

# AIAIF

## Al-Ameen Islamic Aggressive Income Fund

### INVESTMENT OBJECTIVE

AIAIF is an open-end Shariah Compliant Aggressive Fixed Income Fund which invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	KPMG Taseer Hadi & Co, Chartered Accountants
<b>Bankers</b>	Al Baraka Islamic Bank Limited Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Limited MCB Bank Limited National Bank of Pakistan Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking Meezan Bank Limited United Bank Limited Faysal Bank Limited - Islamic Banking Soneri Bank Limited - Islamic Banking
<b>Management Co. Rating</b>	AM1 (JCR•VIS)
<b>Fund Rating</b>	BBB+ (f) (JCR-VIS)

**Fund Manager’s Report – Al-Ameen Islamic Aggressive Income Fund (AIAIF) formerly United Islamic Income Fund (UIIF)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Aggressive Fixed Income/ Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIAIF is an open-end Shariah Compliant Aggressive Fixed Income Fund which invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The Collective Investment Scheme has a long-term investment objective. Significant efforts were made during the year for the achievement of the long-term objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted average of 12 Month deposit rates of 3 Islamic Banks
- 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
AIAIF	1.28%	4.29%	3.65%	2.46%	4.00%	3.71%	3.88%	2.87%	4.13%	3.06%	4.22%	4.31%	3.49%
Benchmark	5.25%	5.31%	5.25%	5.25%	5.24%	5.24%	5.24%	5.23%	5.24%	5.30%	5.30%	5.31%	5.26%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**  
During FY18, the fund generated a return of 3.49% p.a. At the end of Jun'18, asset allocation stood at 57% of assets in cash, 30% of assets in Sukuks, 12% of assets in Placements with banks, while the rest was invested in others.
- 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
Sukuks	34%	30%
GoP Ijara Sukuk	22%	0%
Commercial Papers	0%	0%
Cash	38%	57%
Others	5%	2%
Placements with banks	0%	12%
Leverage	Nil	Nil

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

FY'18 Return:	3.49%
Standard Deviation (12m trailing):	0.35%
Sharpe Ratio (12m trailing):	(7.54)

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		%
795,728	1,105,259	(28.01)	103.4230	99.9376	3.49

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

**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-		
July 02, 2018	-	26,816	3.4854	103.4230	99.9376

- 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
	AIAIF
0.0001 - 9,999.9999	1,781
10,000.0000 - 49,999.9999	121
50,000.0000 - 99,999.9999	12
100,000.0000 - 499,999.9999	15
500,000.0000 & Above	1
<b>Total</b>	<b>1,930</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and 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****Al-Ameen Islamic Aggressive Income Fund**

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>795,728</b>	1,105,259	642,701
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Income units - Offer*	<b>104.5917</b>	101.0669	100.9856
- Redemption	<b>103.4230</b>	99.9376	99.6700
Growth units - Offer	<b>104.5917</b>	101.0669	100.9856
- Redemption**	<b>103.4230</b>	99.9376	99.6700

\* Back-end load will be deducted as per applicable step-down structure

**RETURN OF THE FUND - %**

Total Return of the Fund	3.49	4.81	7.06
Capital Growth (per unit)	<b>3.49</b>	0.29	1.81
Date of Income Distribution		19-Jun-17	22-Jun-16
Income Distribution		4.52	3.75
Date of Income Distribution		-	28-Jun-16
Income Distribution		-	1.5

**AVERAGE ANNUAL RETURN - %**

One Year	<b>3.49</b>	4.81	7.06
Second Year	<b>4.15</b>	5.94	7.66
Third Year	<b>5.12</b>	6.71	9.89
Fourth year	<b>5.91</b>	8.62	9.15
Fifth Year	<b>7.60</b>	8.28	8.54
Sixth Year	<b>7.48</b>	7.92	6.45
Since inception	<b>5.22</b>	5.20	5.25

**OFFER / REPURCHASE DURING THE YEAR- Rupees**

Highest price per unit - Income units - Offer	<b>104.5917</b>	104.2182	106.2100
Highest price per unit - Income units - Redemption	<b>103.4230</b>	104.2182	104.8300
Highest price per unit - Growth units - Offer	<b>104.5917</b>	104.2182	106.2100
Highest price per unit - Growth units - Redemption	<b>103.4230</b>	104.2182	104.8300
Lowest price per unit - Income units - Offer	<b>101.0013</b>	99.3900	99.1100
Lowest price per unit - Income units - Redemption	<b>99.8727</b>	99.3900	97.8200
Lowest price per unit - Growth units - Offer	<b>101.0013</b>	99.3900	99.1100
Lowest price per unit - Growth units - Redemption	<b>99.8727</b>	99.3900	97.8200

\* Front-end load @ 1% is applicable

\*\* Back-end load as per applicable step-down structure

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank Balances	<b>57.00</b>	38.00	17.00
Sukuk Certificates	<b>30.00</b>	56.00	83.00
others	<b>13.00</b>	6.00	0.00

**PORTFOLIO COMPOSITION BY MARKET - %**

Debt market	<b>100.00</b>	100.00	100.00
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Note:

- The Launch date of Fund is 20 October 2007

**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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## TRUSTEE REPORT TO THE UNIT HOLDERS

### AL-AMEEN ISLAMIC AGGRESSIVE INCOME 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 Aggressive Income 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 19, 2018

We, the Shariah Advisors of the fund are issuing this report in accordance with relevant 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 AIAIF in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIAIF 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 AIAIF for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR 77,915 has been recognized as charity.

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



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**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee



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**Mufti Muhammad Najeem 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 AGGRESSIVE INCOME 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 Aggressive Income 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 Furrugh 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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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



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**To the Unit Holders of Al-Ameen Islamic Aggressive Income 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.



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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.

*KPMG Taseer Hadi & Co.*  
**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 AGGRESSIVE INCOME FUND**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Al - Ameen Islamic Aggressive Income 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><b>Valuation of Investments</b></p> <p>Refer note 4.1.1 and 7 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 debt securities of Rs. 241 million representing 30% 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"> <li>• Obtaining an understanding of and testing the design and operating effectiveness of the key controls for the valuation of investments; and</li> <li>• Assessing, on a sample basis, whether investments were valued at fair value based on the rates quoted by Mutual Fund Association of Pakistan (MUFAP).</li> </ul>
2	<p><b>Amendments to the NBFC Regulations, 2008</b></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"> <li>• 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).</li> <li>• 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.</li> </ul>



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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"><li>Assessing the adequacy of disclosures made with respect to change in accounting policies and the requirements of NBFC Regulations, 2008.</li></ul>

### 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.

**Other Matter**

The financial statements of the Fund for the year ended 30 June 2017 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 23 August 2017.

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

**Date: 28 August 2018**

**Karachi**

*G.M. Taseer Hadi*  
KPMG Taseer Hadi & Co.  
Chartered Accountants

**Al - Ameen Islamic Aggressive Income Fund**  
**Statement of Assets and Liabilities**  
*As at 30 June 2018*

		<b>30 June 2018</b>	30 June 2017
	<i>Note</i>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Bank balances	5	<b>459,540</b>	433,323
Term deposit musharika	6	<b>95,000</b>	-
Investments	7	<b>240,647</b>	633,496
Advance tax	8	<b>1,824</b>	1,772
Profit receivable	9	<b>8,349</b>	11,399
Deposits, prepayments and other receivables	10	<b>6,571</b>	46,511
<b>Total assets</b>		<b>811,931</b>	1,126,501
<b>Liabilities</b>			
Payable to the Management Company	11	<b>1,444</b>	1,756
Payable to Central Depository Company of Pakistan Limited - Trustee	12	<b>127</b>	145
Payable to Securities and Exchange Commission Of Pakistan	13	<b>756</b>	891
Accrued expenses and other payables	14	<b>13,876</b>	18,450
<b>Total liabilities</b>		<b>16,203</b>	21,242
<b>Net assets</b>		<b>795,728</b>	1,105,259
<b>Unit holders' fund</b> (as per the statement attached)		<b>795,728</b>	1,105,259
<b>Contingency</b>	21	<b>(Number of units)</b>	
<b>Number of units in issue</b> (face value of units is Rs. 100 each)		<b>7,693,921</b>	11,059,495
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>	4.8	<b>103.4230</b>	99.9376

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

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

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**Chief Executive Officer**

---SD---  


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**Chief Financial Officer**

---SD---  


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**Director**

# AI - Ameen Islamic Aggressive Income Fund

## Income Statement

For the year ended 30 June 2018

		30 June 2018	30 June 2017
	Note	(Rupees in '000)	
<b>Income</b>			
Financial income	15	64,963	76,695
Net capital (loss) / gain on sale of investments		(2,924)	1,970
Net unrealized (loss) / gain on revaluation of investments classified as 'designated at fair value through profit or loss'	7.3.1	(4,950)	1,336
Other income		231	-
<b>Total income</b>		<b>57,320</b>	<b>80,001</b>
<b>Expenses</b>			
Remuneration of the Management Company	11.1	15,118	17,816
Sindh Sales Tax on the Management Company's remuneration	11.2	1,965	2,316
Allocation of expenses relating to the Fund	11.3	1,008	1,188
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	12	1,899	2,077
Annual fee of Securities and Exchange Commission of Pakistan	13	756	891
Bank charges		109	45
Auditors' remuneration	16	559	559
Listing fee		28	55
Brokerage expenses		261	113
Legal and professional charges		190	157
Shariah advisory fee		333	337
Other expenses		164	161
<b>Total operating expenses</b>		<b>22,390</b>	<b>25,715</b>
<b>Net income from operating activities</b>		<b>34,930</b>	<b>54,286</b>
Net element of loss and capital losses included in prices of units issued less those in units redeemed	3.4.3	-	(26,247)
Reversal of Provision for Workers' Welfare Fund	14.2	-	3,713
Provision for Sindh Workers' Welfare Fund	14.2	(686)	(1,390)
		(686)	2,323
<b>Net income for the year before taxation</b>		<b>34,244</b>	<b>30,362</b>
Taxation	17	-	-
<b>Net income for the year after taxation</b>		<b>34,244</b>	<b>30,362</b>
<b>Allocation of net income for the year after taxation</b>			
Net income for the year after taxation		34,244	
Income already paid on units redeemed		(15,572)	
		<b>18,672</b>	
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	
- Excluding capital gains		18,672	
		<b>18,672</b>	

