

الامین اسلامک فنانشل پلاننگ فنڈ (الامین اسلامک ایکٹیوٹی بلوکیشن پلان-VI)

| کلوزنگ پونٹس | نام |
|--------------|---------------------|
| 1,023,267 | یونائیٹڈ بینک لمیٹڈ |

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-VIII)

| کلوزنگ پونٹس | نام |
|--------------|-----------------|
| 629,412 | فتح خان اختر |
| 77,618 | حفیظ اللہ الحق |
| 185,894 | فخر النساء اختر |
| 97,574 | سید فرخ زعیم |

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-XI)

| کلوزنگ پونٹس | نام |
|--------------|-----------------|
| 212,924 | فتح خان اختر |
| 174,116 | فخر النساء اختر |

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایکٹیوایلوکیشن پلان-I)

| کلوزنگ پونٹس | نام |
|--------------|-----------------|
| 4,852 | ضیا اعجاز |
| 290,466 | فتح خان اختر |
| 183,880 | فخر النساء اختر |
| 2,974,805 | ابراہیم بنخاری |

• ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری کی جانب سے فنڈز کے پونٹس میں کوئی تجارت نہیں کی گئی سوائے اس کے جو درج ذیل میں اور حسابات کے ملاحظیات میں ظاہر کر دی گئی ہیں:

الامین اسلامک سوورن فنڈ

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|----------------------------|---------------------------------------|---------------|-----------------|-------------------|------------|--------------|
| شرجیل شاہد | ڈائریکٹر | 19 | 54 | 5 | - | 68 |
| ہادی حسن جی | ہیڈ آف کمپلائنس | - | 218 | 218 | - | - |
| مرزا محمد سدید حستان برلاس | ڈائریکٹر | - | 41 | 41 | - | - |
| سردار محمد علی عثمان | کمپنی سیکریٹری اینڈ ہیڈ آف انٹرنل آڈٹ | - | 19,179 | 19,179 | - | - |
| شاہد گل موتی والا | چیف ایگزیکٹو آفیسر (الامین) | 28,764 | - | 494 | - | 28,270 |

الامین اسلامک کیش فنڈ

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|----------------------------|---------------------------------------|---------------|-----------------|-------------------|------------|--------------|
| سردار محمد علی عثمان | کمپنی سیکریٹری اینڈ ہیڈ آف انٹرنل آڈٹ | - | 124,178 | 76,247 | - | 47,932 |
| ہادی حسن جی | ہیڈ آف کمپلائنس | - | 6 | 6 | - | - |
| مرزا محمد سدید حستان برلاس | ڈائریکٹر | - | 101,187 | 101,187 | - | - |
| شرجیل شاہد | ڈائریکٹر | 15,008 | 57,475 | 19,802 | - | 52,681 |
| شاہد گل موتی والا | چیف ایگزیکٹو آفیسر (الامین) | - | 9,517 | 7,642 | - | 1,875 |

الامین اسلامک ایگزیکٹو اکلم فنڈ

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|---------------------------|-----------------------------|---------------|-----------------|-------------------|------------|--------------|
| شاہد گل موتی والا | چیف ایگزیکٹو آفیسر (الامین) | 136,374 | 4,499 | 20,093 | - | 120,780 |
| مرزا محمد سید حستان برلاس | ڈائریکٹر | 25,418 | 4,668 | 30,086 | - | - |

الامین شریعہ اسٹاک فنڈ

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|------------------------|---------------------------------------|---------------|-----------------|-------------------|------------|--------------|
| ہادی حسن خچی | ہیڈ آف کمپلائنس | - | 17,847 | 12,721 | - | 5,126 |
| شرجیل شاہد | ڈائریکٹر | 12 | 6,912 | 2 | - | 6,921 |
| سید فرخ زعیم | ڈائریکٹر | 47,208 | - | - | - | 47,208 |
| عمار ولیکا | ہیڈ آف ریٹیل سیلز اینڈ مارکیٹنگ | 19,815 | 19,815 | 19,815 | - | 19,815 |
| امین قمر الدین غلامانی | ہیڈ آف ایچ آر | 1,163 | - | - | - | 1,163 |
| سردار محمد علی عثمان | کمپنی سیکریٹری اینڈ ہیڈ آف انٹرنل آڈٹ | - | 72,546 | 72,546 | - | - |
| یاسر قادری | چیف ایگزیکٹو آفیسر | 5,114 | 2,178 | 7,146 | - | 146 |
| ذیشان قندوس | چیف بزنس ڈیولپمنٹ آفیسر | 10,052 | - | - | - | 10,052 |
| شاہد گل موتی والا | چیف ایگزیکٹو آفیسر (الامین) | 73,440 | 28,759 | 8,656 | - | 93,544 |
| سید ضیا اعجاز | ڈائریکٹر | 313 | - | - | - | 313 |

الامین اسلامک ایسیٹ ایلوکیشن فنڈ

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|--------------|-----------------|---------------|-----------------|-------------------|------------|--------------|
| شرجیل شاہد | ڈائریکٹر | - | 33,530 | - | - | 33,530 |
| ہادی حسن خچی | ہیڈ آف کمپلائنس | - | 12 | 12 | - | - |

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایگزیکٹو پرنسپل پریزرویشن پلان-VIII)

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|--------------|----------|---------------|-----------------|-------------------|------------|--------------|
| سید فرخ زعیم | ڈائریکٹر | 97,562 | 12 | - | - | 97,574 |

الامین اسلامک فنانشل پلاننگ فنڈ-II (الامین اسلامک ایگزیکٹو پرنسپل پریزرویشن پلان-I)

| نام | عہدہ | ابتدائی پونٹس | جاری کردی پونٹس | نکلوائے گئے پونٹس | بونس پونٹس | کلوزنگ پونٹس |
|---------------|----------|---------------|-----------------|-------------------|------------|--------------|
| سید ضیا اعجاز | ڈائریکٹر | - | 4,852 | - | - | 4,852 |

- بورڈ آف ڈائریکٹرز اجلاس کی حاضریوں کی تفصیلات متعلقہ فنڈز کے منسلک مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ نیچے 30 جون 2018ء کو ختم شدہ سال کے دوران منعقدہ کمیٹی اجلاس کی تفصیلات ہیں:

بورڈ آف ڈائریکٹرز (بی او ڈی)

اس سال کے دوران، بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے ساتھ اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

| Members | August 23, 2017 | September 25, 2017 | October 27, 2017 | December 06, 2017 | February 16, 2018 | April 26, 2018 | May 02, 2018 | Total meetings attended |
|-------------------------------------|-----------------|--------------------|------------------|-------------------|-------------------|----------------|--------------|-------------------------|
| Tariq Kirmani ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Azhar hamid * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | × | ✓ | × | 3 |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ | × | ✓ | × | 5 |
| Syed Furrukh Zaeem | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mirza Muhammad Sadeed Hassan Barlas | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | 6 |
| Fawaz Taj Siddiqui **** | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | N/A | 5 |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| S.M. Aly Osman **** | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ | 2 |

* Elected at EOGM held on September 29, 2017

** Independent Directors have completed three consecutive term

*** Mr. Zulfiqar Alavi resigned on August 07, 2017.

**** Mr. Fawaz Taj Siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from April 2, 2018 as Company Secretary

بورڈ آڈٹ کمیٹی (بی اے سی)

اس سال کے دوران، بینجمنٹ کمپنی کے بورڈ آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

| Members | 22-Aug-17 | 12-Sep-17 | 26-Oct-17 | 15-Feb-18 | 25-Apr-18 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | ✓ |
| Syed Furrukh Zaeem * | ✓ | ✓ | N/A | N/A | N/A |
| Zia Ijaz | ✓ | × | ✓ | × | ✓ |
| Mirza Muhammad Sadeed Hassan Barlas | ✓ | ✓ | ✓ | × | ✓ |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fawaz Siddiqui *** | ✓ | ✓ | ✓ | ✓ | N/A |
| S.M. Aly Osman *** | N/A | N/A | N/A | N/A | ✓ |

* Board has reconstituted the committee effective from October 13, 2017

** Independent Director has completed three consecutive term

*** Mr. Fawaz Taj Siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from April 2, 2018 as Head of Internal Audit

ہیومن ریسورس کمپینشن کمیٹی (ایچ آر سی سی)

30 جون 2018ء کو ختم شدہ سال کے دوران ایچ آر سی سی کے چار (4) اجلاس منعقد ہوئے۔ بورڈ آف ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

| Name | 21-Aug-17 | 22-Sept-17 | 7-Feb-18 | 2-May-18 |
|------------------------|-----------|------------|----------|----------|
| Tariq Kirmani | ✓ | ✓ | × | × |
| Shabbir Hussain Hashmi | ✓ | ✓ | × | × |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ |
| Amin Gulamani | ✓ | ✓ | ✓ | ✓ |
| Azhar Hamid | × | × | ✓ | ✓ |
| Naz Khan | × | × | ✓ | ✓ |
| Syed Furrukh Zaeem | × | × | ✓ | ✓ |

رسک مینجمنٹ اینڈ کمپلائنس کمیٹی

30 جون 2018ء کو ختم شدہ سال کے دوران بی آر سی سی کے چار (4) اجلاس منعقد ہوئے۔ بورڈ آف ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

| Members | Aug 22, 2017 | Sept 22, 2017 | Feb 15, 2018 | April 25, 2018 |
|-----------------------|--------------|---------------|--------------|----------------|
| Sadeed Barlas * | ✓ | ✓ | × | ✓ |
| Tariq Kirmani **** | ✓ | ✓ | - | - |
| Furrukh Zaeem | ✓ | ✓ | ✓ | ✓ |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ |
| Azhar hamid ***** | - | - | ✓ | ✓ |
| Sharjeel Shahid ***** | - | - | × | ✓ |
| Hadi Hassan Mukhi *** | - | - | - | ✓ |
| S.M. Aly Osman ** | ✓ | ✓ | ✓ | - |

* Mr. Sadeed Barlas was elected as the New Chairman BRCC on 22nd August 2017.

** S.M. Aly Osman was redesignated as the Head of Internal Audit as of 1st March 2018.

*** Mr. Hadi Hassan Mukhi was redesignated as the Head of Risk Management and Compliance as of 1st March 2018.

**** Independent Directors have completed three consecutive term.

***** Elected at EOGM held on September 29, 2017

جیسا کہ ضابطے کے طور پر درکار ہے بورڈ پر موجود پانچ ڈائریکٹرز نے ڈائریکٹرز میننگ پروگرام (ڈی ٹی پی) مکمل کر لیا ہے۔

تمام ڈائریکٹرز فنڈ اور مینجمنٹ کمیٹی، اس کی پالیسیز اور طریقہ کار اور میٹورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن کی دفعات سے متعلق لاگو قوانین سے خوب واقفیت رکھتے ہیں اور اپنے فرائض اور ذمے داریوں سے باخبر ہیں۔

موجودہ آڈٹرز جیسا کہ نیچے جدول میں ہے 30 جون 2018ء کو ختم شدہ سال کیلئے آڈٹ کے اختتام پر سبکدوش ہو رہے ہیں:

| نمبر شمار | فنڈ کے نام | آڈٹرز کے نام بمطابق 30 جون 2018ء | 30 جون 2019ء کے اختتام پذیر سال کیلئے تقرری کی حیثیت |
|-----------|---------------------------------------|--|---|
| 1. | الامین اسلامک ایسیٹ ایلوکیشن فنڈ | میسرز انسٹ ایبڈیگ فورڈ رھوڈز کمپنی چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کے اہل نہیں، لگاتار پانچ برسوں کیلئے اس فنڈ کے قانونی آڈٹرز ہیں۔ |
| 2. | الامین اسلامک ایگریسیو اکٹم فنڈ | میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 3. | الامین اسلامک سوورن فنڈ | میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 4. | الامین اسلامک کیش فنڈ | میسرز بی ڈی اوا براہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 5. | الامین شریعہ اسٹاک فنڈ | میسرز ڈیلویٹ یوسف عدیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 6. | الامین اسلامک فنانشل پلاننگ فنڈ | میسرز ڈیلویٹ یوسف عدیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 7. | الامین اسلامک ڈیڈ ویلویٹڈ ایکویٹی فنڈ | میسرز ڈیلویٹ یوسف عدیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 8. | الامین اسلامک فنانشل پلاننگ فنڈ-II | میسرز بی ڈی اوا براہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |
| 9. | الامین اسلامک فنانشل پلاننگ فنڈ-III | میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | دوبارہ تقرری کیلئے اہل |

آڈٹرز، جہاں اہل ہیں، نے خود کو دوبارہ تقرری کیلئے پیش کر دیا ہے اور جہاں این بی ایف سی ضوابط کے تحت زیادہ سے زیادہ وقت کی تکمیل پر کیونکہ بیرونی آڈٹرز میں تبدیلی درکار ہے کی اجازت ہے اس لیے نئے آڈٹرز نے ادارے کے بیرونی آڈٹرز کے طور پر تقرری کی رضامندی ظاہر کی ہے۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2019ء کو اختتام پذیر سال کیلئے بیرونی آڈٹرز کے طور پر ان کی تقرری کی سفارش کر دی ہے۔

اظہار تشکر

ہم اپنے گرانقدر یونٹ ہولڈرز کا یو بی ایل فنڈ مینجری لیمیٹڈ پر ان کے اعتماد اور یقین کیلئے شکریہ ادا کرتے ہیں۔ اس کے علاوہ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، سینٹرل ڈپازٹری کمیٹی آف پاکستان لیمیٹڈ (ٹرسٹی) اور شریعہ ایڈوائزری بورڈ کا ان کی مسلسل اعانت، رہنمائی اور تعاون پر بھی شکریہ ادا کرنا چاہیں گے۔ بورڈ اس موقع کو غنیمت جانتے ہوئے اپنے تمام ملازمین کا بھی ان کی لگن، عزم، جذبے اور محنت شاقہ کیلئے اعتراف کے ساتھ تہہ دل سے شکر گزار ہے۔

منجانب و برائے بورڈ

یا سرقادری

چیف ایگزیکٹو

کراچی، بتاریخ 28 اگست 2018ء

AICF

Al-Ameen Islamic Cash Fund

INVESTMENT OBJECTIVE

AICF is an open-end Shariah Compliant Money Market Fund which aims to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.