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

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

---SD---

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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\_\_\_\_\_  
Director

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

	30 June 2018	30 June 2017
	(Rupees in '000)	
<b>Net income for the year after taxation</b>	<b>34,244</b>	30,362
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>34,244</u></b>	<u>30,362</u>

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

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

---SD---  
\_\_\_\_\_  
**Chief Executive Officer**

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\_\_\_\_\_  
**Chief Financial Officer**

---SD---  
\_\_\_\_\_  
**Director**

AI - Ameen Islamic Aggressive Income 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) -----						
<b>Net assets at beginning of the year</b>	1,091,560	13,699	1,105,259	631,932	10,769	642,701
<b>Issuance of 11,361,204 units</b> (30 June 2017: 31,077,525 units)						
- Capital value	1,135,686	-	1,135,686			
- Element of income	15,333	-	15,333			
<b>Total proceeds on issuance of units</b>	1,151,019		1,151,019	3,097,497	44,466	3,141,963
<b>Redemption of 14,726,778 units</b> (30 June 2017: 26,466,025 units)						
- Capital value	(1,471,908)	-	(1,471,908)			
- Element of loss	(7,314)	(15,572)	(22,886)			
<b>Total payments on redemption of units</b>	(1,479,222)	(15,572)	(1,494,794)	(2,637,869)	(70,713)	(2,708,582)
Net element of loss and capital losses included in prices of units issued less those in units redeemed	-	-	-	-	26,247	26,247
Total comprehensive income for the year	-	34,244	34,244	-	30,362	30,362
Interim distribution for the year ended 30 June 2018: Nil [2017: Rs 4.52 per unit (Date of Distribution: 19 June 2017)]	-	-	-	-	(27,432)	(27,432)
<b>Net income for the year less distribution</b>	-	34,244	34,244	-	2,930	2,930
<b>Net assets at end of the year</b>	<b>763,357</b>	<b>32,371</b>	<b>795,728</b>	<b>1,091,560</b>	<b>13,699</b>	<b>1,105,259</b>
<b>Undistributed income brought forward:</b>						
- Realised income		12,363			5,356	
- Unrealised income		1,336			5,413	
		<u>13,699</u>			<u>10,769</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-				
- Excluding capital gains		18,672				
		<u>18,672</u>				
Net income for the year after taxation					30,362	
Interim distribution for the year ended 30 June 2018: Nil [2017: Rs 4.52 per unit (Date of Distribution: 19 June 2017)]					(27,432)	
<b>Undistributed income carried forward</b>		<u>32,371</u>			<u>13,699</u>	
<b>Undistributed income carried forward comprises of:</b>						
- Realised income		37,321			12,363	
- Unrealised (loss) / income		(4,950)			1,336	
		<u>32,371</u>			<u>13,699</u>	
				(Rupees)		(Rupees)
<b>Net assets value per unit at beginning of the year</b>			<u>99.9376</u>			<u>99.6745</u>
<b>Net assets value per unit at end of the year</b>			<u>103.4230</u>			<u>99.9376</u>

The annexed notes from 1 to 29 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 Aggressive Income Fund

## Cash Flow Statement

For the year ended 30 June 2018

	30 June 2018	30 June 2017
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	34,244	30,362
<b>Adjustments for:</b>		
Financial income	15 (64,963)	(76,695)
Net unrealized loss / (gain) on revaluation of investments classified as 'designated at fair value through profit or loss'	4,950	(1,336)
Net capital loss / (gain) on sale of investments	2,924	(1,970)
Net element of loss and capital loss included in prices of units issued less those in units redeemed	-	26,247
Reversal of provision for Workers' Welfare Fund	-	(3,713)
Provision for Sindh Workers' Welfare Fund	686	1,390
	<u>(56,403)</u>	<u>(56,077)</u>
<b>Net cash used in operations before working capital changes</b>	<b>(22,159)</b>	<b>(25,715)</b>
<b>Working capital changes</b>		
<i>Decrease / (increase) in assets</i>		
Investments	384,975	(198,590)
Deposits, prepayments and other receivables	208	(46,411)
Advance tax	(52)	(602)
	<u>385,131</u>	<u>(245,603)</u>
<i>(Decrease) / increase in liabilities</i>		
Payable to the Management Company	(312)	(34)
Payable to Central Depository Company of Pakistan Limited - Trustee	(18)	(2)
Payable to Securities and Exchange Commission of Pakistan	(135)	238
Accrued expenses and other payables	(5,260)	899
	<u>(5,725)</u>	<u>1,101</u>
Profit received	68,013	75,719
<b>Net cash flows generated from / (used in) operating activities</b>	<b>425,260</b>	<b>(194,498)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	1,190,751	3,141,963
Payments on redemption of units	(1,494,794)	(2,708,582)
Cash distribution to unit holders	-	(27,432)
<b>Net cash (used in) / generated from financing activities</b>	<b>(304,043)</b>	<b>405,949</b>
<b>Net increase in cash and cash equivalents</b>	<b>121,217</b>	<b>211,451</b>
Cash and cash equivalents at beginning of the year	433,323	221,872
<b>Cash and cash equivalents at end of the year</b>	<b>554,540</b>	<b>433,323</b>
<b>Cash and cash equivalents</b>		
Bank balances	459,540	433,323
Term deposit musharika	95,000	-
	<u>554,540</u>	<u>433,323</u>

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

For UBL Fund Managers Limited  
(Management Company)

---SD---

\_\_\_\_\_  
Chief Executive Officer

---SD---

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Chief Financial Officer

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\_\_\_\_\_  
Director

# Al - Ameen Islamic Aggressive Income Fund

## Notes to the Financial Statements

For the year ended 30 June 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Aggressive Income Fund (the Fund) was established under a Trust Deed executed between UBL Fund Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited (CDC), as its Trustee. The Trust Deed was executed on August 10, 2007 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on August 27, 2007 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 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules 2003.

The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open end shariah compliant (Islamic) aggressive fixed income scheme in accordance with Circular No. 7 of 2009 issued by SECP.

The Fund has been formed to generate superior, long term, risk adjusted returns by investing in medium to long term income instrument as well as short tenor money market instruments. Furthermore, the Fund invests in instruments that are approved by the Shariah Advisory Board. Under provision of the Trust Deed, all activities of the Fund shall be undertaken in accordance with the Shariah.

Title to the assets of the Fund are held in the name of 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 New, Amended and Revised Standards and Interpretations of IFRSs**

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 lower by Rs. 7.205 million net off charge for SWWF in respect of element of income and consequently NAV per unit would have been lower by Rs. 0.96.

### **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 Fund'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 Fund'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 Fund'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 amendments are not likely to have an impact on Fund’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 amendments are not likely to have an impact on Fund’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 amendments are not likely to have an impact on Fund’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 amendments are not likely to have an impact on Fund’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 Fund’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 amendments are not likely to have an impact on Fund’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 Fund'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.

##### b) 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 debt securities*

Investment in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

###### *Basis of valuation of government securities*

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV 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 receivables', 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 determined based on the provisioning criteria specified by SECP.

Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circulars, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

#### **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 at least 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 debt and 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

	Note	30 June 2018	30 June 2017
		(Rupees in '000)	
In current accounts	5.1	6,696	7,938
In saving accounts	5.2	452,844	425,385
		<u>459,540</u>	<u>433,323</u>

5.1 This includes balance with United Bank Limited of Rs. 4.64 million (30 June 2017: Rs. 4.61 million), holding company of the Management Company.

5.2 These carry profit rates ranging from 5.6% to 6.4% (30 June 2017: 3.75% to 5.8%) per annum. This includes balance with United Bank Limited of Rs. 91.08 million (30 June 2017: Rs. 234 million).

#### 6 TERM DEPOSIT MUSHARIKA

Commercial bank	6.1	<u>95,000</u>	<u>-</u>
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6.1 Profit rate on Term deposit musharika is 6.1% (30 June 2017: NIL) per annum and will mature on 12 July 2018.

#### 7 INVESTMENTS

##### Available-for-sale

- Sukuk certificates - Quoted	7.1	<u>-</u>	<u>-</u>
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##### 'Designated at fair value through profit or loss'

- Sukuk certificates			
- Quoted	7.2	103,166	106,819
- Unquoted	7.2	137,481	273,872
- GOP Ijarah Sukuks	7.4	-	252,805
		<u>240,647</u>	<u>633,496</u>

#### 7.1 Available-for-sale - sukuk certificates (certificates of Rs.5,000 each, unless otherwise stated)

Name of Investee Company	Note	As at 01 July 2017	Purchased / acquired 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 investment	Percentage of net assets
		----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
<u>Quoted</u>										
<b>Leasing companies</b>										
Security Leasing Corporation Limited - Sukuk (19-09-07) – II	7.1.2	10,000	-	-	10,000	-	-	-	-	-
<b>Cable and electronics goods</b>										
New Allied Electronics Industries Limited-I*	7.1.3	192,000	-	-	192,000	-	-	-	-	-
New Allied Electronics Industries Limited-II	7.1.4	10,000	-	-	10,000	-	-	-	-	-
<b>Chemical</b>										
Agritech Limited	7.1.5	16,600	-	-	16,600	-	-	-	-	-
Agritech Limited (zero rate coupon)	7.1.6	2,411	-	-	2,411	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Face value of each certificate is Rs.312.5.

7.1.1 At 30 June 2018, the cost of above investments amounted to Rs.167.98 (30 June 2017: Rs.167.98) million.

7.1.2 Security Leasing Corporation Limited - II (SLCL) was categorized as non-performing by MUFAP initially as at 30 June 2011 and subsequently in April 2012. The Fund has fully provided the investment in accordance with Circular No. 33 of 2012 issued by the Securities and Exchange Commission of Pakistan (SECP).

7.1.3 The exposure was classified as non-performing in 2009. Accordingly, under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP, the entire exposure was provided for in the books in the year 2011.

7.1.4 The exposure was classified as non-performing in 2009 under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP and currently the entire exposure has been provided for in the books.

7.1.5 The exposure was classified as non-performing in 2011 under Circular No. 33 of 2012 read with circular No. 1 of 2009 issued by SECP and currently the entire exposure has been provided for in the books.

7.1.6 In 2013, Agritech Limited issued 2,411 term finance certificates against the profit due on its long overdue sukuk certificates. These have not been recognised as they were issued against the suspended mark up receivable, because as per Circular 33 of 2012, profit shall only be recorded up to the extent it is received in cash.

7.2 'Designated at fair value through profit or loss' - sukuk certificates (certificates of Rs.5,000 each, unless otherwise stated)

Investee Company	As at 01 July 2017	Purchased / acquired 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 investment	Percentage of net assets
	----- (Number of certificates) -----				---- (Rupees in '000) ----			----- % -----	
<b>Quoted</b>									
<b>Power generation and distribution</b>									
K-Electric Limited - 5 years	15,000	-	-	15,000	77,613	76,054	77,613	31.60%	9.56%
<b>Chemical</b>									
Engro Corporation Limited - 5 years	5,000	-	-	5,000	29,206	27,112	29,206	11.27%	3.41%
					<b>106,819</b>	<b>103,166</b>	106,819	42.87%	12.97%
<b>Unquoted</b>									
<b>Pharmaceutical</b>									
AGP (Private) Limited (certificates of Rs. 80,000 each)	1,000	-	(1,000)	-	-	-	100,000	-	-
<b>Chemical</b>									
Ghani Gases Limited (certificates of Rs.79,167 each)	425	-	(100)	325	25,986	25,987	41,136	10.80%	3.27%
Engro Fertilizers Limited Sukuk - III (certificates of Rs.2,625 each)	19,800	-	-	19,800	53,706	52,495	81,839	21.81%	6.60%
					79,692	78,482	122,975	32.61%	9.87%
<b>Power generation and distribution</b>									
Pakistan Water & Power Development Authority (WAPDA) - II (certificates of Rs.1,250 each)	17,000	-	(17,000)	-	-	-	7,073	-	-
Pakistan Water & Power Development Authority (WAPDA) - III (certificates of Rs.2,500 each)	13,000	-	-	13,000	34,086	33,949	43,824	14.11%	4.27%
					34,086	33,949	50,897	14.11%	4.27%
<b>Food and energy</b>									
Dawood Hercules Corporation Limited (certificates of Rs. 100,000 each)	-	500	(250)	250	25,000	25,050	-	10.41%	3.15%
					<b>138,778</b>	<b>137,481</b>	273,872	57.13%	17.29%

7.3 Significant terms and conditions of sukuk certificates (other than non - performing sukuks) held as at 30 June 2018 are as follows:

Name	Issue Date	Remaining Principal (Rupees in '000)	Mark-up rate per annum	Maturity	Secured / unsecured	Rating
<b>Power generation and distribution</b>						
K-Electric Ltd	19-Mar-14	75,000	3 Month Kibor + 275 bps	19-Mar- 2019	Secured	AA
Pakistan Water & Power Development Authority (WAPDA)	14-Oct-13	32,501	6 month KIBOR + 100 bps	14-Oct-2021	Secured	AAA
<b>Chemical</b>						
Engro Corporation Limited - (Engro)	11-Jul-14	25,000	13.5% (Fixed Rate Security)	11-July-2019	Secured	AA+
Engro Fertilizers Limited	9-Jul-14	51,975	6 months KIBOR + 175 bps	09-July-2019	Secured	AA-
Ghani Gases Limited	2-Feb-17	25,729	3 Month KIBOR + 1%	02-Feb-2023	Secured	A
<b>Food and Energy</b>						
Dawood Hercules Corporation Limited	16-Nov-17	25,000	3 Month KIBOR + 1%	16-Nov-2022	Secured	AA

### 7.3.1 Net unrealized (loss) / gain on revaluation of investments classified as 'designated at fair value through profit or loss' - net

	30 June 2018	30 June 2017
	(Rupees in '000)	
Market value of investments	240,647	633,496
Less: cost / carrying value of investments	<u>(245,597)</u>	<u>(632,160)</u>
	<u>(4,950)</u>	<u>1,336</u>

### 7.4 'Designated at fair value through profit or loss' - GOP ijarah sukuks

Name of security	As at 1 July 2017	Purchased/ acquired 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 investment	Percentage of net assets
	(Number of certificates)				(Rupees in '000)			%	
<b>Government of Pakistan</b>									
Ijarah Sukuk XVII - 3 years	500	-	(500)	-	-	-	51,465	-	-
Ijarah Sukuk XIX - 3 years	2,000,000	-	(2,000,000)	-	-	-	201,340	-	-
					<u>-</u>	<u>-</u>	<u>252,805</u>	<u>-</u>	<u>-</u>

### 8 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.

### 9 PROFIT RECEIVABLE

	30 June 2018	30 June 2017
	(Rupees in '000)	
<b>Profit receivable on:</b>		
Bank balances	2,519	2,039
Term deposit musharika	987	-
Investments	<u>4,843</u>	<u>9,360</u>
	<u>8,349</u>	<u>11,399</u>

### 10 DEPOSITS , PREPAYMENTS AND OTHER RECEIVABLES

Prepaid expenses	-	208
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100	100
Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Receivable against issuance of units	<u>3,971</u>	<u>43,703</u>
	<u>6,571</u>	<u>46,511</u>

### 11 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	11.1	994	1,190
Sindh Sales Tax on management remuneration	11.2	129	155
Payable against allocation of expenses relating to the Fund	11.3	142	161
Shariah a+B76dvisory fee		26	48
Sales load and other payables		<u>153</u>	<u>202</u>
		<u>1,444</u>	<u>1,756</u>

11.1 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 1.5 % per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

11.2 Sindh Sales Tax has been charged at 13% (30 June 2017: 13%) on the management fee charged during the year.

11.3 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.

### 12 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:

<b>Net assets:</b>	<b>Tariff per annum</b>
- 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.

### 13 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.

### 14 ACCRUED EXPENSES AND OTHER PAYABLES

		<b>30 June 2018</b>	30 June 2017
	<i>Note</i>	<b>(Rupees in '000)</b>	
Provision for indirect duties and taxes	14.1	<b>9,511</b>	9,511
Provision for Sindh Workers' Welfare Fund	14.2	<b>2,076</b>	1,390
Withholding tax and zakat deducted at source		<b>504</b>	5,298
Capital gains tax payable		<b>195</b>	1,753
Auditors' remuneration payable		<b>301</b>	301
Brokerage payable		<b>13</b>	70
Charity payable		<b>78</b>	103
Sales load payable		<b>42</b>	24
Other payables		<b>1,156</b>	-
		<b>13,876</b>	18,450

- 14.1** 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 Honourable 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 Honourable 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 1 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. 9.147 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. 1.19 per unit (30 June 2017: Rs. 0.83) 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.

- 14.2** 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 Honourable Lahore High Court (LHC) and the Honourable 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 Honourable 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 1 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. 0.27 per unit.

<b>15 FINANCIAL INCOME</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Profits on:	<b>(Rupees in '000)</b>	
- Bank balances	<b>24,439</b>	29,334
- Term deposit musharika	<b>12,201</b>	14,950
- GOP ijarah sukuks	<b>3,244</b>	3,094
- Sukuk certificates	<b>25,079</b>	29,317
	<b><u>64,963</u></b>	<u>76,695</u>
<b>16 AUDITORS' REMUNERATION</b>		
Annual audit fee	<b>210</b>	194
Half yearly review fee	<b>136</b>	126
Fee for certifications and other services	<b>163</b>	163
Out of pocket expenses	<b>50</b>	76
	<b><u>559</u></b>	<u>559</u>

## 17 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 29) 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.

## 18 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 2.29% which include 0.36% representing government levy, Workers' Welfare Fund and SECP fee.

## 19 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	43,703	-	43,703
Receivable against issuance of units	1,151,019	-	1,151,019
Payable against redemption of units	-	1,494,794	1,494,794
	1,151,019	1,494,794	2,645,813
Amount received on issuance of units	(1,190,751)	-	(1,190,751)
Amount paid on redemption of units	-	(1,494,794)	(1,494,794)
	(1,190,751)	(1,494,794)	(2,685,545)
<b>Closing balance as at 30 June 2018</b>	<b>3,971</b>	<b>-</b>	<b>3,971</b>

## 20 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	-	-	-	-	920	-
Units redeemed	-	-	-	-	5,035	-
Profit on saving accounts	-	11,294	-	-	-	-
Bank charges	-	95	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	-	-	-
Remuneration	15,118	-	1,680	-	-	-
Sales tax on remuneration	1,965	-	219	-	-	-
Allocation of expenses relating to the Fund	1,008	-	-	-	-	-
Shariah advisory fee	333	-	-	-	-	-
Listing fee	-	-	-	-	-	20

----- (Balances held as at 30 June 2018) -----						
Units held (in units '000)	-	-	-	-	121	-
Units held (in rupees '000)	-	-	-	-	12,514	-
Bank balances*	-	95,717	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	1,123	-	127	-	-	-
Sales load and other payables	136	42	-	-	-	-
Shariah fee	26	-	-	-	-	-
Others	17	-	-	-	-	-
Payable against allocated expenses	142	-	-	-	-	-
Profit receivable	-	552	-	-	-	-

\* These carry profit rate at the rate of 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	-	8,566	-	-	-	-
Units redeemed	-	32,415	-	-	4,404	-
Profit on savings accounts	-	8,940	-	-	-	-
Bank charges	-	35	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	-	-	-
Remuneration	17,816	-	1,838	-	-	-
Sales tax on remuneration	2,316	-	239	-	-	-
CDS charges	-	-	7	-	-	-
Dividend paid to unit holders	-	-	-	-	636	24
Allocation of expenses relating to the Fund	1,188	-	-	-	-	-
Shariah advisory fee	337	-	-	-	-	-

----- (Balances held as at 30 June 2017) -----						
Units held (in units '000)	-	-	-	-	172	-
Units held (in rupees '000)	-	-	-	-	17,189	-
Bank balances*	-	238,968	-	-	-	256
Deposits	-	-	100	-	-	-
Remuneration payable **	1,345	-	145	-	-	-
Sales load and other payables	202	24	-	-	-	-
Shariah fee	48	-	-	-	-	-
Payable against allocated expenses	161	-	-	-	-	-
Profit receivable	-	361	-	-	-	-

\* These carry profit rate ranging between 4% - 5.5% per annum.