| | |
|------------------------------|---|
| 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) |
| Auditors | BDO Ebrahim & Co. |
| Bankers | Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Muslim Commercial Bank Allied Bank Limited National Bank of Pakistan Bank al Habib Limited |
| Management Co. Rating | AM1 (JCR - VIS) |
| Fund Rating | AA (f) (JCR - VIS) |

Fund Manager's Report – Al-Ameen Islamic Cash Fund (AICF)

- i) **Description of the Collective Investment Scheme category and type**
Shariah Compliant Money Market / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
AICF is an open-end Shariah Compliant Money Market Fund which aims to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**
The Collective Investment Scheme achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
3M Average deposit rates of 3 AA rated Islamic banks/windows as selected by MUFAP.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

| Monthly Yield | Jul'17 | Aug'17 | Sep'17 | Oct'17 | Nov'17 | Dec'17 | Jan'18 | Feb'18 | Mar'18 | Apr'18 | May'18 | Jun'18 | FYTD |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| AICF | 4.29% | 4.58% | 4.59% | 4.62% | 4.67% | 5.06% | 4.85% | 5.32% | 5.44% | 5.68% | 5.39% | 5.65% | 5.01% |
| Benchmark | 2.56% | 2.52% | 2.59% | 2.59% | 2.59% | 2.58% | 2.58% | 2.58% | 2.59% | 2.60% | 2.60% | 2.61% | 2.58% |

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
The fund yielded a return of 5.01% p.a. against the benchmark return of 2.58%. At the end of FY18, the Fund Manager maintained around 99% exposure in cash.
- vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

| Asset Allocation (% of Total Assets) | Jun-17 | Jun-18 |
|--------------------------------------|--------|--------|
| Commercial Papers | 0% | 0% |
| Cash | 95% | 99% |
| GoP Ijara Sukuks | 0% | 0% |
| Others | 5% | 1% |
| Placements with banks | 0% | 0% |
| Leverage | Nil | Nil |

viii) **Analysis of the Collective Investment Scheme's performance**

| | |
|------------------------------------|---------|
| FY'18 Return: | 5.01% |
| Standard Deviation (12m trailing): | 0.04% |
| Sharpe Ratio (12m trailing): | (27.29) |

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

| Net Asset Value | | | NAV per unit | | |
|-----------------|-----------|--------|--------------|-----------|--------|
| 30-Jun-18 | 30-Jun-17 | Change | 30-Jun-18 | 30-Jun-17 | Change |
| Rupees (000) | | % | Rupees | | % |
| 5,242,740 | 4,013,428 | 30.63 | 105.2621 | 100.2424 | 5.01 |

x) **Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in and performance during the period**

Debt Market Review – FY18

The International Crude Oil prices exhibited an upward trend for the fiscal year. The prices increased from USD 45-per barrel increasing as much as ~70% closing at a new high of USD ~80 per barrel. Increasing oil prices, higher commodity prices (with exception of sugar) along with lagged impact of PKR devaluation (+16%) aided in increasing inflation rate to 4.4% for 4QFY18. Core measures of inflation witnessed an upward trajectory where NFNE which is somewhat sticky in nature increased to 7.1% by end of FY18. Taking cues from this trend we expect SBP to continue its current monetary tightening policy.

In twelve PIB auctions for FY18 conducted during the year, the government raised PKR~102bn (PKR ~894bn in FY17) against target of PKR 330bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 29.47trn. Participation in the auctions was largely skewed towards three and five year paper in line with interest rate hikes. Cut off yields in June auction trimmed to 7.5%, 8.5% and 8.7% for three, five and ten year PIB instruments respectively. In July'18 PIB Auction the government accepted PKR ~6.9bn.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 79bps, 90bps and 116bps, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 180bps, 171bps and 86bps, respectively. The spread between annualized yields of 1-year T-bills (7.20% p.a.) and 10-year PIBs (9.03% p.a.) stood at 1.83% as of 30 June 2018.

xi) **Disclosure on distribution (if any), comprising:-**
- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Final distribution for the year ended June 30, 2018 was made subsequent to year end, on July 02, 2018. Below are the details of such distribution

| Distribution | | | | Per unit | |
|--------------|-------|---------|--------------------|----------|----------|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| Rupees (000) | | | ----- Rupees ----- | | |
| 02-JULY-2018 | - | 250,025 | 5.0197 | 105.2621 | 100.2424 |
| | | | | | |

- i) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme 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.

- ii) **Breakdown of unit holdings by size**

| Range of Units | Number of Investors |
|-----------------------------|---------------------|
| | AICF |
| 0.0001 - 9,999.9999 | 2839 |
| 10,000.0000 - 49,999.9999 | 148 |
| 50,000.0000 - 99,999.9999 | 24 |
| 100,000.0000 - 499,999.9999 | 16 |
| 500,000.0000 & Above | 10 |
| Total | 3037 |

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

There were no unit splits during the period.

- iv) **Disclosures of circumstances that materially affect any interests of unit holders**

Investment are subject to market risk.

- v) **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 Collective Investment Scheme.**

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

PERFORMANCE TABLE

AI-AMEEN ISLAMIC CASH FUND

| | 2018 | 2017 | 2016 |
|--|------------------|------------------|------------------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 5,242,740 | 4,013,428 | 1,982,403 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees | | | |
| Class A units - Offer * | 105.2621 | 100.2424 | 100.2414 |
| - Redemption | 105.2621 | 100.2424 | 100.2414 |
| RETURN OF THE FUND - % | | | |
| Total Return of the Fund | 5.01 | 4.70 | 4.81 |
| Capital Growth (per unit) | 5.01 | (0.01) | (0.04) |
| Date of Income Distribution | - | 19-Jun-17 | 27-Jun-16 |
| Income Distribution | - | 4.71 | 4.85 |
| AVERAGE ANNUAL RETURN - % | | | |
| One Year | 5.01 | 4.70 | 4.81 |
| Second Year | 4.86 | 4.76 | 5.68 |
| Third Year | 4.84 | 5.35 | 5.93 |
| Since Inception | 5.71 | 5.85 | 5.93 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees | | | |
| Highest price per unit - Class A units - Offer | 105.2621 | 104.9327 | 104.9634 |
| Highest price per unit - Class A units - Redemption | 105.2621 | 104.9327 | 104.9634 |
| Lowest price per unit - Class A units - Offer | 100.2586 | 100.2364 | 100.1534 |
| Lowest price per unit - Class A units - Redemption | 100.2586 | 100.2364 | 100.1534 |
| PORTFOLIO COMPOSITION - % | | | |
| Percentage of Net Assets as at 30 June | | | |
| PORTFOLIO COMPOSITION BY CATEGORY - % | | | |
| Bank balances | 99.00 | 95.00 | 80.00 |
| Placements and Term Deposit Receipts | - | - | 19.00 |
| Others | 1.00 | 5.00 | 1.00 |
| PORTFOLIO COMPOSITION BY MARKET - % | | | |
| Debt Market | 100 | 100 | 100 |

Note:

- The Launch date of Fund is 19 September 2012.

DISCLAIMER

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

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Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AL AMEEN ISLAMIC CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al Ameen Islamic Cash Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 13, 2018

We, the Shariah Advisors of the fund are issuing this report in accordance with the rules and regulations. The scope of the report is to express an opinion on the Shariah Compliance of the Funds activities.

In the capacity of Shariah Advisors, we have prescribed criteria and procedures to be followed in ensuring Shariah Compliance in every investment.

It is the responsibility of the Management Company of the fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

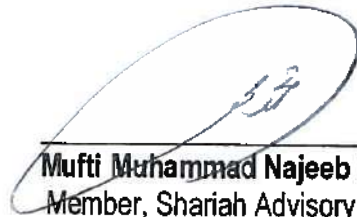
- i. We have reviewed and approved the modes of investments of AICF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AICF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AICF for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR 95,860 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.



Mufti Muhammad Hassaan Kaleem
Member, Shariah Advisory Committee



Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:
DATE: 08 August 2018



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: AL AMEEN ISLAMIC CASH FUND

YEAR ENDING: JUNE 30, 2018

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Cash Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (The Code).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: Six Directors;
 - b. Female: One Director.

2. The composition of the Board is as follows:

| Category | Name |
|---------------------------|-------------------------------------|
| Independent Directors | Mr. Azhar Hamid |
| | Ms. Naz Khan |
| Executive Directors | Mr. Yasir Qadri |
| Non - Executive Directors | Mirza Muhammad Sadeed Hassan Barlas |
| | Mr. Sharjeel Shahid |
| | Mr. Zia Ijaz |
| | Syed Furrukh Zaeem |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's own performance.



8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
10. Following directors and executive have acquired the prescribed Director Training Program (DTP) certification:

Directors

- a. Mirza Muhammad Sadeed Hassan Barlas
- b. Mr. Yasir Qadri
- c. Mr. Zia Ijaz
- d. Ms. Naz Khan
- e. Syed Furrukh Zaeem

Executive

- f. S.M. Aly Osman

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
12. CFO and CEO duly endorsed the financial statements before approval of the Board.
13. The Board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by separate Independent directors:

- a. Board Audit Committee
 - i. Ms. Naz Khan (Chair);
 - ii. Mirza Muhammad Sadeed Hassan Barlas;
 - iii. Mr. Sharjeel Shahid;
 - iv. Mr. Zia Ijaz.
- b. Board Human Resource & Compensation Committee
 - i. Mr. Azhar Hamid (Chairman);
 - ii. Mr. Yasir Qadri;
 - iii. Mr. Zia Ijaz;
 - iv. Ms. Naz Khan;
 - v. Syed Furrukh Zaeem.
- c. Board Risk & Compliance Committee
 - i. Mirza Muhammad Sadeed Hassan Barlas (Chairman);
 - ii. Mr. Azhar Hamid;
 - iii. Mr. Sharjeel Shahid;
 - iv. Mr. Yasir Qadri;
 - v. Syed Furrukh Zaeem.

UBL FUND MANAGERS LIMITED

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www.ublfunds.com



14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
15. The frequency of meetings of the Committee were as per following:
 - a. Board Audit Committee : Quarterly Meeting
 - b. Board Human Resource & Compensation Committee: Quarterly Meeting
 - c. Board Risk & Compliance Committee: Quarterly Meeting
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.


AZHAR HAMID
Chairman

Karachi.
Dated: August 28, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF AL AMEEN ISLAMIC CASH FUND ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 AS ADOPTED BY THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of Al Ameen Islamic Cash Fund (the Fund) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Fund's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2018.

We draw attention to the following paragraph as detailed in the Statement of Compliance:

"The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Cash Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (The Code)."

Accordingly, our opinion is in relation to Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017 as adopted by the Board of Directors of the Management Company.

KARACHI

DATED: AUGUST 28, 2018



CHARTERED ACCOUNTANTS

 Engagement Partner: Zulfikar Ali Causer

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al-Ameen Islamic Cash Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund 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 present fairly, in all material respects, the financial position of the Fund as at June 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with approved accounting 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 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

| S.NO | Key audit matter(s) | How the matter was addressed in our audit |
|------|---|---|
| 1. | <p>Amendment to the NBFC Regulations, 2008</p> <p>The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none">We reviewed the processes and controls implemented by the Fund relating to the production and review of system generated reports and manual workings for the purpose of calculations of element of income or loss and bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed". |

| S.NO | Key audit matter(s) | How the matter was addressed in our audit |
|------|--|--|
| | <p>The said notification included a definition and explanation relating to "element of income" and excluded the element of income from the expression "accounting income" as described in Regulation 63 of the Regulations (amount distributable to unit holders) of the NBFC Regulations.</p> <p>Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.</p> <p>As per the revised methodology mentioned in the notification referred above, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unitholders' fund.</p> <p>Furthermore, the amendments also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the said amendments.</p> <p>Due to the significance of impact on financial results of the Fund including substantial changes in disclosures of the Fund's financial statements as a result of above mentioned amendments, we have considered the application of amendments as a key audit matter. (Refer Note 4.11 to the financial statements of the Fund)</p> | <ul style="list-style-type: none"> • We evaluated the accuracy of system generated reports and manual workings produced by the Fund to ensure that the data is consistent with source documents and the said workings are in compliance with all the statutory provisions relating to element of income or loss. • We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund. • We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss along with the adequacy of additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto. |

Information other than the financial statements and auditor's report thereon

The Management Company 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 the Management Company and its Board of Directors

The Management Company ("UBL Fund Managers Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan and for such internal control as the Management Company 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, the Management Company 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 the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Management Company 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 Management Company.
- Conclude on the appropriateness of the Management Company'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 the Management Company 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.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI
DATE 28 AUG 2018


 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2018

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 ----- (Rupees in '000) ----- |
|---|------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Bank balances | 5 | 5,226,437 | 3,818,223 |
| Term deposit musharika | 6 | - | - |
| Profit receivable | 7 | 29,161 | 30,845 |
| Prepayments and other receivables | 8 | 8,903 | 180,267 |
| Advance tax | 9 | 6,618 | 5,952 |
| Preliminary expenses and floatation costs | 10 | - | 123 |
| TOTAL ASSETS | | <u>5,271,119</u> | <u>4,035,410</u> |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 11 | 2,700 | 4,036 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 12 | 468 | 491 |
| Payable to Securities and Exchange Commission of Pakistan | 13 | 3,747 | 2,237 |
| Accrued expenses and other liabilities | 14 | 21,464 | 15,218 |
| TOTAL LIABILITIES | | <u>28,379</u> | <u>21,982</u> |
| NET ASSETS | | <u>5,242,740</u> | <u>4,013,428</u> |
| UNIT HOLDERS FUNDS (AS PER STATEMENT ATTACHED) | | <u>5,242,740</u> | <u>4,013,428</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 15 | ----- (Number of Units) ----- | |
| NUMBER OF UNITS IN ISSUE | 16 | <u>49,806,558</u> | <u>40,037,246</u> |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | <u>105.2621</u> | <u>100.2424</u> |

The annexed notes from 1 to 31 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