\*\* This balance is inclusive of Sindh Sales Tax payable

## 21 CONTINGENCY

As at 30 June 2018, there is no contingency.

## 22 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				Total	Fair value			
		Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
(Rupees in '000)										
<b>Financial assets measured at fair value</b>										
		240,647	-	-	-	240,647	103,166	137,481	-	240,647
<b>Financial assets not measured at fair value</b>										
	22.1	-	-	459,540	-	459,540				
		-	-	95,000	-	95,000				
		-	-	8,349	-	8,349				
		-	-	6,571	-	6,571				
		-	-	569,460	-	569,460				
<b>Financial liabilities not measured at fair value</b>										
	22.1	-	-	-	1,444	1,444				
		-	-	-	127	127				
		-	-	-	2,289	2,289				
		-	-	-	3,860	3,860				
<b>30 June 2017</b>										
	Note	Carrying amount				Total	Fair value			
		Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
(Rupees in '000)										
<b>Financial assets measured at fair value</b>										
		380,691	-	-	-	380,691	106,819	273,872	-	380,691
		252,805	-	-	-	252,805	-	252,805	-	252,805
		633,496	-	-	-	633,496	106,819	526,677	-	633,496
<b>Financial assets not measured at fair value</b>										
	22.1	-	-	433,323	-	433,323				
		-	-	11,399	-	11,399				
		-	-	46,511	-	46,511				
		-	-	491,233	-	491,233				
<b>Financial liabilities not measured at fair value</b>										
	22.1	-	-	-	1,756	1,756				
		-	-	-	145	145				
		-	-	-	498	498				
		-	-	-	2,399	2,399				

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

## 23 FINANCIAL RISK MANAGEMENT

23.1 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.

## 23.2 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:

	<b>30 June 2018</b>	30 June 2017
	<b>(Rupees in '000)</b>	
<b>Financial assets exposed to credit risk</b>		
Sukuk Certificates	<b>240,647</b>	380,691
Bank balances	<b>459,540</b>	433,323
Profit receivable	<b>8,349</b>	11,399
Term deposit musharika	<b>95,000</b>	-
	<b><u>803,536</u></b>	<b><u>825,413</u></b>

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. For Debt instruments settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. 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.

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

	<b>30 June 2018</b>	30 June 2017
	-----%-----	
<b>Rating by category</b>		
AAA	<b>12.00</b>	33.59
AA- to AA+	<b>60.00</b>	42.24
A- to A+	<b>22.00</b>	7.29
Others	<b>6.00</b>	16.88
	<b><u>100.00</u></b>	<b><u>100.00</u></b>

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.

### 23.3 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, sukuks 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		
<b>Financial Liabilities</b>	(Rupees in '000)				
Payable to Management Company	1,444	-	-	-	1,444
Payable to Central Depository Company of Pakistan Limited - Trustee	127	-	-	-	127
Accrued expenses and other payables	1,590	-	-	-	1,590
<b>Total Liabilities</b>	<b>3,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,161</b>

	30 June 2017				Total
	Maturity Upto			More than one year	
	Three months	Six months	One year		
<b>Financial Liabilities</b>	(Rupees in '000)				
Payable to Management Company	1,756	-	-	-	1,756
Payable to Central Depository Company of Pakistan Limited - Trustee	145	-	-	-	145
Accrued expenses and other payables	498	-	-	-	498
<b>Total Liabilities</b>	<b>2,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,399</b>

### 23.4 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.

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

	<b>30 June 2018</b>	30 June 2017
	<b>(Rupees in '000)</b>	
<i>Variable rate instruments</i>		
Bank balances	<b>452,844</b>	425,385
Investments - designated at fair value through profit or loss	<b>213,535</b>	604,290
	<b><u>666,379</u></b>	<u>1,029,675</u>
<i>Fixed rate instrument</i>		
Term deposit musharika	<b>95,000</b>	-
Investments - designated at fair value through profit or loss	<b>27,112</b>	29,206
	<b><u>122,112</u></b>	<u>29,206</u>

#### **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. 6.664 million (30 June 2017: Rs. 10.3 million), assuming all other variables held constant.

#### **Fair value sensitivity analysis for fixed rate instrument**

A change in 100 basis points in interest rates at year end would have increased / (decreased) the net assets and net income by Rs. 0.271 (30 June 2016: Rs. 0.292 million). The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as held till maturity.

#### **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.

### **23.5 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.

In order to maintain or adjust the capital structure, 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 Chief Executive of the Fund critically track the movement of „Assets under Management“. The Board of Directors is updated about the fund yield and movement of NAV and total fund size at the end of each quarter.

24	TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND	Commission	
		2018	%
<b>Name of Broker</b>			
BIPL Securities		42.58%	
Bright Capital (Private) Limited		37.88%	
Next Capital Limited		10.06%	
Paramount Capital (Private) Limited		9.48%	
		<b>100.00%</b>	
		Commission	
		2017	%
<b>Name of Broker</b>			
Paramount Capital (Private) Limited		62.50%	
Invest Capital Markets Limited		37.50%	
		<b>100.00%</b>	

## 25 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	Usama Bin Razi	Fund Manager	15	MBA

\* Head of Risk - non voting observer

Usama Bin Razi is Fund Manager of UBL Liquidity Plus Fund, UBL Growth & Income Fund, UBL Asset Allocation Fund, UBL Capital Protected Fund, UBL Retirement Savings Fund and Al Ameen Islamic Asset Allocation Fund.

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

\* 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.

**27 PATTERN OF UNIT HOLDERS**

Category	30 June 2018		
	Unit holders	Number of Units held	Percentage
Individuals	1,897	5,134,117	66.73%
Associated Companies and Directors	1	120,780	1.57%
Insurance Companies	3	638,662	8.30%
Retirement Funds	19	798,914	10.38%
Public limited companies	4	829,847	10.79%
Others	6	171,601	2.23%
	<b>1,930</b>	<b>7,693,921</b>	<b>100.00%</b>

Category	30 June 2017		
	Unit holders	Number of Units held	Percentage
Individuals	1,612	6,275,490	56.70%
Associated companies and directors	3	171,879	1.60%
Insurance companies	5	477,866	4.30%
Retirement funds	30	1,492,339	13.50%
Public Limited Companies	8	1,897,356	17.20%
Others	7	744,565	6.70%
	<b>1,665</b>	<b>11,059,495</b>	<b>100.00%</b>

**28 FUND RATING**

The Management Company has been rated as AM1 on 29 December 2017 by JCR - VIS.

The Fund has been rated as BBB+(f) by JCR - VIS on 29 December 2017.

**29 GENERAL****29.1 Subsequent event - non adjusting**

The Board of Directors of the Management Company on 02 July 2018 approved a final distribution of Rs. 3.4854 per unit on the face value of Rs.100 each (i.e. 3.49%) amounting to Rs. 26.816 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.

**29.2 Corresponding figures**

Comparative information has been reclassified, rearranged or additionally incorporated in these financial statements for the purpose of better presentation. Receivable against unit issuance amounting to Rs. 43.7 million has been reclassified from bank balances to deposits, prepayments and other receivables.

Except for above, there are no other material reclassifications to report.

**29.3 Date of authorisation for issue**

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

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

---SD---  
\_\_\_\_\_  
**Chief Executive Officer**

---SD---  
\_\_\_\_\_  
**Chief Financial Officer**

---SD---  
\_\_\_\_\_  
**Director**

# AIAAF

## Al-Ameen Islamic Asset Allocation Fund

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes/instruments based on the market outlook.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants
<b>Bankers</b>	Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited United Bank Limited
<b>Management Co. Rating</b>	AM1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Islamic Asset Allocation Fund (AIAAF)

**i) Description of the Collective Investment Scheme category and type**

Islamic Asset Allocation / Open-end

**ii) Statement of Collective Investment Scheme's investment objective**

The investment objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes/instruments based on the market outlook.

**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**

Weighted Avg. of 3M & 6M avg. deposit rates of 3 AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP and KMI-30 Index based on actual proportion of the scheme

**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
AIAAF	0.17%	-3.73%	0.82%	-1.91%	0.60%	0.52%	3.20%	-0.83%	2.09%	0.37%	-1.46%	-1.00%	-1.33%
Benchmark	0.68%	0.68%	0.66%	0.69%	0.66%	0.69%	3.42%	-0.62%	2.08%	0.13%	-1.81%	-0.80%	6.56%

**vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The fund posted a negative return of 1.33% for the period under review FY18. At the end of FY18, the Fund Manager maintained 56% in Cash while 37% of total assets were invested in equities.

**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
Equities	34%	37%
Placements with banks	0%	5%
Sukuks	2%	1%
Gop Ijarah Sukuk	0%	0%
Cash	63%	56%
Others	1%	1%
Leverage	Nil	Nil

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

FY'18 Return:	-1.33%
Standard Deviation (12m trailing):	6.90%
Sharpe Ratio (12m trailing):	(1.08)

**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		%
6,455,833	7,894,823	(18.23)	117.2141	118.7962	(1.33)

**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.

### **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 co-operation 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 entry into the IMF program will enable corrective measures and stabilize economy over medium term. Moreover, subsidizing 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.

- 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

Distribution			Per unit		
<i>Declared on</i>	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
<i>Rupees (000)</i>			<i>----- Rupees -----</i>		
Nil	Nil	Nil			

- 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
	AIAAF
0.0001 - 9,999.9999	1,861
10,000.0000 - 49,999.9999	767
50,000.0000 - 99,999.9999	145
100,000.0000 - 499,999.9999	89
500,000.0000 & Above	6
<b>Total</b>	<b>2,868</b>

**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**

Investments 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 Asset Allocation Fund

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>6,455,833</b>	7,894,823	2,235,142
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Class A units - Offer *	<b>121.1877</b>	122.8234	117.7348
- Redemption	<b>117.2141</b>	118.7962	113.2392
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(1.33)</b>	14.58	9.15
Capital Growth (per unit)	<b>(1.33)</b>	3.16	3.83
Date of Income Distribution	-	19-Jun-17	27-Jun-15
Income Distribution	-	11.00	5.00
<b>AVERAGE ANNUAL RETURN - %</b>			
One year	<b>-1.33</b>	14.58	9.15
Two year	<b>6.63</b>	11.87	13.57
Three year	<b>7.47</b>	13.90	10.80
Since Launch	<b>9.13</b>	11.74	10.80
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>			
Highest price per unit - Class A units - Offer	<b>125.2156</b>	139.2082	124.1311
Highest price per unit - Class A units - Redemption	<b>121.1100</b>	134.6438	119.3913
Lowest price per unit - Class A units - Offer	<b>115.3613</b>	117.0821	112.6688
Lowest price per unit - Class A units - Redemption	<b>111.5788</b>	113.2432	108.3666
* Front-end load @ 3% is applicable			
<b>PORTFOLIO COMPOSITION - %</b>			
Percentage of Net Assets as at 30 June			
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>			
Bank balances	<b>56.00</b>	63.00	28.00
Equity	<b>37.00</b>	34.00	33.00
Bank Placements	<b>5.00</b>	0.00	15.00
Others	<b>1.00</b>	1.00	24.00
sukuk	<b>1.00</b>	2.00	
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>			
Equity	<b>37.00</b>	34.00	33.00
Money Market / Debt	<b>63.00</b>	66.00	67.00

Note:

- The Launch date of Fund is 10 Dec 2013.

## **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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## TRUSTEE REPORT TO THE UNIT HOLDERS

### AL-AMEEN ISLAMIC ASSET ALLOCATION 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 Asset Allocation 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 19, 2018

We, the Shariah Advisors of the Fund are issuing this report in accordance with the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

In the capacity of Shariah Advisor, we have prescribed criteria for Shariah compliance of equity investments which comprises of five factors such as (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Illiquid assets to total assets, (iv) Investment in non-Shariah compliant activities and income from non-compliant investments, and (v) Net liquid assets vs. share market price.

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 from the Management Company personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

- i. We have reviewed and approved the modes of investments of Al-Ameen Islamic Asset Allocation Fund (AIAAF) in light of Shariah requirements. The following is a list of equity investments of AIAAF as on 30 June 2018 and their evaluation according to the screening criteria established by us:

AIAAF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr. No.	Top Equity Scrip Holdings	Nature of Business	<97%	<33%	<5%	>25%	A	B
1	The Hub Power Co. Ltd.	Generator of Electricity	31%	2%	0%	32%	(17.5)	92.2
2	Engro Corporation	Manufacturer of Chemicals	28%	22%	3%	57%	(15.9)	313.9
3	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	3%	1%	83%	(32.8)	74.9
4	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	18%	4%	38%	67.1	155.6
5	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	14%	3%	42%	39.5	214.9
6	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	3%	7%	0%	19%	96.6	1,506.2
7	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	4%	2%	42%	2.9	671.8
8	Nishat Mills Ltd.	Manufacturer of Textile	21%	32%	2%	45%	100.2	140.9
9	Kohat Cement Co. Ltd.	Manufacturer of Cement	2%	18%	1%	65%	6.5	123.1
10	Lucky Cement Co. Ltd.	Manufacturer of Cement	10%	0%	3%	58%	40.5	507.9

In light of the above, we hereby certify that all the provisions of the Fund and investments made on accounts of AIAAF by UBL Funds are Shariah compliant and in accordance with the criteria established.

- ii. On the basis of information provided by the management all operations of AIAAF for the year ended 30 June 2018 have been in compliance with the Shariah principles.
- iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by AIAAF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside charity for such proportion of the income from Investee companies in order to purify the earning of the Fund.



During the year an amount of PKR 1,786,942 has been recognized as charity.

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

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**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee

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**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**

**DATE: 08 August 2018**

**UBL FUND MANAGERS LIMITED**

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

**NAME OF FUND: AL AMEEN ISLAMIC ASSET ALLOCATION 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 Asset Allocation 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.



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

## To the unitholders of Al-Ameen Islamic Asset Allocation Fund

### Review Report on the 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 (the Board) of UBL Fund Managers Limited, the Management Company of **Al-Ameen Islamic Asset Allocation Fund** (the Fund) 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 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 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, the Fund's 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 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.

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.



**Chartered Accountants**

**Place:** Karachi

**Date:** 28 August 2018

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Al-Ameen Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2018**, and income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 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 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 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.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of equity investments</b>	
As disclosed in note 9 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the investments held by the Fund comprised of listed shares which represent 37% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedure included the following:</p> <ul style="list-style-type: none"> <li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li> </ul>

5/7/18

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have considered the existence and valuation of such investments as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement, and related reconciliations, re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2018.</li> <li>- We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the adequacy of disclosures as may be applicable in situations of non-compliance.</li> <li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</li> </ul>
<p><b>2. Amendment to the NBFC Regulations, 2008</b></p>	
<p>As disclosed in note 4.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p> <p>These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).</p>	<p>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.</p> <p>We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.</p>

### 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.

*ETW*

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 the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management 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, 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.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date: 28 August 2018**

**Karachi**

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

	Note	June 30, 2018 ----- (Rupees in '000) -----	June 30, 2017 -----
<b>ASSETS</b>			
Bank balances	8	3,646,368	5,215,482
Investments	9	2,839,282	2,948,913
Dividend and profit receivable	10	32,825	29,520
Advance tax	11	1,943	1,904
Receivable against sale of investments		891	-
Deposits and other receivables	12	9,551	31,497
Preliminary expenses and floatation costs	13	87	287
<b>Total assets</b>		<b>6,530,947</b>	<b>8,227,603</b>
<b>LIABILITIES</b>			
Payable to the Management Company	14	15,650	20,290
Payable to the Trustee	15	707	789
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	16	7,388	4,119
Payable against purchase of investments		-	15,800
Accrued and other liabilities	18	51,369	291,782
<b>Total liabilities</b>		<b>75,114</b>	<b>332,780</b>
<b>NET ASSETS</b>		<b>6,455,833</b>	<b>7,894,823</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>6,455,833</b>	<b>7,894,823</b>
<b>Contingencies and commitments</b>	19		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>55,077,294</b>	<b>66,456,911</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	5.4	<b>117.2141</b>	<b>118.7962</b>

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---

\_\_\_\_\_  
Director

---SD---

\_\_\_\_\_  
Chief Financial Officer

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

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
<b>INCOME</b>			
Profit on PLS saving accounts and TDM		280,183	150,543
Profit on investments classified as 'designated at fair value through profit or loss'		8,248	20,903
Unrealized (loss) / gain on revaluation of investments classified as:			
- 'designated at fair value through profit or loss'		(383)	2,063
- 'held-for-trading'		(173,149)	141,517
Dividend income		157,821	50,394
(Loss) /gain on sale of investments classified as:			
- 'designated at fair value through profit or loss'		(993)	7,073
- 'held-for-trading'		(210,309)	174,286
- 'available-for-sale'		1,110	-
<b>Total income</b>		<b>62,528</b>	<b>546,779</b>
Impairment loss on investments classified as 'available-for-sale'	9.2	(35,058)	-
<b>EXPENSES</b>			
Remuneration of the Management Company	14.1	77,771	43,357
Sales tax on management fee	14.2	10,110	5,636
Allocated expenses by the Management Company	14.4	7,777	4,336
Selling and marketing expenses	14.5	31,110	7,596
Remuneration of the Trustee	15.1	8,777	5,336
Sales tax on remuneration of the Trustee	15.2	1,141	694
Annual fee to SECP	16	7,388	4,119
Amortization of preliminary expenses and floatation costs	13	200	200
Brokerage expenses		2,185	7,155
Auditors' remuneration	20	406	513
Custody and settlement charges		978	1,836
Charity		1,704	637
Shariah advisory fee	14.3	324	345
Legal and other professional charges		153	358
Bank charges and other expenses		352	118
<b>Total expenses</b>		<b>150,376</b>	<b>82,236</b>
Element of income and capital gains included in the prices of units sold less those in units redeemed - net		-	533,146
Reversal of provision for Workers' Welfare Fund (WWF)	18.1	-	3,646
Provision for Sindh Workers' Welfare Fund (SWWF)	18.1	-	(24,246)
		-	(20,600)
<b>Net (loss) / income for the year before taxation</b>		<b>(122,906)</b>	<b>977,089</b>
Taxation	21	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(122,906)</b>	<b>977,089</b>
<i>Allocation of net (loss) / income for the year:</i>			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
		-	-
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-

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---  
\_\_\_\_\_  
**Director**

---SD---  
\_\_\_\_\_  
**Chief Financial Officer**

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

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
Net (loss) / income for the year before taxation	(122,906)	977,089
Other comprehensive income for the year:		
To be reclassified to income statement in subsequent periods:		
Net unrealised appreciation on re-measurement of investments classified as 'available-for-sale'	16,733	-
<b>Total comprehensive (loss) / income for the year</b>	<u><u>(106,173)</u></u>	<u><u>977,089</u></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---  
 \_\_\_\_\_  
**Director**