**AL-AMEEN ISLAMIC CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018**

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 ----- (Rupees in '000) ----- |
|--|------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Profit on bank balances | | 273,066 | 144,231 |
| Profit on term deposit musharika | | 17,588 | 23,170 |
| Other income | | 143 | - |
| Total income | | <u>290,797</u> | <u>167,401</u> |
| Expenses | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 11.1 | 22,764 | 16,957 |
| Sales tax on remuneration of Management Company | 11.2 | 2,959 | 2,204 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 12.1 | 5,082 | 3,367 |
| Annual fee of Securities and Exchange Commission of Pakistan | 13.1 | 3,747 | 2,237 |
| Allocated expenses | 11.3 | 4,996 | 2,983 |
| Amortisation of preliminary expenses and floatation costs | | 123 | 554 |
| Bank charges | | 171 | 43 |
| Auditors' remuneration | 17 | 400 | 372 |
| Shariah advisory fee | 11.4 | 361 | 337 |
| Legal and professional charges | | 147 | 181 |
| Fees and subscription charges | | 230 | 97 |
| Printing expenses | | 21 | 17 |
| Total expenses | | <u>41,001</u> | <u>29,349</u> |
| Net operating income | | <u>249,796</u> | <u>138,052</u> |
| Element of loss and capital losses included in the prices of units issued less those in units redeemed - net | | - | (128,935) |
| Reversal of provision for Worker's Welfare Fund | 14.2 | - | 6,451 |
| Provision for Sindh Workers' Welfare Fund | 14.2 | (4,900) | (4,748) |
| Net income for the year before taxation | | <u>244,896</u> | <u>10,820</u> |
| Taxation | 18 | - | - |
| Net income for the year after taxation | | <u>244,896</u> | <u>10,820</u> |
| Allocation of net income for the year | | | |
| Income already paid on units redeemed | | (190,011) | |
| Net income for the year available for distribution | | <u>54,885</u> | |
| Net income available for distribution: | | | |
| Relating to capital gains | | - | |
| Excluding capital gains | | <u>54,885</u> | |
| | | <u>54,885</u> | |
| Earnings per unit | 19 | - | |

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

**AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018**

| | 2018 | 2017 |
|---|------------------------------|---------------|
| | ----- (Rupees in '000) ----- | ----- |
| Net income for the year | 244,896 | 10,820 |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to income statement | - | - |
| Items that may not be reclassified subsequently to income statement | - | - |
| | | |
| Total comprehensive income for the year | <u>244,896</u> | <u>10,820</u> |

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

**AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

| | 2018 | 2017 |
|--|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 244,896 | 10,820 |
| Adjustments: | | |
| Profit on bank balances and term deposit musharika | (290,654) | (167,401) |
| Element of loss and capital losses included in the prices of units issued less those in units redeemed - net | - | 128,935 |
| Amortisation of preliminary expenses and flotation cost | 123 | 554 |
| Provision for Sindh Workers' Welfare Fund | 4,900 | 4,748 |
| Reversal for provision of Workers' Welfare Fund | - | (6,451) |
| | <u>(285,631)</u> | <u>(39,615)</u> |
| Cash used in operations before working capital changes | <u>(40,735)</u> | <u>(28,795)</u> |
| Working capital changes | | |
| (Increase) / decrease in assets | | |
| Advance tax | (666) | (150) |
| Prepayments and other receivables | 171,364 | (176,964) |
| | 170,698 | (177,114) |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | (1,336) | (761) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (23) | 161 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | 1,510 | (1,202) |
| Accrued expenses and other liabilities | 1,346 | (596) |
| | 1,497 | (2,398) |
| Profit received on bank balances, term deposit receipts and investments | 292,338 | 151,857 |
| Net cash generated from / (used in) operating activities | <u>423,798</u> | <u>(56,450)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 32,202,806 | 33,401,052 |
| Payments on redemption of units | (31,218,390) | (31,499,001) |
| Dividend paid | - | (10,781) |
| Net cash generated from financing activities | <u>984,416</u> | <u>1,891,270</u> |
| Net increase in cash and cash equivalents | 1,408,214 | 1,834,820 |
| Cash and cash equivalents at the beginning of the year | 3,818,223 | 1,983,403 |
| Cash and cash equivalents at the end of the year | <u>5,226,437</u> | <u>3,818,223</u> |

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

**AL-AMEEN ISLAMIC CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

| | 2018 | | | 2017 |
|--|---------------------|----------------------|---------------------|---------------------|
| | Capital value | Undistributed income | Total | Total |
| Note | (Rupees in '000) | | | |
| Net assets at the beginning of the year | 4,014,676 | (1,248) | 4,013,428 | 1,982,403 |
| Issuance of 314,891,412 units (2017: 327,243,796 units) | | | | |
| Capital value of units | 31,565,471 | - | 31,565,471 | - |
| Element of income during the year | | | | |
| Due to net income earned | 637,335 | - | 637,335 | - |
| Total proceeds on issuance of units | 32,202,806 | - | 32,202,806 | 33,401,052 |
| Redemption of 305,122,100 units (2017: 306,982,848 units) | | | | |
| Capital value of units | (30,586,172) | - | (30,586,172) | - |
| Element of income during the year | | | | |
| Due to net income earned | (442,207) | (190,011) | (632,218) | - |
| Total payments on redemption of units | (31,028,379) | (190,011) | (31,218,390) | (31,499,001) |
| Element of loss and capital losses included in prices of units issued less those in units redeemed - net | - | - | - | 128,935 |
| Total comprehensive income for the year | - | 244,896 | 244,896 | 10,820 |
| Distribution during the year | - | - | - | (10,781) |
| Net income for the year less distribution | | 244,896 | 244,896 | 39 |
| Net assets at the end of the year | 5,189,103 | 53,637 | 5,242,740 | 4,013,428 |
| Undistributed income brought forward comprises of: | | | | |
| Excess distributed | - | (1,248) | (1,248) | (1,287) |
| Unrealised gain | - | - | - | - |
| Total excess distributed brought forward | - | (1,248) | (1,248) | (1,287) |
| Income available for distribution: | | | | |
| Relating to capital gains | - | - | - | - |
| Excluding capital gains | - | 54,885 | 54,885 | 10,820 |
| | - | 54,885 | 54,885 | 10,820 |
| Distribution during the year : Nil (2017: Rs. 4.71 per unit declared on June 19, 2017) | - | - | - | (10,781) |
| Undistributed income / excess distributed carried forward | - | 53,637 | 53,637 | (1,248) |
| Undistributed income carried forward comprises of: | | | | |
| Realised gain / excess distributed | - | 53,637 | 53,637 | (1,248) |
| Unrealised gain | - | - | - | - |
| Total undistributed income carried forward | - | 53,637 | 53,637 | (1,248) |
| | | | (Rupees) | (Rupees) |
| Net assets value per unit at the beginning of the year | | | 100.2424 | 100.2414 |
| Net assets value per unit at the end of the year | | | 105.2621 | 100.2424 |

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For UBL Fund Managers Limited
(Management Company)**

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

AL-AMEEN ISLAMIC CASH FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al-Ameen Islamic Cash Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on May 29, 2012 and the Fund was authorized by the Securities and Exchange Commission of Pakistan ("SECP") on July 26, 2012 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"). The registered office of the Management Company is situated at the 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi. The Fund commenced its operations from September 19, 2012.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003.
- 1.3 The Fund is an open-ended mutual fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The Fund provides high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund has been categorised by the Management Company as Shariah Compliant Money Market Fund.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 JCR - VIS Credit Rating Company has assigned management quality rating from AM2++ (stable outlook) to AM1 to the Management Company as at December 29, 2017 and a stability rating of "AA(f)" to the Fund as at December 29, 2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

The accounting and reporting standards 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, provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed. Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

These financial statements have been prepared under the following accrual basis of accounting except for cash flows informations.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of 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 judgments 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 recognised in the period in which the estimate is 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.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investments

For details please refer notes 4.2 and 21 to these financial statements.

Impairment of investment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. This objective evidence of impairment of fixed income securities is determined in accordance with provisioning criteria for non performing exposures as per the requirements of Circular No. 33 of 2012 dated October 24, 2012.

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

For details please refer note 4.11 to these financial statements.

Provision for taxation

For details please refer notes 4.8 and 18 to these financial statements.

Sindh Workers' Welfare Fund

For details please refer note 14.2 to these financial statements.

Other assets

Judgment is involved in assessing the realisability of other assets balances.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments that are effective in current year and are relevant to the Fund

The Fund has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

| | | Effective date (annual periods beginning on or after) |
|--------|--|--|
| IAS 7 | Statement of Cash Flows - Amendments resulting from the disclosure initiative | January 01, 2017 |
| IAS 12 | Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses | January 01, 2017 |

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

| | Effective date (annual periods beginning on or after) |
|---|--|
| Annual Improvements to IFRSs (2014 – 2016) Cycle: | |
| IFRS 12 Disclosure of Interests in Other Entities | January 01, 2017 |

3.2 Amendments not yet effective

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

| | |
|---|--------------------------------|
| Conceptual framework for Financial reporting 2018-Original Issue | March 2018 |
| IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions | January 01, 2018 |
| IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 | January 01, 2018 |
| IFRS 7 Financial Instruments : Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 | Applies when IFRS 9 is applied |
| IFRS 9 Financial Instruments - Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9 | January 01, 2018 |
| IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. | January 01, 2018 |
| IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities | January 01, 2019 |
| IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture | Deferred indefinitely |
| IAS 19 Employee benefits - Amendments regarding plan amendments, curtailments or settlements | January 01, 2019 |

| | | Effective date (annual periods beginning on or after) |
|--------|---|--|
| IAS 28 | Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture | Deferred indefinitely |
| IAS 28 | Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures | January 01, 2019 |
| IAS 39 | Financial Instruments: Recognition and Measurements-Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope | Applies when IFRS 9 is applied |
| IAS 40 | Investment Property - Amendments to clarify transfers of property to, or from, investment property | January 01, 2018 |

The Annual Improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

| | | |
|--------|--|------------------|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards | January 01, 2018 |
| IAS 28 | Investments in Associates and Joint Ventures | January 01, 2018 |

Annual Improvements to IFRSs (2015 – 2017) Cycle:

| | | |
|---------|-----------------------|------------------|
| IFRS 3 | Business Combinations | January 01, 2019 |
| IFRS 11 | Joint Arrangements | January 01, 2019 |
| IAS 12 | Income Taxes | January 01, 2019 |
| IAS 23 | Borrowing Costs | January 01, 2019 |

3.3 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned below against the respective standard:

| | | |
|---------|---------------------------------------|-----------------|
| IFRS 9 | Financial Instruments | July 01, 2018 |
| IFRS 15 | Revenue from Contracts with Customers | July 01, 2018 |
| IFRS 16 | Leases | January 1, 2019 |

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

**Effective date
(annual periods
beginning on or
after)**

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 14 Regulatory Deferral Accounts

IFRS 17 Insurance Contracts

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Fund's future financial statements.

The Fund expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Fund's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at nominal values.

4.2 Financial assets

4.2.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and re-evaluates this classification on regular basis.

Investments are categorised as follows:

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

c) Available for sale

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

4.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.3 Initial recognition and measurement

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

4.2.4 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, investments 'at fair value through profit or loss' and investments classified as 'available for sale' are valued as follows:

- Basis of valuation of Government securities

The investment of the Fund in Government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to unit holder's fund through other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in unit holder's fund is shown in the income statement.

b) Loans and receivables

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

Gains or losses on these instruments are also recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

4.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

For certain other financial assets, a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against those amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

4.2.6 Derecognition

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

4.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.4 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 recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

4.5 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.

4.6 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.

4.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

4.8 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised.

However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.9 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.10 Issuance and redemption of units

Units are allocated at the offer price prevalent on the day on which funds for purchase of units are realised. The offer price represents the net asset value per unit at the end of the preceding day. Issue of units is also recorded on realisation of funds.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during business hours of that day. The redemption price represents the net asset value per unit at the end of the preceding day. Redemption of units is recorded on acceptance of application for redemption.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, since there are practical impediments attached to retrospective application of change in accounting policy and retrospective restatement, therefore, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017. Further, MUFAP has clarified that the amendment is applicable for accounting period beginning on July 01, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations vide the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs 5.117 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these financial statements.

4.12 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 in issue at the year end.

4.13 Revenue recognition

- Gains / (losses) arising on sale of investments is accounted for in the year in which it arises.
- Unrealised gain / (loss) on revaluation of investments classified at fair value through profit or loss is included in the income statement in the year in which it arises.
- Unrealised gain / (loss) on revaluation of investments classified as 'available-for-sale' is included in unit holder's fund through other comprehensive income in the year in which it arises.
- Profit on bank balances and term deposits is recorded on accrual basis.

4.14 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the income statement.

4.15 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 |
|--|--|--------------------------------------|------------------|
| 5 BANK BALANCES | | | |
| Cash at bank | | | |
| Current accounts | 5.1 | 12,387 | 16,207 |
| Profit and loss sharing accounts | 5.2 | 5,214,050 | 3,802,016 |
| | | <u>5,226,437</u> | <u>3,818,223</u> |
| 5.1 | This includes an amount held with a related party (United Bank Limited) amounting to Rs. 10.763 million (June 30, 2017: Rs. 15.366 million). | | |
| 5.2 | Profit rates on these profit and loss sharing accounts range between 4% to 6.20% per annum (June 30, 2017: 3.9% to 5.5% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 4,903.025 million (June 30, 2017: Rs. 3,282.637 million) on which return is earned at 6.20% (June 30, 2017: 5.75%) per annum. | | |
| 6 TERM DEPOSIT MUSHARIKA | | | |
| Opening balance | | - | 405,000 |
| Acquired during the year | | 1,370,000 | 1,190,000 |
| Matured during the year | 6.1 | (1,370,000) | (1,595,000) |
| Closing balance | | <u>-</u> | <u>-</u> |
| 6.1 | These Term Deposit Musharika Certificates (TDMs) were matured on October 09, 2017 and January 09, 2018 and carried profit between 5.61% to 6% per annum. | | |
| 7 PROFIT RECEIVABLE | | | |
| Profit receivable on: | | | |
| Profit and loss sharing accounts | | <u>29,161</u> | <u>30,845</u> |
| 8 PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Prepaid credit rating fees | | 183 | 348 |
| Receivable against issuance of units | | 8,720 | 179,919 |
| | | <u>8,903</u> | <u>180,267</u> |

9 ADVANCE 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 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue 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). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2018.

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 ----- (Rupees in '000) ----- |
|--|------|--------------------------------------|--------------------------------------|
| 10 PRELIMINARY EXPENSES AND FLOATION COST | | | |
| Balance as at July 1, 2017 | | 123 | 677 |
| Amortisation during the year | | (123) | (554) |
| Balance as at June 30, 2018 | | <u>-</u> | <u>123</u> |

Preliminary expenses and floatation cost represents expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from September 18, 2012 as per the requirements set out in the Trust Deed.

11 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | | | |
|--|------|--------------|--------------|
| Remuneration payable (including Sindh Sales tax) | 11.1 | 1,651 | 3,142 |
| Conversion charges payable | | 73 | 35 |
| Allocated expenses payable | 11.3 | 935 | 811 |
| Shariah advisor fee payable | 11.4 | 25 | 48 |
| Other payables | | 16 | - |
| | | <u>2,700</u> | <u>4,036</u> |

11.1 As per NBFC Regulation dated November 25, 2015 the Management Company is entitled to remuneration of an amount not exceeding 1% of average annual net assets of the Fund.

The Management Company has charged remuneration at the rate of 5% of gross earnings of the Fund, calculated on a daily basis subject to minimum of 0.25% and maximum of 1% of the average daily net assets of the Fund from January 21, 2018 as per amendment dated January 12, 2018.

However, before amendment the Management Company has charged remuneration at the rate of 10% of gross earnings of the Fund, calculated on a daily basis subject to a minimum of 0.5% and maximum of 1% of the average daily net assets of the Fund.

- 11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 11.3 As per regulation 60(3)(s) of NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly the Management Company has charged 0.1% of the average annual net assets being the lower.
- 11.4 As per NBFC Regulations, the Management Company is entitled to charge Shariah Advisory fee from the Fund. Accordingly the Management Company has charged Rs. 0.361 million as Shariah Advisory fee to the Fund under a contract signed with the Shariah Advisors.

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 ----- (Rupees in '000) ----- |
|---|-------------|---|---|
| 12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Trustee fee payable (including Sindh Sales tax) | 12.1 & 12.2 | <u>468</u> | <u>491</u> |

- 12.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff structure specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee monthly in arrears.

As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the Trustee fee during the year ended June 30, 2018 is as follows:

- up to Rs. 1,000 million 0.15% p.a. of NAV
- Rs. 1,000 million to Rs. 10,000 million Rs. 1.5 million plus 0.075% p.a. of NAV exceeding Rs. 1,000 million

- exceeding Rs. 10,000 million Rs. 8.25 million plus 0.06% p.a. of NAV exceeding Rs. 10,000 million

12.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

| | Note | 2018 ----- (Rupees in '000) ----- | 2017 |
|---|------|--------------------------------------|------|
| 13 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |

| | | | |
|--------------------|------|-------|-------|
| Annual fee payable | 13.1 | 3,747 | 2,237 |
|--------------------|------|-------|-------|

13.1 Under the provisions of the NBFC Regulations, a collective investment scheme classified as money market scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | |
|---|------|--------|--------|
| Auditors' remuneration payable | | 264 | 255 |
| Capital gain tax payable | | 1,616 | 630 |
| Charity payable | | 96 | 122 |
| Provision for indirect duties and taxes | 14.1 | 7,812 | 7,812 |
| Legal and professional charges payable | | 11 | - |
| Withholding tax payable | | - | 1,377 |
| Provision for Sindh Worker's Welfare Fund | 14.2 | 9,648 | 4,748 |
| Others | | 2,017 | 274 |
| | | 21,464 | 15,218 |

14.1 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 Management Company was applied with effect from June 13, 2013. The Management Company 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 Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), 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 upto June 30, 2016.

On June 30, 2016, the Honorable High Court of Sindh 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 July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 7.812 million until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2018 would have been higher by Re. 0.157 per unit (June 30, 2017: Re. 0.195 per unit).

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

14.2 Provision For Workers' Welfare Fund

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs.500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable High Court of Sindh (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On November 10, 2016 the Honorable SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of “Industrial Undertaking” but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited) has recommended to all its members on January 12, 2017 the following:

- i) The provision against the Federal WWF held by the Mutual Funds till June 30, 2015 should be reversed on January 12, 2017; and
- ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. May 21, 2015) with effect from January 12, 2017.

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on January 12, 2017. In response to the aforementioned letter SECP vide its letter dated February 1, 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the financial statements of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on January 12, 2017.

Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.19 per unit (June 30, 2017: Re. 0.12 per unit).

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

| | Note | 2018 -----Number of units----- | 2017 |
|-----------|---|-----------------------------------|-------------------|
| 16 | NUMBER OF UNITS IN ISSUE | | |
| | Total units in issue at the beginning of the year | 40,037,246 | 19,776,298 |
| | Add: Units issued | 314,891,412 | 327,243,796 |
| | Less: Units redeemed | (305,122,100) | (306,982,848) |
| | Total units in issue at the end of the year | <u>49,806,558</u> | <u>40,037,246</u> |

----- (Rupees in '000) -----

| | | | |
|-----------|--|------------|------------|
| 17 | AUDITORS' REMUNERATION | | |
| | Annual audit fee | 163 | 158 |
| | Fee for review of half yearly financial statements | 82 | 79 |
| | Fee for review of compliance with the requirements of the Code of Corporate Governance | 27 | 26 |
| | Fee for other certifications / services | 54 | 53 |
| | Out of pocket expenses and sales tax | 74 | 56 |
| | | <u>400</u> | <u>372</u> |

18 **TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed to the unit holders in cash. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the aforementioned net accounting income earned by the Fund to the unit holders. Accordingly, no provision for current and deferred tax has been made in these financial statements.

19 **EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

20 **TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the Total Expense Ratio of the Fund is 0.92% as on June 30, 2018, which includes 0.24% representing Government Levy, Sindh Worker's Welfare Fund and SECP fee.

21 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, the financial assets carried on the statement of assets and liabilities are categorised either as 'Loans and receivables' or 'at fair value through profit or loss'. The financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

| Particulars | As at June 30, 2018 | | |
|-----------------------------------|-----------------------|---|------------------|
| | Loans and receivables | Financial assets 'at fair value through profit or loss' | Total |
| Rupees in '000 | | | |
| Financial assets | | | |
| Balances with banks | 5,226,437 | - | 5,226,437 |
| Profit receivable | 29,161 | - | 29,161 |
| Prepayments and other receivables | 10,483 | - | 10,483 |
| | <u>5,266,081</u> | <u>-</u> | <u>5,266,081</u> |

| Particulars | As at June 30, 2018 | | |
|---|--|-----------------------------|--------------|
| | Financial liabilities 'at fair value through profit or loss' | Other financial liabilities | Total |
| Rupees in '000 | | | |
| Financial liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 2,389 | 2,389 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | 414 | 414 |
| Accrued expenses and other liabilities | - | 371 | 371 |
| | <u>-</u> | <u>3,175</u> | <u>3,175</u> |

| Particulars | As at June 30, 2017 | | |
|-----------------------------------|-----------------------|---|------------------|
| | Loans and receivables | Financial assets 'at fair value through profit or loss' | Total |
| Rupees in '000 | | | |
| Financial assets | | | |
| Balances with banks | 3,818,223 | - | 3,818,223 |
| Profit receivable | 30,845 | - | 30,845 |
| Prepayments and other receivables | 179,919 | - | 179,919 |
| | <u>4,028,987</u> | <u>-</u> | <u>4,028,987</u> |

| Particulars | As at June 30, 2017 | | |
|---|--|-----------------------------|--------------|
| | Financial liabilities 'at fair value through profit or loss' | Other financial liabilities | Total |
| Rupees in '000 | | | |
| Financial liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 3,572 | 3,571.68 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | 435 | 435 |
| Accrued expenses and other liabilities | - | 651 | 651 |
| | <u>-</u> | <u>4,657</u> | <u>4,657</u> |

22 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

| S. No. | Name | Designation | Experience in years | Qualification |
|--------|---------------------|------------------------------------|---------------------|-----------------|
| 1 | Yasir Qadri | Chief Executive Officer | 22 | MBA |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 17 | MBA, CFA |
| 3 | Farhan Bashir | Head of Research | 12 | MBA |
| 4 | Hadi Hassan Mukhi | Acting Head of Risk & Compliance * | 18 | B.Com |
| 5 | Sayed Sheeraz Ali | Fund Manager | 9 | BS, CFA level 1 |

* Head of Risk - non voting observer

Sayed Sheeraz Ali is the Fund Manager of the Fund. He is also the Fund Manager of UBL Money Market Fund, UBL Income Opportunity Fund and UBL Financial Planning Fund.

23 PATTERN OF UNIT HOLDING

| Category | -----June 30, 2018----- | | |
|---------------------------------------|-------------------------|----------------------|--------------------------|
| | Number of unit holders | Number of units held | Percentage of units held |
| Individuals | 2,978 | 12,669,703 | 25.44% |
| Associated Company and Key Executives | 10 | 26,152,944 | 52.51% |
| Insurance companies | 9 | 1,258,977 | 2.53% |
| Retirement funds | 23 | 1,685,696 | 3.38% |
| Public Limited Companies | 5 | 5,740,676 | 11.53% |
| Others | 12 | 2,298,562 | 4.61% |
| | 3,037 | 49,806,558 | 100.00% |

| Category | -----June 30, 2017----- | | |
|------------------------------------|-------------------------|----------------------|--------------------------|
| | Number of unit holders | Number of units held | Percentage of units held |
| Individuals | 1,247 | 3,404,158 | 8.50% |
| Associated companies and directors | 6 | 30,378,863 | 75.88% |
| Insurance companies | 6 | 340,144 | 0.85% |
| NBFCs | - | - | 0.00% |
| Retirement funds | 19 | 2,648,763 | 6.62% |
| Public Limited Companies | 7 | 732,443 | 1.83% |
| Others | 5 | 2,532,875 | 6.33% |
| | 1,290 | 40,037,246 | 100.00% |

24 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (subsidiary of Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee of the Fund) and the Directors and Officers of Management Company. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

Details of transaction with the related parties and balances with them at the year end are as follows:

| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected persons / related parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| | (Rupees in '000) | | | | | |
| Transactions during the year ended June 30, 2018 | | | | | | |
| Profit on bank balances | - | 170,753 | - | - | - | - |
| Bank and other charges | - | 162 | - | - | - | 25 |
| Units issued | - | - | - | 22,671,574 | 30,385 | 463,813 |
| Units redeemed | - | 367 | - | 20,054,221 | 21,278 | 466,828 |
| Remuneration (inclusive of Sindh Sales Tax) | 25,723 | - | 5,082 | - | - | - |
| Allocated expenses | 4,996 | - | - | - | - | - |
| Shariah advisory fee | 361 | - | - | - | - | - |
| Balances held as at June 30, 2018 | | | | | | |
| Units held (In units '000) | - | 102 | - | 26,050 | - | - |
| Units held | - | 10,737 | - | 2,742,079 | - | - |
| Bank balances | - | 4,913,788 | - | - | - | - |
| Remuneration payable including Sindh Sales Tax | 1,651 | - | 468 | - | - | - |
| Other payables | 89 | - | - | - | - | - |
| Allocated expenses payable | 935 | - | - | - | - | - |
| Shariah advisory fee payable | 25 | - | - | - | - | - |
| Profit receivable | - | 28,172 | - | - | - | - |
| Transactions during the year ended June 30, 2017 | | | | | | |
| Profit on bank balances | - | 118,472 | - | - | - | - |
| Bank charges | - | 36 | - | - | - | - |
| Units issued | - | 12 | - | 30,830,180 | 2,944 | - |
| Units redeemed | - | 14,887 | - | 29,534,242 | 3,623 | - |
| Remuneration (inclusive of Sindh Sales Tax) | 19,161 | - | 3,367 | - | - | - |
| Dividend paid | - | 16 | - | - | - | - |
| Allocated expenses | 2,983 | - | - | - | - | - |
| Balances held as at June 30, 2017 | | | | | | |
| Units held (In units '000) | - | 4 | - | 30,375 | - | - |
| Units held | - | 401 | - | 3,044,863 | - | - |
| Bank balances | - | 3,298,003 | - | - | - | - |
| Remuneration payable including Sindh Sales Tax | 3,142 | - | 491 | - | - | - |
| Other payables | 35 | - | - | - | - | - |
| Allocated expenses payable | 811 | - | - | - | - | - |
| Shariah advisory fee payable | 48 | - | - | - | - | - |
| Profit receivable | - | 28,101 | - | - | - | - |

25 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

| Particulars | August 23, 2017 | September 25, 2017 | October 27, 2017 | December 06, 2017 | February 16, 2018 | April 26, 2018 | May 02, 2018 | Total meetings attended |
|--|--------------------|--------------------------|------------------------|----------------------|----------------------|-------------------|-----------------|-------------------------------|
| Name of Directors: | | | | | | | | |
| Tariq Kimani ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Azhar Hamid * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | x | ✓ | x | 3 |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ | x | ✓ | x | 5 |
| Syed Furrugh Zaeem | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mirza Muhammad Sadeed Hassan Barlas ** | ✓ | ✓ | ✓ | ✓ | x | ✓ | ✓ | 6 |
| Name of Key Executives | | | | | | | | |
| Fawaz Taj Siddiqui **** | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | N/A | 5 |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| S.M. Aly Osman **** | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ | 2 |

* Elected at EOGM held on September 29, 2017

** Independent Director's have completed three consecutive term

*** Mr. Zulfikar Alavi resigned on August 07, 2017.

**** Mr. Fawaz Taj Siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from April 2, 2018 as Company Secretary.

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and the directives issued by the SECP.

These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

26.1 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 Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the regulations laid down by SECP. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

26.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

26.1.2 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, 2018, the Fund is exposed to such risk on its balances held with bank and investments in placements. 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 is exposed to cash flow interest rate risk for balances in certain profit and loss sharing accounts, the interest rates on which range between 4.00% to 6.20% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2018, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 52.141 million (2017: Rs. 38.020 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument and is not exposed to fair value interest rate risk.