---SD---  
 \_\_\_\_\_  
**Chief Financial Officer**

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

	June 30, 2018			June 30, 2017	
	Capital value	Undistributed income / (loss)	Unrealised appreciation investments on classified as 'available for sale' - net (Rupees in '000)	Total	Total
<b>Net assets at beginning of the year</b>	7,365,506	529,317	-	7,894,823	2,235,142
Amount received on issuance of 30,997,774 (2017: 74,209,700) units					
Capital value	3,682,418	-	-	3,682,418	-
Element of income during the year;					
- Relating to other comprehensive income	6,886	-	-	6,886	-
- Relating to net loss for the year after taxation	(60,016)	-	-	(60,016)	-
	3,629,288	-	-	3,629,288	9,283,365
Redemption of 42,377,391 units (2017: 27,491,023) units					
Capital value	5,034,273	-	-	5,034,273	-
Element of income during the year;					
- Relating to other comprehensive Income	15,730	-	-	15,730	-
- Relating to net income after taxation	(87,898)	-	-	(87,898)	-
	4,962,105	-	-	4,962,105	3,459,834
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	-	-	-	(533,146)
Total comprehensive (loss) / income for the year	-	(122,906)	16,733	(106,173)	977,089
Distribution during the year	-	-	-	-	(607,793)
Net (loss) / income for the year less distribution	-	(122,906)	16,733	(106,173)	369,296
<b>Net assets at end of the year</b>	<b>6,032,689</b>	<b>406,411</b>	<b>16,733</b>	<b>6,455,833</b>	<b>7,894,823</b>
<b>Undistributed income brought forward:</b>					
- Realised	-	385,737	-	385,737	-
- Unrealised	-	143,580	-	143,580	-
	-	529,317	-	529,317	-
Accounting income available for distribution:					
- Relating to capital gains	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-
	-	-	-	-	-
Net loss for the year after taxation	-	(122,906)	-	(122,906)	-
Distribution during the year	-	-	-	-	-
<b>Undistributed income carried forward</b>	<b>-</b>	<b>406,411</b>	<b>-</b>	<b>406,411</b>	<b>-</b>
<b>Undistributed income carried forward</b>					
- Realised	-	406,411	-	406,411	-
- Unrealised	-	-	-	-	-
	-	406,411	-	406,411	-
				----- (Rupees) -----	
<b>Net assets value per unit at beginning of the year</b>				<b>118.7962</b>	113.2392
<b>Net assets value per unit at end of the year</b>				<b>117.2141</b>	118.7962

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---  
Director

---SD---  
Chief Financial Officer

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

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(122,906)	977,089
<b>Adjustments for:</b>		
Profit on PLS savings accounts and TDM	(280,183)	(150,543)
Profit on investments	(8,248)	(20,903)
Unrealized loss / (gain) on revaluation of investments classified as:		
- 'designated at fair value through profit or loss'	383	(2,063)
- 'held-for-trading'	173,149	(141,517)
Loss / (gain) on sale of investments classified as:		
- 'designated at fair value through profit or loss'	993	(7,073)
- 'held-for-trading'	210,309	(174,286)
- 'available-for-sale'	(1,110)	-
Dividend income	(157,821)	(50,394)
Element of income and capital gains included in the prices of units sold less those in units redeemed - net	-	(533,146)
Amortization of preliminary expenses and floatation costs	200	200
Impairment loss on investments classified as 'available-for-sale'	35,058	-
Reversal of provision for Workers' Welfare Fund (WWF)	-	(3,646)
Provision for Sindh Workers' Welfare Fund (SWWF)	-	24,246
	<u>(27,270)</u>	<u>(1,059,125)</u>
	(150,176)	(82,036)
<b>Decrease / (increase) in assets</b>		
Investments	7,582	(1,360,766)
Receivable against sale of investments	(891)	1,408
Deposits and other receivables	21,946	(28,665)
	<u>28,637</u>	<u>(1,388,023)</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(4,640)	14,968
Payable to the Trustee	(82)	484
Annual fee payable to SECP	3,269	2,286
Payable against purchase of investments	(15,800)	15,800
Accrued and other liabilities	(240,413)	229,694
	<u>(257,666)</u>	<u>263,232</u>
Profit and dividend received	442,947	211,683
Withholding tax paid	(39)	(88)
<b>Net cash generated from / (used in) operating activities</b>	<u>63,703</u>	<u>(995,232)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipt from issuance of units	3,629,288	9,283,365
Cash dividend paid to unit holders	-	(607,793)
Net payment against redemption of units	(4,962,105)	(3,459,834)
<b>Net cash (used in) / generated from financing activities</b>	<u>(1,332,817)</u>	<u>5,215,738</u>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<u>(1,269,114)</u>	<u>4,220,506</u>
Cash and cash equivalents at beginning of the year	5,215,482	994,976
<b>Cash and cash equivalents at end of the year</b>	<u><u>3,946,368</u></u>	<u><u>5,215,482</u></u>
<b>Cash and cash equivalents</b>		
Bank balances	3,646,368	5,215,482
Term deposit musharika (TDM)	300,000	-
	<u><u>3,946,368</u></u>	<u><u>5,215,482</u></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---  
\_\_\_\_\_  
Director

---SD---  
\_\_\_\_\_  
Chief Financial Officer

**AL-AMEEN ISLAMIC ASSET ALLOCATION FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Al Ameen Islamic Asset Allocation 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 October 25, 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 30, 2013 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from December 10, 2013.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** 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. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4** The objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes based on the market outlook. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Islamic Asset Allocation Fund.
- 1.5** JCR - VIS Credit Rating Company has upgraded management quality rating from AM2++ (stable outlook) to AM1 to the management company as at December 29, 2017.
- 1.6** 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. STATEMENT OF COMPLIANCE**

- 2.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
  - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA 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 VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**3. BASIS OF PREPARATION**

- 3.1** These financial statements have been prepared under the historical cost convention except for investments which are accounted for as stated in note 5.1.
- 3.2** These financial statements are presented in Pakistani Rupee which is the Fund's functional and presentation currency.

#### 4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

##### 4.1 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 (SECP) through its SRO 756(I)/2017 dated August 03, 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 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed 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. 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, 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 01, 2017 as required by SECP vide its S.R.O. No. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The „Distribution Statement“ for the comparative year has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs.19.04 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 assets 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 statements.

##### 4.2 New / Revised Standards, Interpretations and Amendments

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years except as described in note 4.

### 5.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss or available-for-sale investment, as appropriate.

All investments are initially measured at fair value plus, in the case of investments not at fair value through profit or loss transaction costs that are directly attributable to acquisition.

All regular way purchases and sales of investments are recognized on the trade date i.e. the date the Fund commits to purchase / sell the investment. Regular way purchases and sales of investments are those, the contract for which requires delivery of assets within the time frame generally established by regulation or market convention.

**5.1.1** The Fund classifies investments in the following categories:

#### **Investments at fair value through profit or loss**

This category has two sub-categories, namely; financial instruments held-for-trading, and those designated at fair value through profit or loss upon initial recognition.

- Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held-for-trading. All derivatives are classified as held-for-trading. These are initially recorded at cost.
- Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

After initial measurement, investment classified as 'at fair value through profit or loss' are carried at fair value and the gains or losses on revaluation are recognized in the income statement.

#### **Available-for-sale**

Investments which are not classified in the above category are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealized gains or losses recognized directly in the statement of comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss previously recognized in the statement of comprehensive income is taken to the income statement.

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

#### **a) Basis of valuation of Sukuk Certificates**

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 of 2009 dated January 06, 2009 as amended by Circular No. 33 of 2012 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### **b) Basis of valuation of GOP Ijarah Sukuks**

Fair value of GOP Ijarah Sukuks is determined using the PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan (MUFAP).

**c) Basis of valuation of equity securities / units of mutual funds**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

Net gains and losses arising from changes in fair value of available-for-sale financial assets are taken to the 'statement of comprehensive income' until these are derecognized or impaired. At this time, the cumulative gain or loss previously recognized directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the Income Statement.

**5.2 Preliminary expenses and floatation costs**

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from December 11, 2013 in accordance with the Trust Deed.

**5.3 Issue and redemption of units**

Units are allocated at the offer price prevalent on the day on which applications for purchase of units are received (however, units are issued on the receipt of cash/ realization of cheques). The offer price represents the net asset value per unit at the end of the business day plus allowable sales load, if applicable. Issue of units is recorded on acceptance of application for sale.

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 business day less duties, taxes, charges on redemption and provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

**5.4 Net assets value per unit**

The net assets value per unit 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.

**5.5 Taxation**

The Fund is exempt from taxation under clause 99 of Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realized and unrealized capital gains for the year is distributed amongst the Fund's unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**5.6 Revenue recognition**

Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

Dividend income is recognized when the right to receive the dividend is established.

Unrealized gains / (losses) arising on revaluation of securities classified as 'at fair value through profit or loss' are included in income statement in the period in which they arise.

Income on debt and Government securities is recognized on time proportion basis using the effective yield except for the securities which may be classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

Profit on bank balances and term deposits is recorded on accrual basis.

### 5.7 Zakat payable

Zakat payment is the responsibility of each unit holder. Nevertheless, the Fund follows the provisions of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani unit holders are subject to Zakat at 2.5% of the par value of unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat year before the payment of Zakat.

### 5.8 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### 5.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 5.10 Impairment

Impairment loss on financial assets other than „available-for-sale“ investments is recognized in the income statement whenever carrying amount of financial asset exceeds its recoverable amount. If in the subsequent period, the amount of an impairment loss recognized decreases the impairment is reversed through income statement.

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 is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income statement is removed from equity and recognized in the income statement.

### 5.11 Provision

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

### 5.12 Distribution to unit holders

Distribution to unit holders is recognized when they are declared by the Board of Directors of the Management Company (BOD) in their meeting, or upon declaration and approval by the Chief Executive Officer on behalf of the BOD.

### 5.13 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term deposits.

## 6. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 5.1 and 5.10 respectively.

## 7. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	Not yet finalized
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	January 01, 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application. However, the Fund is currently evaluating the requirements of IFRS-9 and potential impact on the financial statements of the Fund.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

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

	<b>Note</b>	<b>June 30, 2018 ----- (Rupees in '000) -----</b>	<b>June 30, 2017 -----</b>
<b>8. BANK BALANCES</b>			
PLS saving accounts	8.1	<b>3,621,497</b>	5,061,196
Current accounts		<b>24,871</b>	154,286
	8.2	<b><u>3,646,368</u></b>	<b><u>5,215,482</u></b>

**8.1** These carry profit rates on PLS saving accounts range between 3.9% to 6.4% (2017: 3.9% and 5.8%) per annum.

**8.2** These include a balance of Rs.2,599 (2017: Rs.3,550) million maintained with United Bank Limited - Islamic Banking Division (a related party).