Yield / interest 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.

| Particulars | June 30 , 2018 | | | | | |
|---|-----------------------------------|------------------|-------------------------------|--|-----------------------|--------------------------------------|
| | Effective yield/ interest rate | Total | Exposed to interest rate risk | | | Not exposed to interest rate risk |
| | | | Upto three months | More than three months and upto one year | More than one year | |
| | % | | (Rupees in '000) | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Balances with banks | 4.00% - 6.20% | 5,226,437 | 5,214,050 | - | - | 12,387 |
| Profit receivable | | 29,161 | - | - | - | 29,161 |
| Prepayments and other receivables | | 10,483 | - | - | - | 10,483 |
| Sub total | | 5,266,081 | 5,214,050 | - | - | 52,031 |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 2,389 | - | - | - | 2,389 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | 414 | - | - | - | 414 |
| Accrued expenses and other liabilities | | 371 | - | - | - | 371 |
| Sub total | | 3,175 | - | - | - | 3,175 |
| On-balance sheet gap (a) | | 5,262,906 | 5,214,050 | - | - | 48,856 |
| Off-balance sheet financial instrument | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a) + (b) | | 5,262,906 | 5,214,050 | - | - | 48,856 |
| Cumulative interest rate sensitivity gap | | | 5,214,050 | 5,214,050 | 5,214,050 | |

| Particulars | June 30 , 2017 | | | | | |
|---|-----------------------------------|------------------|-------------------------------|--|-----------------------|--------------------------------------|
| | Effective yield/ interest rate | Total | Exposed to interest rate risk | | | Not exposed to interest rate risk |
| | | | Upto three months | More than three months and upto one year | More than one year | |
| | % | | (Rupees in '000) | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Balances with banks | 4.00% - 6.35% | 3,818,223 | 3,818,223 | - | - | - |
| Profit receivable | | 30,845 | - | - | - | 30,845 |
| Prepayments and other receivables | | 179,919 | - | - | - | 179,919 |
| Sub total | | 4,028,988 | 3,818,223 | - | - | 210,764 |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 4,036 | - | - | - | 4,036 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | 491 | - | - | - | 491 |
| Accrued expenses and other liabilities | | 651 | - | - | - | 651 |
| Sub total | | 5,178 | - | - | - | 5,178 |
| On-balance sheet gap (a) | | 4,023,810 | 3,818,223 | - | - | 205,586 |
| Off-balance sheet financial instrument | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a) + (b) | | 4,023,810 | 3,818,223 | - | - | 205,586 |
| Cumulative interest rate sensitivity gap | | | 3,818,223 | 3,818,223 | 3,818,223 | |

26.1.3 Price risk

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 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 instrument traded in the market. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

26.2 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 that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's 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.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Fund can borrow, with the prior approval of the trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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 Board of Directors of the Management Company in extraordinary circumstances. An interval of six working days between the receipt of a redemption request and issuance of against it to the holder provides a cushion in the repayment of on-demand redemption of units. However, during the year no such option was exercised or considered necessary.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| Particulars | June 30, 2018 | | | Total |
|---|-------------------|--|---------------|--------------|
| | Upto three months | More than three months and upto one year | Over one year | |
| Rupees in '000 | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 2,389 | - | - | 2,389 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 414 | - | - | 414 |
| Accrued expenses and other liabilities | 371 | - | - | 371 |
| Total liabilities | 3,175 | - | - | 3,175 |
| Particulars | June 30, 2017 | | | Total |
| | Upto three months | More than three months and upto one year | Over one year | |
| Rupees in '000 | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 4,036 | - | - | 4,036 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 491 | - | - | 491 |
| Accrued expenses and other liabilities | 651 | - | - | 651 |
| Total liabilities | 5,178 | - | - | 5,178 |

26.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

Management of credit risk

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, the NBFC Regulations and guidelines given by the SECP from time to time.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2018 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

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

Balances with banks by rating category

| Name of the bank | Rating agency | Balances held by the Fund as at June 30, 2018 | Latest available published rating as at June 30, 2018 |
|---|---------------|---|---|
| Rupees in '000 | | | |
| Bank Alfalah Limited - Islamic Banking | PACRA | 80 | AA+ |
| Bank Al Habib Limited - Islamic Banking | PACRA | 308,939 | AA+ |
| Habib Metropolitan Bank Limited - Islamic Banking | PACRA | 988 | AA+ |
| Meezan Bank Limited | JCR-VIS | 200 | AA+ |
| Faysal Bank Limited - Islamic Banking | JCR-VIS | 10 | AA |
| Habib Bank Limited | JCR-VIS | 35 | AAA |
| United Bank Limited | JCR-VIS | 4,913,788 | AAA |
| MCB Bank Limited | PACRA | 1,624 | AAA |
| Allied Bank Limited | PACRA | 723 | AAA |
| National Bank Of Pakistan | PACRA | 50 | AAA |
| | | 5,226,437 | |

26.3.2 The analysis below summarizes the credit quality of the Fund's portfolio:

| Rating by rating category | 2018 ----- (Percentage) ----- | 2017 |
|---------------------------|----------------------------------|--------|
| AAA | 94.06 | 0.11 |
| AA- to AA+ | 5.94 | 99.89 |
| | 100.00 | 100.00 |

Concentration on credit risk

Concentration of risk arises when a number of financial instruments or contracts are entered into 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 major asset balances are held with one Bank. The management believes that the bank is reputed institutions.

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled on time and both parties have fulfilled their contractual settlement obligations.

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. The Fund's objective when managing the unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

28 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 market participants at the measurement date. Consequently, differences can arise between carrying values 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.

Financial assets which are tradable in an open market are revalued at 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 or periodically repriced.

As per the requirements of the IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund shall classify 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:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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); and

Level 3: Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs)

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurements.

There were no financial instruments held by the Fund which are measured at fair value as of June 30, 2018 and June 30, 2017.

29 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs. 5.0197 per unit on the face value of Rs. 100 each (i.e. 5.02%) amounting to Rs. 250.025 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

30 DATE OF AUTHORIZATION

These financial statements were authorized for issue by Board of Directors of the Management Company on 28-Aug-18.

31 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**For UBL Fund Managers Limited
(Management Company)**

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

AISF

Al-Ameen Islamic Sovereign Fund

INVESTMENT OBJECTIVE

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

| | |
|------------------------------|--|
| 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) |
| Auditors | KPMG Taseer Hadi and Co., Chartered Accountants |
| Bankers | Allied Bank Limited Bank Al Habib Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Islamic Banking Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited - Islamic Banking United Bank Limited |
| Management Co. Rating | AM1 (JCR-VIS) |
| Fund Rating | AA- (f) (JCR-VIS) |

Fund Manager's Report – Al-Ameen Islamic Sovereign Fund (AISF)

- i) **Description of the Collective Investment Scheme category and type**
Shariah Compliant Income / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
AISF is an open-end Shariah Compliant Income Fund which aims to provide a competitive return with minimum risk to its investors by investing primarily in Shariah-compliant Government Securities.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**
The Collective Investment Scheme achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Average of 6M PKISRV rates.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

| Monthly Yield | Jul'17 | Aug'17 | Sep'17 | Oct'17 | Nov'17 | Dec'17 | Jan'18 | Feb'18 | Mar'18 | Apr'18 | May'18 | Jun'18 | FYTD |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| AISF | -4.13% | 2.42% | 3.38% | 4.42% | 4.18% | 4.03% | 1.90% | 0.98% | 2.75% | 7.28% | 5.24% | 4.32% | 3.03% |
| Benchmark | 4.40% | 4.62% | 4.83% | 4.86% | 4.86% | 4.74% | 4.78% | 5.05% | 5.45% | 5.15% | 4.96% | 4.71% | 4.86% |

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance.**
AISF continued to offer competitive returns to investors while being less sensitive to interest rates owing to investment in GoP Ijarah which are floater securities. The fund generated a return of 3.03% p.a. during the period under review. At the end of Jun-18, the Fund Manager maintained 82% exposure in GoP Ijara Sukuks and 17% in Cash.
- vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

| Asset Allocation (% of Total Assets) | Jun-17 | Jun-18 |
|--------------------------------------|--------|--------|
| GoP Ijara Sukuks | 28% | 82% |
| Cash | 72% | 17% |
| Others | 1% | 1% |
| Placements with banks | 0% | 0% |
| Leverage | Nil | Nil |

- viii) **Analysis of the Collective Investment Scheme's performance**

| | |
|------------------------------------|--------|
| FY'18 Return: | 3.03% |
| Standard Deviation (12m trailing): | 0.35% |
| Sharpe Ratio (12m trailing): | (8.88) |

- ix) **Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)**

| Net Asset Value | | | NAV per unit | | |
|-----------------|-----------|--------|--------------|-----------|--------|
| 30-Jun-18 | 30-Jun-17 | Change | 30-Jun-18 | 30-Jun-17 | Change |
| Rupees (000) | | % | Rupees | | % |
| 4,936,518 | 7,746,302 | -36.27 | 103.9136 | 100.8615 | 3.03 |

- x) **Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in and performance during the period**

Debt Market Review – FY18

The International Crude Oil prices exhibited an upward trend for the fiscal year. The prices increased from USD 45-per barrel increasing as much as ~70% closing at a new high of USD ~80 per barrel. Increasing oil prices, higher commodity prices (with exception of sugar) along with lagged impact of PKR devaluation (+16%) aided in increasing inflation rate to 4.4% for 4QFY18. Core measures of inflation witnessed an upward trajectory where NFNE which is somewhat sticky in nature increased to 7.1% by end of FY18. Taking cues from this trend we expect SBP to continue its current monetary tightening policy.

In twelve PIB auctions for FY18 conducted during the year, the government raised PKR~102bn (PKR ~894bn in FY17) against target of PKR 330bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 29.47trn. Participation in the auctions was largely skewed towards three and five year paper in line with interest rate hikes. Cut off yields in June auction trimmed to 7.5%, 8.5% and 8.7% for three, five and ten year PIB instruments respectively. In July'18 PIB Auction the government accepted PKR ~6.9bn.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 79bps, 90bps and 116bps, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 180bps, 171bps and 86bps, respectively. The spread between annualized yields of 1-year T-bills (7.20% p.a.) and 10-year PIBs (9.03% p.a.) stood at 1.83% as of 30 June 2018.

- xi) **Disclosure on distribution (if any), comprising:-**
- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Final distribution for the year ended June 30, 2018 was made subsequent to year end, on July 02, 2018. Below are the details of such distribution:

| Distribution | | | | Per unit | |
|---------------|---------------------|---------|---------------------------|----------|----------|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | <i>Rupees (000)</i> | | <i>----- Rupees -----</i> | | |
| July 02, 2018 | Nil | 147,536 | 3.05 | 103.9136 | 100.8615 |
| | | | | | |

- xii) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme 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.

- xiii) **Breakdown of unit holdings by size**

| Range of Units | Number of Investors |
|-----------------------------|---------------------|
| | AISF |
| 0.0001 - 9,999.9999 | 3,405 |
| 10,000.0000 - 49,999.9999 | 104 |
| 50,000.0000 - 99,999.9999 | 15 |
| 100,000.0000 - 499,999.9999 | 9 |
| 500,000.0000 & Above | 9 |
| Total | 3,542 |

- xiv) **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- xv) **Disclosures of circumstances that materially affect any interests of unit holders**
Investment are subject to market risk.
- xvi) **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 Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

AI - Ameen Islamic Sovereign Fund

| | 2018 | 2017 | 2016 |
|--|------------------|------------------|------------------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 4,936,518 | 7,746,303 | 3,684,237 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees * | | | |
| Class C units - Offer * | 105.0878 | 102.0012 | 102.4161 |
| - Redemption | 103.9136 | 100.8615 | 101.0818 |
| RETURN OF THE FUND - % | | | |
| Total Return of the Fund | 3.03 | 5.56 | 4.35 |
| Capital Growth (per unit) | 3.03 | (0.29) | 0.35 |
| Date of Income Distribution | - | 26-Jun-17 | 23-Jun-16 |
| Income Distribution | - | 5.85 | 4.00 |
| AVERAGE ANNUAL RETURN - % | | | |
| Since Launch/ One Year | 3.03 | 5.56 | 4.35 |
| Second Year | 4.30 | 4.96 | 5.25 |
| Third Year | 4.31 | 5.35 | 6.20 |
| Since inception | 7.46 | 8.09 | 8.51 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees * | | | |
| Highest price per unit - Class C units - Offer | 105.0878 | 108.1287 | 106.3428 |
| Highest price per unit - Class C units - Redemption | 103.9136 | 106.9205 | 104.9574 |
| Lowest price per unit - Class C units - Offer | 101.5293 | 102.0012 | 102.0427 |
| Lowest price per unit - Class C units - Redemption | 100.3948 | 100.8615 | 100.7133 |

* Front-end load @1% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

| | | | |
|-----------------------|--------------|-------|-------|
| Bank Balances | 18.00 | 72.00 | 33.00 |
| Government Securities | 82.00 | 28.00 | 63.00 |
| Placements with Banks | 0.00 | 0.00 | 4.00 |

PORTFOLIO COMPOSITION BY MARKET - %

| | | | |
|-------------|------------|-----|-----|
| Debt market | 100 | 100 | 100 |
|-------------|------------|-----|-----|

Note:

- The Launch date of Fund is 07 November 2010.

DISCLAIMER

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL AMEEN ISLAMIC SOVEREIGN FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al Ameen Islamic Sovereign Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 13, 2018

We, the Shariah Advisors of the fund are issuing this report in accordance with the rules and regulations. The scope of the report is to express an opinion on the Shariah Compliance of the Funds activities.

In the capacity of Shariah Advisors, we have prescribed criteria and procedures to be followed in ensuring Shariah Compliance in every investment.

It is the responsibility of the Management Company of the fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

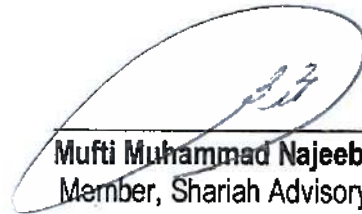
- i. We have reviewed and approved the modes of investments of AISF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AISF by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all operations of AISF for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR 8,597 has been recognized as charity.

May Allah give us strength to work in accordance with Quran and Sunnah and forgive our mistakes.



Mufti Muhammad Hassaan Kaleem
Member, Shariah Advisory Committee



Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:
DATE: 08 August 2018



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: AL AMEEN ISLAMIC SOVEREIGN FUND

YEAR ENDING: JUNE 30, 2018

The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited (the Management Company) of Al Ameen Islamic Sovereign Fund (the Fund), for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of Corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2017 (The Code).

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: Six Directors;
 - b. Female: One Director.
2. The composition of the Board is as follows:

| Category | Name |
|---------------------------|-------------------------------------|
| Independent Directors | Mr. Azhar Hamid |
| | Ms. Naz Khan |
| Executive Directors | Mr. Yasir Qadri |
| Non - Executive Directors | Mirza Muhammad Sadeed Hassan Barlas |
| | Mr. Sharjeel Shahid |
| | Mr. Zia Ijaz |
| | Syed Furrukh Zaeem |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's own performance.



8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
10. Following directors and executive have acquired the prescribed Director Training Program (DTP) certification:

Directors

- a. Mirza Muhammad Sadeed Hassan Barlas
- b. Mr. Yasir Qadri
- c. Mr. Zia Ijaz
- d. Ms. Naz Khan
- e. Syed Furrukh Zaeem

Executive

- f. S.M. Aly Osman

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
12. CFO and CEO duly endorsed the financial statements before approval of the Board.
13. The Board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by separate Independent directors:
 - a. Board Audit Committee
 - i. Ms. Naz Khan (Chair);
 - ii. Mirza Muhammad Sadeed Hassan Barlas;
 - iii. Mr. Sharjeel Shahid;
 - iv. Mr. Zia Ijaz.
 - b. Board Human Resource & Compensation Committee
 - i. Mr. Azhar Hamid (Chairman);
 - ii. Mr. Yasir Qadri;
 - iii. Mr. Zia Ijaz;
 - iv. Ms. Naz Khan;
 - v. Syed Furrukh Zaeem.
 - c. Board Risk & Compliance Committee
 - i. Mirza Muhammad Sadeed Hassan Barlas (Chairman);
 - ii. Mr. Azhar Hamid;
 - iii. Mr. Sharjeel Shahid;
 - iv. Mr. Yasir Qadri;
 - v. Syed Furrukh Zaeem.

UBL FUND MANAGERS LIMITED

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www.ublfunds.com



14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
15. The frequency of meetings of the Committee were as per following:
 - a. Board Audit Committee : Quarterly Meeting
 - b. Board Human Resource & Compensation Committee: Quarterly Meeting
 - c. Board Risk & Compliance Committee: Quarterly Meeting
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.


AZHAR HAMID
Chairman

Karachi.
Dated: August 28, 2018



KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
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To the Unit Holders of Al-Ameen Islamic Sovereign Fund

Review Report on Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance Regulations, 2017 ("the Regulations") prepared by the Board of Directors of UBL Fund Managers Limited ("the Management Company") for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations in respect of the Fund and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.



KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Funds for the year ended 30 June 2018.

Gms Taseer Hadi Sh
KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 28 August 2018

Karachi



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INDEPENDENT AUDITORS' REPORT

To the Unit holders of AL – AMEEN ISLAMIC SOVEREIGN FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al - Ameen Islamic Sovereign Fund ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2018, income statement, statement of comprehensive income, statement of movement in unit holders' fund, cash flow statement for the year then ended, and notes to the financial statements, including 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 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with the 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following are the key audit matters:

| S. No. | Key Audit Matter(s) | How the matter was addressed in our audit |
|--------|---|---|
| 1 | <p>Valuation of Investments</p> <p>Refer note 4.1.1 and 6 to the financial statements for accounting policies and details of investments.</p> <p>The Fund's investment portfolio classified as 'fair value through profit and loss' comprise of government securities of Rs.4,059 million representing 82% of the net assets value of the Fund as at 30 June 2018.</p> <p>We identified the valuation of investments as a key audit matter because of its significance in relation to the net asset value of the Fund.</p> | <p>Our audit procedures in respect of valuation of investments included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and testing the design and operating effectiveness of the key controls for the valuation of investments; and • Assessing, on a sample basis, whether investments were valued at fair value based on the rates quoted by Mutual Fund Association of Pakistan (MUFAP). |
| 2 | <p>Amendments to the NBFC Regulations, 2008</p> <p>Refer to note 3.4.3 to the accompanying financial statements with respect to element of income.</p> <p>The amendments to NBFC Regulations, 2008 brought through SRO 756(I)/2017 dated 03 August 2017 issued by Securities and Exchange Commission of Pakistan (SECP), have necessitated changes in accounting policies with respect to recording of element of income / loss on net basis from income statement to unit holders' fund and consideration of income already paid on units redeemed as</p> | <p>Our audit procedures in respect of change in accounting polices due to amendments in NBFC Regulations 2008 included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and operating effectiveness of controls in place for determination of income already paid on units redeemed, distribution and refund of capital (element of income). • Testing, on sample basis, that income already paid on units redeemed, distribution and refund of capital (element of income) have been determined as per the methodology specified by MUFAP in consultation with SECP. |



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| S. No. | Key Audit Matter(s) | How the matter was addressed in our audit |
|--------|---|--|
| | <p>dividend. The said SRO also required certain presentation changes. The Fund has applied these changes with effect from 1 July 2017.</p> <p>We identified the said changes as a key audit matter because application of these changes involved complex calculations and judgment in respect of determination of income already paid on units redeemed, distribution and refund of capital (element of income) to conform with the methodology specified by MUFAP for such calculations.</p> | <ul style="list-style-type: none">Assessing the adequacy of disclosures made with respect to change in accounting policies and the requirements of NBFC Regulations, 2008. |

Other Information

Management 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 auditors' 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 Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to



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enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 Management.



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- Conclude on the appropriateness of Management'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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.



KPMG Taseer Hadi & Co.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mazhar Saleem.

Date: 28 August 2018

Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Al - Ameen Islamic Sovereign Fund
Statement of Assets and Liabilities
As at 30 June 2018

| | <i>Note</i> | 30 June 2018 | 30 June 2017 |
|---|-------------|--------------------------|-------------------|
| (Rupees in '000) | | | |
| Assets | | | |
| Bank balances | 5 | 856,839 | 5,575,113 |
| Investments | 6 | 4,059,168 | 2,164,162 |
| Profits receivable | 7 | 45,436 | 38,463 |
| Prepayments and other receivables | 8 | 7,815 | 7,287 |
| Advance tax | 9 | 470 | 458 |
| Total assets | | <u>4,969,728</u> | <u>7,785,483</u> |
| Liabilities | | | |
| Payable to the Management Company | 10 | 5,372 | 4,948 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 454 | 400 |
| Payable to Securities and Exchange Commission of Pakistan | 12 | 3,360 | 2,548 |
| Accrued expenses and other payables | 13 | 24,024 | 31,285 |
| Total liabilities | | <u>33,210</u> | <u>39,181</u> |
| Net assets | | <u>4,936,518</u> | <u>7,746,302</u> |
| Unit holders' fund (as per the statement attached) | | <u>4,936,518</u> | <u>7,746,302</u> |
| Contingency | 20 | | |
| | | (Number) | |
| Number of units in issue (face value of units is Rs. 100 each) | | <u>47,505,965</u> | <u>76,801,368</u> |
| | | (Rupees) | |
| Net asset value per unit | 4.8 | <u>103.9136</u> | <u>100.8615</u> |

The annexed notes from 1 to 28 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

AI - Ameen Islamic Sovereign Fund

Income Statement

For the year ended 30 June 2018

| | Note | 30 June 2018 | 30 June 2017 |
|---|-------|-----------------|-----------------|
| (Rupees in '000) | | | |
| Income | | | |
| Financial income | 14 | 254,266 | 194,759 |
| Net capital (loss) / gain on redemption and sale of investments | | (25,280) | 26,015 |
| Net unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' | 6.2 | (18,756) | 12,610 |
| Other income | | 27 | 45 |
| Total income | | 210,257 | 233,429 |
| Expenses | | | |
| Remuneration of the Management Company | 10.1 | 44,800 | 33,973 |
| Sindh Sales Tax on the Management Company's remuneration | 10.2 | 5,824 | 4,416 |
| Allocation of expenses relating to the Fund | 10.3 | 4,480 | 3,397 |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 11 | 5,209 | 4,209 |
| Annual fee of Securities and Exchange Commission of Pakistan | 12 | 3,360 | 2,548 |
| Auditors' remuneration | 15 | 852 | 778 |
| Shariah advisory fee | | 324 | 345 |
| Brokerage expenses | | 1,715 | 623 |
| Listing fee | | 28 | 50 |
| Legal and professional charges | | 152 | 335 |
| Bank charges | | 113 | 124 |
| Other expenses | | 291 | 287 |
| Total operating expenses | | 67,148 | 51,085 |
| Net income from operating activities | | 143,109 | 182,344 |
| Reversal of provision for Workers' Welfare Fund | 13.2 | - | 7,635 |
| Provision for Sindh Workers' Welfare Fund | 13.2 | (2,810) | (3,241) |
| | | (2,810) | 4,394 |
| Net element of loss and capital losses included in prices of units issued less those in units redeemed | 3.4.3 | - | (128,057) |
| Net income for the year before taxation | | 140,299 | 58,681 |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | 140,299 | 58,681 |
| Allocation of net income for the year after taxation | | | |
| Net income for the year after taxation | | 140,299 | |
| Income already paid on units redeemed | | (119,965) | |
| | | 20,334 | |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | |
| - Excluding capital gains | | 20,334 | |
| | | 20,334 | |

The annexed notes from 1 to 28 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

AI - Ameen Islamic Sovereign Fund
Statement of Comprehensive Income
For the year ended 30 June 2018

| | 30 June 2018 (Rupees in '000) | 30 June 2017 |
|--|-------------------------------------|-----------------|
| Net income for the year after taxation | 140,299 | 58,681 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 140,299 | 58,681 |

The annexed notes from 1 to 28 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

AI - Ameen Islamic Sovereign Fund
Statement of Movement in Unit holders' Fund
For the year ended 30 June 2018

| | 2018 | | | 2017 | | |
|--|------------------------------|----------------------|------------------|------------------|----------------------|------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the year | 7,711,724 | 34,578 | 7,746,302 | 3,632,742 | 51,495 | 3,684,237 |
| Issuance of 142,116,982 units (30 June 2017: 261,483,615 units) | | | | | | |
| - Capital value | 14,355,307 | - | 14,355,307 | | | |
| - Element of income | 197,532 | - | 197,532 | | | |
| Total proceeds on issuance of units | 14,552,839 | - | 14,552,839 | 26,431,234 | 581,710 | 27,012,944 |
| Redemption of 171,412,385 units (30 June 2017: 221,130,310 units) | | | | | | |
| - Capital value | (17,310,084) | - | (17,310,084) | | | |
| - Element of loss | (72,873) | (119,965) | (192,838) | | | |
| Total payments on redemption of units | (17,382,957) | (119,965) | (17,502,922) | (22,352,252) | (709,767) | (23,062,019) |
| Net element of loss and capital losses included in prices of units issued less those in units redeemed | - | - | - | - | 128,057 | 128,057 |
| Total comprehensive income for the year | - | 140,299 | 140,299 | - | 58,681 | 58,681 |
| Interim distribution for the year ended 30 June 2018: Nil [2017: Rs 5.85 per unit (Date of Distribution: 29 June 2017)] | - | - | - | - | (75,598) | (75,598) |
| Net income for the year less distribution | - | 140,299 | 140,299 | - | (16,917) | (16,917) |
| Net assets at end of the year | 4,881,606 | 54,912 | 4,936,518 | 7,711,724 | 34,578 | 7,746,302 |
| Undistributed income brought forward: | | | | | | |
| - Realised income | | 21,968 | | | 32,301 | |
| - Unrealised income | | 12,610 | | | 19,194 | |
| | | 34,578 | | | 51,495 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | | |
| - Excluding capital gains | | 20,334 | | | | |
| | | 20,334 | | | | |
| Net income for the year after taxation | | - | | | 58,681 | |
| Interim distribution for the year ended 30 June 2018: Nil [2017: Rs 5.85 per unit (Date of Distribution: 29 June 2017)] | | - | | | (75,598) | |
| Undistributed income carried forward | | 54,912 | | | 34,578 | |
| Undistributed income carried forward comprises of: | | | | | | |
| - Realised income | | 73,668 | | | 21,968 | |
| - Unrealised (loss) / income | | (18,756) | | | 12,610 | |
| | | 54,912 | | | 34,578 | |
| | | | | (Rupees) | | (Rupees) |
| Net assets value per unit at beginning of the year | | | 100.8615 | | | 101.0818 |
| Net assets value per unit at end of the year | | | 103.9136 | | | 100.8615 |

The annexed notes from 1 to 28 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

AI - Ameen Islamic Sovereign Fund

Cash Flow Statement

For the year ended 30 June 2018

| Note | 30 June 2018 | 30 June 2017 |
|---|--------------------|------------------|
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 140,299 | 58,681 |
| Adjustments for non-cash and other items: | | |
| Financial income | (254,266) | (194,759) |
| Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' | 18,756 | (12,610) |
| Net element of loss and capital losses included in prices of units issued less those in units redeemed | - | 128,057 |
| Net capital loss / (gain) on redemption and sale of investments | 25,280 | (26,015) |
| Provision for Sindh Workers' Welfare Fund | 2,810 | 3,241 |
| Reversal of provision for Workers' Welfare Fund | - | (7,635) |
| Shariah advisory fee | 324 | 345 |
| Allocation of expenses relating to the Fund | 4,480 | 3,397 |
| | <u>(202,616)</u> | <u>(105,979)</u> |
| Net cash used in operations before working capital changes | (62,317) | (47,298) |
| Working capital changes | | |
| <i>(Increase) / Decrease in assets</i> | | |
| Investments | (1,939,042) | 203,718 |
| Prepayments and other receivables | (5) | 4,738 |
| Advance tax | (12) | (15) |
| | <u>(1,939,059)</u> | <u>208,441</u> |
| <i>(Decrease) / Increase in liabilities</i> | | |
| Payable to the Management Company | (4,380) | (3,821) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 54 | 76 |
| Payable to Securities and Exchange Commission of Pakistan | 812 | 1,126 |
| Accrued expenses and other payables | (10,071) | 4,557 |
| | <u>(13,585)</u> | <u>1,938</u> |
| Profits received | 247,293 | 195,335 |
| Net cash (used in) / generated from operating activities | (1,767,668) | 358,416 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of units | 14,552,316 | 27,012,944 |
| Payments on redemption of units | (17,502,922) | (23,062,019) |
| Cash distribution to unit holders | - | (75,598) |
| Net cash (used in) / generated from financing activities | (2,950,606) | 3,875,327 |
| Net (decrease) / increase in cash and cash equivalents | (4,718,274) | 4,233,743 |
| Cash and cash equivalents at beginning of the year | 5,575,113 | 1,341,370 |
| Cash and cash equivalents at end of the year | 856,839 | 5,575,113 |
| Cash and cash equivalents | | |
| Bank balances | <u>856,839</u> | <u>5,575,113</u> |

The annexed notes from 1 to 28 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

Al - Ameen Islamic Sovereign Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Sovereign Fund (the Fund), was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 25 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 17 September 2010 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 7 November 2010.