## 9. INVESTMENTS

### Investments by Category

#### At fair value through profit or loss - held-for-trading

- Equity securities - listed	9.1	<b>1,691,162</b>	2,786,027
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#### Available-for-sale

- Equity securities - listed	9.2	<b>750,449</b>	-
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#### Designated at fair value through profit or loss

- Sukuk certificates	9.3	<b>97,671</b>	162,886
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#### Loans and receivables

- Term deposit musharika (TDM)	9.4	<b>300,000</b>	-
		<b><u>2,839,282</u></b>	<b><u>2,948,913</u></b>

## 9.1 Equity securities classified as 'at fair value through profit or loss - held-for-trading'

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

Name of Investee Company	Note	Number of shares				Balance as at June 30, 2018			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company	
		As at July 01, 2017	Purchased during the year	Sold during the year	Bonus / right	As at June 30, 2018	Carrying value	Market value				Unrealised (loss) / gain
----- (Rupees in '000) -----												
<b>Cement</b>												
D.G. Khan Cement Company Limited		423,800	-	423,100	-	700	149	80	(69)	0.00%	0.00%	0.00%
Fauji Cement Company Limited		822,000	-	822,000	-	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Company Limited		-	190,400	-	-	190,400	38,925	23,433	(15,492)	0.00%	0.00%	0.12%
Lucky Cement Limited		229,950	36,400	76,300	-	190,050	153,496	96,532	(56,964)	1.50%	3.40%	0.06%
Gharibwal Cement Limited		115,000	-	115,000	-	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited		374,000	81,000	70,000	-	385,000	65,900	37,434	(28,466)	0.58%	1.32%	0.22%
Pioneer Cement Limited		430,500	-	253,000	-	177,500	23,075	8,318	(14,757)	0.13%	0.29%	0.08%
							<b>281,545</b>	<b>165,797</b>	<b>(115,748)</b>	<b>2.21%</b>	<b>5.01%</b>	<b>0.48%</b>
<b>Oil and gas exploration companies</b>												
Mari Petroleum Company Limited		92,800	-	6,000	-	86,800	136,766	130,736	(6,030)	2.03%	4.60%	0.08%
Oil & Gas Development Company Limited		574,400	380,000	122,600	-	831,800	118,446	129,445	10,999	2.01%	4.56%	0.02%
Pakistan Oilfields Limited		50,900	-	48,100	-	2,800	1,283	1,881	598	0.03%	0.07%	0.00%
Pakistan Petroleum Limited		924,700	-	77,200	-	847,500	125,549	182,128	56,579	2.82%	6.41%	0.04%
							<b>382,044</b>	<b>444,190</b>	<b>62,146</b>	<b>6.88%</b>	<b>15.64%</b>	<b>0.14%</b>
<b>Oil and gas marketing companies</b>												
Attock Petroleum Limited		109,350	-	10,000	-	99,350	62,236	58,616	(3,620)	0.91%	0.00%	0.12%
Pakistan State Oil Company Limited		187,100	25,000	78,500	39,420	173,020	56,760	55,074	(1,686)	0.85%	1.94%	0.05%
Sui Northern Gas Pipelines Limited		446,000	-	440,000	-	6,000	894	601	(293)	0.01%	0.02%	0.00%
							<b>119,890</b>	<b>114,291</b>	<b>(5,599)</b>	<b>1.77%</b>	<b>1.96%</b>	<b>0.17%</b>
<b>Fertilizer</b>												
Engro Fertilizers Limited		3,995,500	50,000	1,591,500	-	2,454,000	135,491	183,829	48,338	2.85%	6.47%	0.18%
Engro Corporation Limited		446,100	187,000	105,400	-	527,700	169,291	165,624	(3,667)	2.57%	5.83%	0.10%
							<b>304,782</b>	<b>349,453</b>	<b>44,671</b>	<b>5.41%</b>	<b>12.31%</b>	<b>0.28%</b>
<b>Chemical</b>												
ICI Pakistan Limited		56,700	-	12,900	-	43,800	47,941	35,106	(12,835)	0.54%	1.24%	0.05%
Sitara Chemical Industries Limited		115,050	-	115,050	-	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited		2,544,500	83,500	1,240,000	-	1,388,000	50,433	43,528	(6,905)	0.67%	1.53%	0.21%
Engro Polymer & Chemicals Limited (right)		-	-	-	759,890	759,890	-	6,702	6,702	0.10%	0.24%	0.11%
							<b>98,374</b>	<b>85,336</b>	<b>(13,038)</b>	<b>1.32%</b>	<b>3.01%</b>	<b>0.37%</b>
<b>Glass and ceramics</b>												
Tariq Glass Industries Limited		521,500	-	300,000	-	221,500	24,533	23,736	(797)	0.37%	0.84%	0.30%
							<b>24,533</b>	<b>23,736</b>	<b>(797)</b>	<b>0.37%</b>	<b>0.84%</b>	<b>0.30%</b>
<b>Cable and electrical goods</b>												
Pak Elektron Limited		545,500	-	544,800	-	700	77	25	(52)	0.00%	0.00%	0.00%
							<b>77</b>	<b>25</b>	<b>(52)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Pharmaceuticals</b>												
The Searle Company Limited	9.1.1	84,244	-	87,400	5,369	2,213	944	751	(193)	0.01%	0.03%	0.00%
Highnoon Laboratories Limited	9.1.1	26,962	-	26,800	19	181	101	74	(27)	0.00%	0.00%	0.00%
							<b>1,045</b>	<b>825</b>	<b>(220)</b>	<b>0.01%</b>	<b>0.03%</b>	<b>0.00%</b>
<b>Automobile parts and accessories</b>												
Agriauto Industries Limited *		35,500	-	35,300	-	200	86	59	(27)	0.00%	0.00%	0.00%
Thal Limited *		148,500	-	15,300	-	133,200	80,723	63,607	(17,116)	0.99%	2.24%	0.16%
							<b>80,809</b>	<b>63,666</b>	<b>(17,143)</b>	<b>0.99%</b>	<b>2.24%</b>	<b>0.17%</b>

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

Name of Investee Company	Note	Number of shares				Balance as at June 30, 2018			Market value as a % of net assets	Market value as a % of total investments	Par Value as percentage of total paid up capital of the investee company	
		As at July 01, 2017	Purchased during the year	Sold during the year	Bonus / right	As at June 30, 2018	Carrying value	Market value				Unrealised (loss) / gain
----- (Rupees in '000) -----												
<b>Automobile assembler</b>												
Honda Atlas Cars (Pakistan) Limited		77,500	14,600	5,200	-	86,900	71,744	27,494	(44,250)	0.43%	0.97%	0.06%
Pak Suzuki Motor Company Limited		75,450	-	75,450	-	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited		28,900	-	2,800	-	26,100	35,873	31,008	(4,865)	0.48%	1.09%	0.06%
Ghandhara Industries Limited		42,500	-	42,500	-	-	-	-	-	0.00%	0.00%	0.00%
							<b>107,617</b>	<b>58,502</b>	<b>(49,115)</b>	<b>0.91%</b>	<b>2.06%</b>	<b>0.12%</b>
<b>Engineering</b>												
Amreli Steels Limited		437,500	-	50,000	-	387,500	47,643	27,338	(20,305)	0.42%	0.96%	0.13%
Mughal Iron & Steel Industries Limited		246,000	-	102,000	-	144,000	11,625	8,844	(2,781)	0.14%	0.31%	0.06%
International Steels Limited		461,500	97,000	214,000	-	344,500	43,863	35,036	(8,827)	0.54%	1.23%	0.08%
Ittefaq Iron Industries Limited		897,000	392,500	1,289,500	-	-	-	-	-	0.00%	0.00%	0.00%
							<b>103,131</b>	<b>71,218</b>	<b>(31,913)</b>	<b>1.10%</b>	<b>2.50%</b>	<b>0.28%</b>
<b>Miscellaneous</b>												
Synthetic Products Enterprises Limited		502,000	-	502,000	-	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Food and personal care products</b>												
Al-Shaheer Corporation Limited		1,565,500	-	1,565,500	-	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Commercial banks</b>												
Meezan Bank Limited		810,500	313,000	657,000	-	466,500	36,112	38,122	2,010	0.59%	1.34%	0.04%
							<b>36,112</b>	<b>38,122</b>	<b>2,010</b>	<b>0.59%</b>	<b>1.34%</b>	<b>0.04%</b>
<b>Textile composite</b>												
Nishat Mills Limited		903,100	150,000	202,000	-	851,100	133,223	119,937	(13,286)	1.86%	4.22%	0.24%
							<b>133,223</b>	<b>119,937</b>	<b>(13,286)</b>	<b>1.86%</b>	<b>4.22%</b>	<b>0.24%</b>
<b>Power generation and distribution</b>												
The Hub Power Company Limited	9.1.2	1,126,100	427,300	257,500	-	1,295,900	150,649	119,430	(31,219)	1.85%	4.21%	0.11%
K-Electric Limited **		4,970,000	-	250,000	-	4,720,000	32,568	26,810	(5,758)	0.42%	0.94%	0.02%
							<b>183,217</b>	<b>146,240</b>	<b>(36,977)</b>	<b>2.27%</b>	<b>5.15%</b>	<b>0.13%</b>
<b>Paper and board</b>												
Packages Limited		50,700	-	47,400	-	3,300	2,295	1,616	(679)	0.03%	0.06%	0.00%
Century Paper and Board Mills Limited		232,000	165,500	397,500	-	-	-	-	-	0.00%	0.00%	0.00%
							<b>2,295</b>	<b>1,616</b>	<b>(679)</b>	<b>0.03%</b>	<b>0.06%</b>	<b>0.00%</b>
<b>Technology and communication</b>												
Avanceon Limited	9.1.1	123,907	-	-	-	123,907	5,617	8,208	2,591	0.13%	0.04%	0.09%
							<b>5,617</b>	<b>8,208</b>	<b>2,591</b>	<b>0.13%</b>	<b>0.04%</b>	<b>0.09%</b>
<b>Total as at June 30, 2018</b>							<b>1,864,311</b>	<b>1,691,162</b>	<b>(173,149)</b>			
Total as at June 30, 2017							2,644,510	2,786,027	141,517			

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

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

**9.1.1** The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs.1.68 (2017: Rs.1.03) million at year end. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end.