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

The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to general public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The investment objective of the fund is to provide a competitive rate of return with a moderate level of risk to its investors by investing in designated authorised investments approved by the Shariah Advisory Board.

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

2 BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention, except those financial assets that have been carried at fair values in accordance with the requirements of International Accounting Standard (IAS) 39.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, 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 judgments 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. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4.1.1 - Regarding the classification of investments.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ending 30 June 2018 is included in the following notes:

- Notes 4.1.3 and 4.1.4 - Valuation of investments
- Notes 4.1.5 and 4.15 - Impairment of financial instruments and other assets

3.4 New or amendments to existing standard / interpretation and forthcoming requirements

3.4.1 Standards, amendments or interpretations which became effective during the year

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2017 but are considered not to be relevant or do not have any significant effect on the the Funds' financial statements and are therefore not stated in these financial statements.

3.4.2 Application of Companies Act, 2017

The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 which application has been deferred till 31 December 2017. Therefore, the provision of the Companies Act, 2017 are applicable from 01 January 2018 (refer note 2). However, it does not have any significant impact on the Fund's financial statements.

3.4.3 Change in Accounting Policy

Element of income / (loss)

Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement on net basis and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement on net basis.

Securities & Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. It also specifies that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to "Income Statement" (relating to allocation of net income for the year) and "Statement of Movement in Unit Holders' Fund" and recording of element of income / loss included in price of unit issued or redeemed directly in Statement of movements in unit holders' fund instead of income statement. MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from 01 July 2017 as clarified by SECP vide its email dated 7 February 2018. Accordingly, corresponding figures have not been restated. Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs. 4.602 million net off charge for SWWF in respect of element of income and consequently NAV per unit would have been higher by Rs. 0.10.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 „Investment Property“ -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 „Investments in Associates and Joint Ventures“] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 „Foreign Currency Transactions and Advance Consideration“ (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRIC 23 „Uncertainty over Income Tax Treatments“ (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 15 „Revenue from contracts with customers“ (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 „Revenue“, IAS 11 „Construction Contracts“ and IFRIC 13 „Customer Loyalty Programmes“. The management is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on the adoption of the standard. However the management considers that the impact would not be significant.

- IFRS 9 „Financial Instruments“ and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 16 „Leases“ (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases- Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of interpretation is not likely to have an impact on Company’s financial statements.
- Amendment to IAS 28 „Investments in Associates and Joint Ventures“ - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or „LTI“). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company’s financial statements.
- Amendments to IAS 19 „Employee Benefits“- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company’s financial statements.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company’s financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied except for the change in accounting policy as mentioned in note 3.4.3, to all the periods presented.

4.1 Financial assets

4.1.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The classification depends upon the purpose for which the financial assets are acquired. The Fund classifies its financial assets in the following categories:

a) Financial assets as 'at fair value through profit or loss'

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

b) Available-for-sale financial assets

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

c) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss'

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 rates) which are based on the remaining tenor of the securities.

Loans and receivables

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

4.1.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In case of investment classified as „available-for-sale“, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for „available-for-sale“ financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is reclassified from the statement of comprehensive income to the income statement.

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

4.1.6 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

4.2 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.3 Offsetting of financial instruments

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

4.4 Unitholders' fund

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

4.5 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the distributors / Management Company during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.6 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.7 Provisions

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

4.8 Net asset value per unit

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

4.9 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of atleast ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of taxation in these financial statements as the Fund distributes more than ninety percent of its accounting income for the current year and intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders' every year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.10 Revenue recognition

- Capital gains / (losses) arising on redemption and sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

- Income on government securities is recognised on time proportion basis using the effective yield.
- Profit on saving accounts and term deposits is recognised taken into account the effective yield.

4.11 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

4.12 Earnings per unit

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. These comprise of deposits with banks and highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

4.14 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.15 Other assets

Other assets are stated at cost less impairment losses, if any.

| 5 | BANK BALANCES | <i>Note</i> | 30 June 2018 | 30 June 2017 |
|------------|--|-------------------------|-------------------------|------------------|
| | | (Rupees in '000) | | |
| | In current accounts | <i>5.1</i> | 6,710 | 22,623 |
| | In saving accounts | <i>5.2</i> | 850,129 | 5,552,490 |
| | | | <u>856,839</u> | <u>5,575,113</u> |
| 5.1 | This includes balance with United Bank Limited of Rs. 3.7 million (30 June 2017: Rs. 15.770 million), holding company of the Management Company. | | | |
| 5.2 | These carry profit rates ranging from 1.89% to 6.4% (30 June 2017: 4% to 5.80%) per annum. It includes balance with United Bank Limited of Rs. 531.03 million (30 June 2017: Rs. 4,718 million). | | | |
| 6 | INVESTMENTS | | | |
| | Designated at fair value through profit or loss | | | |
| | Government securities | <i>6.1</i> | <u>4,059,168</u> | <u>2,164,162</u> |

6.1 Government Securities - designated at fair value through profit or loss

| | As at 01 July 2017 | Purchased during the year | Sold / matured during the year | As at 30 June 2018 | Carrying value as at 30 June 2018 | Market value as at 30 June 2018 | Market value as at 30 June 2017 | Percentage of total investments | Percentage of net assets | |
|-------------------------------|-------------------------------|---------------------------------|---|-----------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------|------------|
| Note | ----- (No. of Holdings) ----- | | | | ----- (Rupees in '000) ----- | | | ----- % ----- | | |
| Government of Pakistan | | | | | | | | | | |
| Ijarah Sukuk XVI - 3 years | 6.1.1 | 8,150 | 129,390 | (113,200) | 24,340 | 2,450,970 | 2,443,249 | 831,218 | 60% | 49% |
| Ijarah Sukuk XVII - 3 years | 6.1.2 | 12,950 | 152,550 | (149,410) | 16,090 | 1,626,954 | 1,615,919 | 1,332,944 | 40% | 33% |
| | | | | | | 4,077,924 | 4,059,168 | 2,164,162 | 100% | 82% |

6.1.1 These Ijarah sukuk certificates have face value of Rs. 2,434 million and were issued in December 2015. These carry profit equal to the rate of latest weighted average yield of six-month Market Treasury Bills (MTBs) per annum, receivable semi-annually in arrears with no floor or cap and will mature in December 2018. These sukuk certificates carry the sovereign guarantee of the Government of Pakistan and are redeemable in full on maturity. As at 30 June 2018, profit at 5.51% (30 June 2017: 5.45%) per annum was due on these sukuk certificates.

6.1.2 These Ijarah sukuk certificates have face value of Rs. 1,609 million and were issued in February 2016. These carry fixed profit rate of 6.10% per annum, receivable semi-annually in arrears and will mature in February 2019. These sukuk certificates carry the sovereign guarantee of the Government of Pakistan and are redeemable in full on maturity.

6.1.3 The nominal value of each GOP Ijarah Sukuk is Rs. 100,000.

6.2 Net unrealized (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'

| | 30 June 2018 | 30 June 2017 |
|--|------------------|-----------------|
| | (Rupees in '000) | |
| Market value of investments | 4,059,168 | 2,164,162 |
| Less: cost / carrying value of investments | (4,077,924) | (2,151,552) |
| | (18,756) | 12,610 |

7 PROFITS RECEIVABLE

Profits receivable on:

| | | |
|-------------------------|---------------|---------------|
| - Government securities | 42,060 | 30,917 |
| - Bank balances | 3,376 | 7,546 |
| | 45,436 | 38,463 |

8 PREPAYMENTS AND OTHER RECEIVABLES

| | | |
|--------------------------------------|--------------|--------------|
| Receivable against issuance of units | 7,697 | 7,174 |
| Prepaid expenses | 118 | 113 |
| | 7,815 | 7,287 |

9 ADVANCE 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 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue 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). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2018.

10 PAYABLE TO THE MANAGEMENT COMPANY

| | Note | | |
|---|------|--------------|--------------|
| Management remuneration payable | 10.1 | 3,906 | 3,494 |
| Sindh Sales Tax on Management's remuneration | 10.2 | 508 | 454 |
| Payable against allocation of expenses relating to the Fund | 10.3 | 818 | 614 |
| Shariah advisory fee | | 25 | 57 |
| Sales load and other payables | | 115 | 329 |
| | | 5,372 | 4,948 |

- 10.1** As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 % of average annual net assets in case of Income Scheme. The Management Company has charged remuneration at the rate of 1 % per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.
- 10.2** Sindh Sales Tax has been charged at 13% (30 June 2017: 13%) on the management fee charged during the year.
- 10.3** As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the Management Company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) upto a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management company has charged 0.1% of the average annual net assets, being lower.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2018 is as follows:

| Net assets: | Tariff per annum |
|---------------------------------|---|
| - up to Rs. 1 billion | 0.17% per annum of net asset value |
| - Rs.1 billion to Rs. 5 billion | Rs. 1.7 million plus 0.085% per annum of net asset value exceeding Rs. 1 billion. |
| - exceeding Rs. 5 billion | Rs. 5.1 million plus 0.07% per annum of net asset value exceeding Rs. 5 billion. |

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.075 % of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008.

| 13 ACCRUED EXPENSES AND OTHER PAYABLES | <i>Note</i> | 30 June 2018 | 30 June 2017 |
|---|-------------|-------------------------|-------------------------|
| (Rupees in '000) | | | |
| Provision for indirect duties and taxes | 13.1 | 16,613 | 16,613 |
| Provision for Sindh Workers' Welfare Fund | 13.2 | 6,051 | 3,241 |
| Withholding tax deducted at source | | 44 | 8,203 |
| Capital gains tax payable | | 14 | 1,493 |
| Zakat deducted at source | | 703 | 771 |
| Auditors' remuneration payable | | 503 | 486 |
| Brokerage payable | | 26 | 231 |
| Withholding Sindh Sales Tax payable | | 5 | 5 |
| Charity payable | | 9 | 33 |
| Sales load payable | | 45 | 209 |
| Legal fees payable | | 11 | - |
| | | 24,024 | 31,285 |

- 13.1** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from 13 June 2013. The Management Company 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 Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), 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 upto 30 June 2016.

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. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 14.993 million until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at 30 June 2018 would have been higher by Rs. 0.32 (30 June 2017: Rs. 0.20) per unit.

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, in the current year, provision for FED has not been recorded.

- 13.2** The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On 10 November 2016 the SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on 21 May 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more in any year of account commencing on or after the date of closing of account on or after 31 December 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters and based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited, has recommended to all its members on 12 January 2017 the following:

- i) The provision against the Federal WWF held by the Mutual Funds till 30 June 2015 should be reversed on 12 January 2017; and
- ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. 21 May 2015) with effect from 12 January 2017.

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on 12 January 2017. In response to the aforementioned letter SECP vide its letter dated 01 February 2017 advised MUFAP that the

adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

The cumulative net effect of the above two adjustments, had they not been made, would have resulted in an increase in the net assets value per unit by Rs. 0.13 per unit (30 June 2017: Rs. 0.042 per unit).

| 14 FINANCIAL INCOME | 30 June 2018 | 30 June 2017 |
|----------------------------|-------------------------|-------------------------|
| | (Rupees in '000) | |
| Profits on: | | |
| - Government securities | 184,260 | 135,046 |
| - Bank balances | 54,950 | 33,180 |
| - Term deposit musharika | 15,056 | 26,533 |
| | 254,266 | 194,759 |

14.1 Profit rate on term deposit musharika ranges from 5.95% to 6.05% (30 June 2017: 5.75% to 6.25%) per annum.

15 AUDITORS' REMUNERATION

| | | |
|---|------------|-----|
| Annual audit fee | 335 | 325 |
| Half yearly review fee | 224 | 216 |
| Fee for certifications and other services | 195 | 162 |
| Out of pocket expenses | 98 | 75 |
| | 852 | 778 |

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Board of Directors of the Management Company in their meeting held on 02 July 2018 (refer note 28) has distributed more than ninety percent of the Fund's accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly, no provision has been made in the financial statements for the year ended 30 June 2018.

17 TOTAL EXPENSE RATIO

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended 30 June 2018 is 1.56% which include 0.28% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

18 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

| | Receivable against sale of units | Payable against redemption of units | Total |
|---|---|--|--------------|
| | ----- (Rupees in '000) ----- | | |
| Opening balance as at 1 July 2017 | 7,174 | - | 7,174 |
| Receivable against issuance of units | 14,552,839 | - | 14,552,839 |
| Payable against redemption of units | - | 17,502,922 | 17,502,922 |
| | 14,552,839 | 17,502,922 | 32,055,761 |
| Amount received on issuance of units | (14,552,316) | - | (14,552,316) |
| Amount paid on redemption of units | - | (17,502,922) | (17,502,922) |
| | (14,552,316) | (17,502,922) | (32,055,238) |
| Closing balance as at 30 June 2018 | 7,697 | - | 7,697 |

19 **TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively.

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the year end are as follows:

| | Management Company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Transactions during the year ended 30 June 2018) ----- | | | | | | |
| ----- (Rupees in '000) ----- | | | | | | |
| Units issued | - | - | - | 13,804,245 | 1,992 | - |
| Units redeemed | - | 381 | - | 16,206,549 | 2,038 | - |
| Profit on saving accounts | - | 35,598 | - | - | - | - |
| Bank charges | - | 105 | - | - | - | - |
| Remuneration | 44,800 | - | 4,610 | - | - | - |
| Sales tax on remuneration | 5,824 | - | 599 | - | - | - |
| Allocation of expenses relating to the Fund | 4,480 | - | - | - | - | - |
| Shariah advisory fee | 324 | - | - | - | - | - |
| Listing fee | - | - | - | - | - | 25 |

| | | | | | | |
|--|-------|---------|-----|-----------|-------|---|
| ----- (Balances held as at 30 June 2018) ----- | | | | | | |
| Units held (in units '000) | - | - | - | 39,186 | 28 | - |
| Units held (in rupees '000) | - | - | - | 4,071,949 | 2,945 | - |
| Bank balances* | - | 534,762 | - | - | - | - |
| Remuneration payable ** | 4,414 | - | 454 | - | - | - |
| Sales load and other payables | 115 | 44 | - | - | - | - |
| Shariah fee | 25 | - | - | - | - | - |
| Payable against allocated expenses | 818 | - | - | - | - | - |
| Profit receivable | - | 1,639 | - | - | - | - |

* These carry profit rate 6.2% per annum.

** This balance is inclusive of Sindh Sales Tax payable

| | | | | | | |
|---|--------|-----------|-------|------------|-------|-----|
| ----- (Transactions during the year ended 30 June 2017) ----- | | | | | | |
| ----- (Rupees in '000) ----- | | | | | | |
| Units issued | - | 3,758 | - | 22,915,731 | 4,294 | - |
| Units redeemed | - | 65,341 | - | 17,944,136 | 4,966 | - |
| Profit on saving accounts | - | 30,769 | - | - | - | - |
| Bank charges | - | 110 | - | - | - | - |
| Sale of securities | - | 1,963,075 | - | - | - | - |
| Remuneration | 33,973 | - | 3,725 | - | - | - |
| Sales tax on remuneration | 4,416 | - | 484 | - | - | - |
| Dividend paid to unit holders | - | 21 | - | - | 160 | 116 |
| Allocation of expenses relating to the Fund | 3,397 | - | - | - | - | - |
| Shariah advisory fee | 345 | - | - | - | - | - |

| | | | | | | |
|--|-------|-----------|-----|-----------|-------|---|
| ----- (Balances held as at 30 June 2017) ----- | | | | | | |
| Units held (in units '000) | - | 4 | - | 63,041 | 29 | - |
| Units held (in rupees '000) | - | 377 | - | 6,358,517 | 2,901 | - |
| Bank balances* | - | 4,718,311 | - | - | - | - |
| Remuneration payable ** | 3,948 | - | 400 | - | - | - |
| Sales load and other payables | 329 | 209 | - | - | - | - |
| Shariah fee | 57 | - | - | - | - | - |
| Payable against allocated expenses | 614 | - | - | - | - | - |
| Profit receivable | - | 7,406 | - | - | - | - |

* These carry profit rate ranging between 5.5% per annum.

** This balance is inclusive of Sindh Sales Tax payable

20 CONTINGENCY

As at 30 June 2018, there is no contingency.

21 FAIR VALUES 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 market participants at the measurement date.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund's accounting policy on fair value measurements of investments is discussed in note 4.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

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

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

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

On-balance sheet financial instruments

30 June 2018

| Note | Carrying amount | | | | | Fair value | | | |
|---|-----------------------------------|--------------------|-----------------------|-----------------------------|-----------|------------|-----------|---------|-----------|
| | Fair value through profit or loss | Available for sale | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| | 4,059,168 | - | - | - | 4,059,168 | - | 4,059,168 | - | 4,059,168 |
| Financial assets not measured at fair value | | | | | | | | | |
| 21.1 | - | - | 856,839 | - | 856,839 | | | | |
| | - | - | 45,436 | - | 45,436 | | | | |
| | - | - | 902,275 | - | 902,275 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| 21.1 | - | - | - | 5,372 | 5,372 | | | | |
| | - | - | - | 454 | 454 | | | | |
| | - | - | - | 1,360 | 1,360 | | | | |
| | - | - | - | 7,186 | 7,186 | | | | |

30 June 2017

| Note | Carrying amount | | | | | Fair value | | | |
|---|-----------------------------------|--------------------|-----------------------|-----------------------------|-----------|------------|-----------|---------|-----------|
| | Fair value through profit or loss | Available for sale | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| | 2,164,162 | - | - | - | 2,164,162 | - | 2,164,162 | - | 2,164,162 |
| Financial assets not measured at fair value | | | | | | | | | |
| 21.1 | - | - | 5,575,113 | - | 5,575,113 | | | | |
| | - | - | 38,463 | - | 38,463 | | | | |
| | - | - | 5,613,576 | - | 5,613,576 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| 21.1 | - | - | - | 4,948 | 4,948 | | | | |
| | - | - | - | 400 | 400 | | | | |
| | - | - | - | 11,431 | 11,431 | | | | |
| | - | - | - | 16,779 | 16,779 | | | | |

21.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

22 FINANCIAL RISK MANAGEMENT

22.1 The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

22.2 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

Management of credit risk

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 NBFC rules and regulations and guidelines given by SECP from time to time.

Credit risk is managed and controlled by the management company of the Fund in the following manner:

- The fund limits its exposure to credit risk by only investing in instruments and bank deposits that have a minimum "AA-" from a credit rating agency duly approved by the SECP.
- Investment transactions are carried out with large number of brokers, whose credit rating is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon deliveries.
- The risk of counter party exposure due to failed trade causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks (including related party).

The table below analyses the Fund's maximum exposure to credit risk:

| | 30 June 2018 | 30 June 2017 |
|--|-------------------------|------------------|
| Financial assets exposed to credit risk | (Rupees in '000) | |
| Bank balances | 856,839 | 5,575,113 |
| Profits receivable | 3,376 | 7,546 |
| | <u>860,215</u> | <u>5,582,659</u> |

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Further, all transactions in securities are executed through approved brokers, thus the risk of default is considered to be minimal. In accordance with the risk

management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

Investment in government securities i.e. GOP Ijarah Sukuks is not exposed to credit risk.

The analysis below summarizes the credit quality of the Fund's portfolio in total as on 30 June 2018:

| Rating by category | 30 June 2018 | 30 June 2017 |
|---------------------------|-------------------------|-------------------------|
| | -----%----- | |
| AAA | 65.00 | 89.02 |
| AA- to AA+ | 35.00 | 10.98 |
| Total | 100.00 | 100.00 |

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

The Fund's activities may give rise to settlement risk. „Settlement risk" is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

22.3 Liquidity risk

„Liquidity risk" is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all invested in government securities and saving accounts. 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.

In accordance with the risk management policy of the Fund, the Fund manager monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen percent of the net assets. However, no such borrowing has been obtained during the year.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008, to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue.

In addition to unitholders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2018:

| | 30 June 2018 | | | | Total |
|---|---------------|------------|----------|--------------------|--------------|
| | Maturity Upto | | | More than one year | |
| | Three months | Six months | One year | | |
| ----- (Rupees in '000) ----- | | | | | |
| Financial Liabilities | | | | | |
| Payable to Management Company | 5,372 | - | - | - | 5,372 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 454 | - | - | - | 454 |
| Accrued expenses and other payables | 1,360 | - | - | - | 1,360 |
| Total Liabilities | 7,186 | - | - | - | 7,186 |

| | 30 June 2017 | | | | Total |
|---|---------------|------------|----------|--------------------|---------------|
| | Maturity Upto | | | More than one year | |
| | Three months | Six months | One year | | |
| ----- (Rupees in '000) ----- | | | | | |
| Financial Liabilities | | | | | |
| Payable to Management Company | 4,948 | - | - | - | 4,948 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 400 | - | - | - | 400 |
| Accrued expenses and other payables | 11,431 | - | - | - | 11,431 |
| Total Liabilities | 16,779 | - | - | - | 16,779 |

22.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and debt security prices.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest rates. The Fund's interest rate risk is monitored on a daily basis by the board of directors. Since the Fund does not have investments in fixed rate security, therefore it is not exposed to interest rate fair value risk. As of 30 June 2018, the Fund is only exposed to interest rate cash flow risk.

As at 30 June 2018, the balances that may be exposed to interest rate risk are as follows:

| | 30 June 2018 | 30 June 2017 |
|---|--------------|--------------|
| (Rupees in '000) | | |
| Variable rate instruments | | |
| Bank balances | 850,129 | 5,552,490 |
| Government securities - designated at fair value through profit or loss | 2,443,249 | 831,218 |
| Fixed rate instruments | | |
| Government securities - designated at fair value through profit or loss | 1,615,919 | 1,332,944 |

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased / (decreased) the net assets and net income by Rs. 32.93 million (30 June 2017: Rs. 63.84 million), assuming all other variables held constant.

Fair value sensitivity analysis for fixed rate instrument

Short term investment with a bank is carried at held to maturity. Therefore a change in interest rate at the reporting date would not effect the income statement.

The composition of the Fund's investment portfolio and KIBOR rates announced are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2018 is not necessarily indicative of the effect on Funds net assets of future movements in interest rates. The fluctuation in interest rate of 100 basis points is reasonably possible in the current economic environment.

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

iii) Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the Fund in which the investment is made, change in business circumstances of the Fund, industry environment and / or the economy in general. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

22.5 Unit holders' fund risk management (Capital risk Management)

The Fund's objective when managing unit holder's funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market conditions. Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

| 23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND | | Commission |
|---|--|---------------|
| | | 2018 |
| | | % |
| Name of Broker | | |
| Paramount Capital (Private) Limited | | 21.80 |
| JS Global Capital Limited | | 19.73 |
| C & M Management (Private) Limited | | 17.64 |
| Invest Capital Markets Limited | | 14.46 |
| Bright Capital (Private) Limited | | 14.46 |
| Summit Capital (Private) Limited | | 6.94 |
| Vector Capital (Private) Limited | | 4.97 |
| | | 100.00 |
| | | 100.00 |
| | | Commission |
| | | 2017 |
| | | % |
| Name of Broker | | |
| Invest Capital Markets Limited | | 28.61 |
| Vector Capital (Private) Limited | | 23.65 |
| Paramount Capital (Private) Limited | | 15.19 |
| C & M Management (Private) Limited | | 14.76 |
| Bright Capital (Private) Limited | | 7.86 |
| Next Capital Limited | | 6.51 |
| Currency Market Associates (Private) Limited | | 3.31 |
| JS Global Capital Limited | | 0.11 |
| | | 100.00 |
| | | 100.00 |

24 INVESTMENT COMMITTEE

Details of the members of investment committee of the Fund are as follows:

| S. No. | Name | Designation | Experience in years | Qualification |
|--------|----------------------|--------------------------------------|---------------------|---------------|
| 1 | Yasir Qadri | Chief Executive Officer | 22 | MBA |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 17 | MBA, CFA |
| 3 | Farhan Bashir Khan | Head of Research | 12 | MBA |
| 4 | Hadi Hassan Muki | Acting Head of Risk & Compliance * | 18 | B.com |
| 5 | Asim Wahab Khan | Head of Investment Strategy & Equity | 13 | MBA, CFA |
| 6 | Shabbir Sardar Zaidi | Fund Manager | 9 | M.A.S, CFA |

* Head of Risk - non voting observer

Syed Shabbir Sardar Zaidi is Fund Manager of Al Ameen Islamic Dedicated Equity Fund, Al Ameen Islamic Financial Planning Fund, Al Ameen Islamic Financial Planning Fund II, Al - Ameen Islamic Financial Planning Fund - III and Al Ameen Islamic Retirement Savings Fund.

25 DIRECTORS' MEETING ATTENDANCE

During the year, seven meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

| Name of Director | 23 August | 25 September | 27 October | 6 December | 16 February | 26 April | 2 May | Meetings attended |
|-------------------------------------|-----------|--------------|------------|------------|-------------|----------|-------|-------------------|
| | 2017 | 2017 | 2017 | 2017 | 2018 | 2018 | 2018 | |
| Tariq Kirmani ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Azhar hamid * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Yasir Qadri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Naz Khan * | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Shabbir Hussain Hashmi ** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A | 2 |
| Sharjeel Shahid * | N/A | N/A | ✓ | ✓ | ✗ | ✓ | ✗ | 3 |
| Zia Ijaz | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | 5 |
| Syed Furrugh Zaeem | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mirza Muhammad Sadeed Hassan Barlas | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | 6 |
| Fawaz Taj Siddiqui **** | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | N/A | 5 |
| Umair Ahmed | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| S.M. Aly Osman **** | N/A | N/A | N/A | N/A | N/A | ✓ | ✓ | 2 |

* Elected at EOGM held on 29 September 2017.

** Independent Director's have completed three consecutive term.

*** Mr. Zulfiqar Alavi resigned on 07 August 2017.

**** Mr. Fawaz Taj siddiqui resigned and appointment of Mr. S.M. Aly Osman effective from 02 April 2018 as Company Secretary.

26 PATTERN OF UNIT HOLDERS

| Category | 30 June 2018 | | |
|------------------------------------|--------------|-------------------|-------------|
| | Number of | | |
| | Unit holders | Units held | Percentage |
| Individuals | 3,504 | 5,508,728 | 11.60% |
| Non Banking Financial Companies | 7 | 39,185,932 | 82.48% |
| Associated Companies and Directors | 2 | 28,338 | 0.06% |
| Retirement Funds | 20 | 2,712,055 | 5.71% |
| Others | 9 | 70,912 | 0.15% |
| | 3,542 | 47,505,965 | 100% |

| Category | 30 June 2017 | | |
|------------------------------------|--------------|-------------------|-------------|
| | Number of | | |
| | Unit holders | Units held | Percentage |
| Individuals | 3,353 | 11,499,692 | 14.97% |
| Associated Companies and Directors | 11 | 63,073,155 | 82.13% |
| Insurance Companies | 1 | 308,898 | 0.40% |
| Retirement Funds | 12 | 1,164,315 | 1.52% |
| Others | 12 | 755,308 | 0.98% |
| | 3,389 | 76,801,368 | 100% |

27 FUND RATING

The Management Company has been rated as AM1 on 29 December 2017 by JCR - VIS.
The Fund has been rated as AA-(f) by JCR - VIS on 29 December 2017.

28 GENERAL

28.1 Subsequent event - Non adjusting

The Board of Directors of the Management Company on 02 July 2018 approved a final distribution of Rs. 3.0521 per unit on the face value of Rs.100 each (i.e. 3.05%) amounting to Rs. 145.076 million.

The financial statements of the Fund for the year ended 30 June 2018 do not include the effect of above distribution which will be accounted for in the financial statements for the year ending 30 June 2019.

28.2 Date of authorisation for issue

These financials statements were authorized for issue by Board of Directors of the Management Company on August 28, 2018.

**For UBL Fund Managers Limited
(Management Company)**

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director