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

The Hub Power Company Limited

June 30, 2018 ----- (Number of shares) -----	June 30, 2017 ----- (Rupees in '000) -----	June 30, 2018 ----- (Rupees in '000) -----	June 30, 2017 ----- (Rupees in '000) -----
250,000	250,000	23,040	29,358

## 9.2 Equity securities classified as 'available-for-sale'

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

Name of Investee Company	Note	Number of shares				Balance as at June 30, 2018				Market value as a % of net assets	Market value as a % of total investments	Par Value as percentage of total paid up capital of the investee company
		As at July 01, 2017	Purchased during the year	Sold during the year	Bonus / right	As at June 30, 2018	Carrying value	Market value	Appreciation / (diminution)			
----- (Rupees in '000) -----												
<b>Cement</b>												
D.G. Khan Cement Company Limited		-	22,000	22,000	-	-	-	-	-	0.00%	0.00%	0.00%
Attock Cement Pakistan Limited**		-	400,000	203,100	-	196,900	26,479	26,479	-	0.41%	0.93%	0.17%
Fauji Cement Company Limited**		-	300,000	110,000	-	190,000	4,341	4,342	1	0.00%	0.00%	0.01%
Kohat Cement Company Limited		-	667,900	-	-	667,900	92,859	82,198	(10,661)	0.00%	0.00%	0.43%
Lucky Cement Limited		-	3,500	-	-	3,500	1,919	1,778	(141)	0.03%	0.06%	0.00%
Cherat Cement Company Limited		-	268,600	50,000	-	218,600	23,968	21,254	(2,714)	0.33%	0.75%	0.12%
Pioneer Cement Limited**		-	83,800	-	-	83,800	3,927	3,927	-	0.06%	0.14%	0.04%
						<b>153,493</b>	<b>139,978</b>	<b>(13,515)</b>	<b>0.83%</b>	<b>1.88%</b>	<b>0.78%</b>	
<b>Oil and gas exploration companies</b>												
Mari Petroleum Company Limited		-	25,460	-	-	25,460	36,239	38,347	2,108	0.59%	1.35%	0.02%
Oil & Gas Development Company Limited		-	424,500	-	-	424,500	67,062	66,061	(1,001)	1.02%	2.33%	0.01%
Pakistan Oilfields Limited		-	254,800	53,500	-	201,300	112,015	135,231	23,216	2.09%	4.76%	0.09%
Pakistan Petroleum Limited		-	20,000	-	-	20,000	3,905	4,298	393	0.07%	0.15%	0.00%
						<b>219,221</b>	<b>243,937</b>	<b>24,716</b>	<b>3.78%</b>	<b>8.59%</b>	<b>0.12%</b>	
<b>Oil and gas marketing companies</b>												
Pakistan State Oil Company Limited		-	131,300	-	-	131,300	39,219	41,794	2,575	0.65%	1.47%	0.04%
						<b>39,219</b>	<b>41,794</b>	<b>2,575</b>	<b>0.65%</b>	<b>1.47%</b>	<b>0.04%</b>	
<b>Fertilizer</b>												
Engro Fertilizers Limited		-	217,000	-	-	217,000	13,904	16,255	2,351	0.25%	0.57%	0.02%
Fauji Fertilizer Company Limited		-	1,268,000	1,150,000	-	118,000	11,655	11,669	14	0.18%	0.41%	0.01%
Engro Corporation Limited		-	128,000	-	-	128,000	37,656	40,175	2,519	0.62%	1.41%	0.02%
						<b>63,215</b>	<b>68,099</b>	<b>4,884</b>	<b>1.05%</b>	<b>2.40%</b>	<b>0.05%</b>	
<b>Chemical</b>												
Engro Polymer & Chemicals Limited		-	666,000	-	-	666,000	19,397	20,886	1,489	0.32%	0.74%	0.10%
						<b>19,397</b>	<b>20,886</b>	<b>1,489</b>	<b>0.32%</b>	<b>0.74%</b>	<b>0.10%</b>	
<b>Glass and ceramics</b>												
Tariq Glass Industries Limited		-	30,000	-	-	30,000	2,653	3,215	562	0.05%	0.11%	0.04%
						<b>2,653</b>	<b>3,215</b>	<b>562</b>	<b>0.05%</b>	<b>0.11%</b>	<b>0.04%</b>	
<b>Pharmaceuticals</b>												
Highnoon Laboratories Limited	9.1.1	-	10,000	10,000	-	-	-	-	-	0.00%	0.00%	0.00%
						<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>Automobile assembler</b>												
Honda Atlas Cars (Pakistan) Limited **		-	72,850	-	-	72,850	23,049	23,049	(0)	0.36%	0.81%	0.05%
Pak Suzuki Motor Company Limited		-	12,500	12,500	-	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited		-	3,880	2,200	-	1,680	2,000	1,996	(4)	0.03%	0.07%	0.00%
						<b>25,049</b>	<b>25,045</b>	<b>(4)</b>	<b>0.39%</b>	<b>0.88%</b>	<b>0.05%</b>	

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

Name of Investee Company	Note	Number of shares				Balance as at June 30, 2018			Market value as a % of net assets	Market value as a % of total investments	Par Value as percentage of total paid up capital of the investee company	
		As at July 01, 2017	Purchased during the year	Sold during the year	Bonus / right	As at June 30, 2018	Carrying value	Market value				Appreciation / (diminution)
----- (Rupees in '000) -----												
<b>Engineering</b>												
Amreli Steels Limited**		-	109,700	-	-	109,700	7,739	7,739	(0)	0.12%	0.27%	0.04%
International Steels Limited		-	331,000	-	-	331,000	33,287	33,663	376	0.52%	1.19%	0.08%
Ittefaq Iron Industries Limited		-	68,000	68,000	-	-	-	-	-	0.00%	0.00%	0.00%
							<b>41,026</b>	<b>41,402</b>	<b>376</b>	<b>0.64%</b>	<b>1.46%</b>	<b>0.11%</b>
<b>Miscellaneous</b>												
Synthetic Products Enterprises Limited		-	12,500	12,500	-	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Food and personal care products</b>												
Shezan International Limited		-	1,000	-	-	1,000	430	570	140	0.01%	0.02%	0.01%
Al-Shaheer Corporation Limited		-	50,000	-	-	50,000	1,453	1,363	(90)	0.02%	0.05%	0.04%
							<b>1,883</b>	<b>1,933</b>	<b>50</b>	<b>0.03%</b>	<b>0.07%</b>	<b>0.05%</b>
<b>Commercial banks</b>												
Meezan Bank Limited		-	106,010	-	-	106,010	6,246	8,663	2,417	0.13%	0.31%	0.01%
							<b>6,246</b>	<b>8,663</b>	<b>2,417</b>	<b>0.13%</b>	<b>0.31%</b>	<b>0.01%</b>
<b>Power generation and distribution</b>												
The Hub Power Company Limited	9.1.2	-	1,007,500	-	-	1,007,500	96,147	92,851	(3,296)	1.44%	3.27%	0.09%
Pakgen Power Limited		-	1,580,000	-	-	1,580,000	32,287	30,462	(1,825)	0.47%	1.07%	0.42%
Saif Power Limited		-	322,000	-	-	322,000	8,519	8,530	11	0.13%	0.30%	0.08%
Lalpir Power Limited		-	1,061,500	-	-	1,061,500	21,773	20,391	(1,382)	0.32%	0.72%	0.28%
K-Electric Limited *		-	574,500	-	-	574,500	3,587	3,263	(324)	0.05%	0.11%	0.00%
							<b>162,313</b>	<b>155,497</b>	<b>(6,816)</b>	<b>2.41%</b>	<b>5.48%</b>	<b>0.88%</b>
<b>Paper and board</b>												
Century Paper and Board Mills Limited		-	115,400	115,400	-	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total as at June 30, 2018</b>							<b>733,716</b>	<b>750,449</b>	<b>16,733</b>			

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

\*\* The carrying value of these securities have been adjusted with impairment aggregating Rs.35.06 million. The cost of these securities is Rs.100.59 million.

**9.3 Sukuk certificates classified as 'designated at fair value through profit or loss'**  
(certificates of Rs.5,000 each unless stated otherwise)

Name of instrument	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Market value as at June 30, 2018	Market value as at June 30, 2017	Market value as a % of total investments	Market value as a % of net assets
	(Number of certificates)				(Rupees in '000)			
<b>Chemical</b>								
Engro Corporation Limited - listed Sukuk (11.07.14) - 5 years	1,000	-	-	1,000	5,423	5,841	0.19%	0.08%
Engro Corporation Limited - listed Sukuk (11.07.14) - 3 years	5,000	-	5,000	-	-	25,136	0.00%	0.00%
Ghani Gases Limited - listed Sukuk (02.02.17) - 6 years (Certificates of Rs.95,833 each)	750	-	-	750	59,971	72,594	2.11%	0.93%
					65,394	103,571		
<b>Electricity</b>								
WAPDA Sukuk III - unlisted Sukuk (14.10.13) - 8 years (Certificates of Rs.3,214 each)	2,000	-	-	2,000	5,223	6,742	0.18%	0.08%
<b>Auto and allied</b>								
TPL Trakker Limited - unlisted Sukuk (13.04.2016) - 5 years (Certificates of Rs.1,000,000 each)	50	-	50	-	-	52,573	0.00%	0.00%
<b>Fertilizer</b>								
Dawood Hercules Corporation Limited - unlisted Sukuk (16.11.2017) - 5 years (Certificates of Rs.100,000 each)	-	520	250	270	27,054	-	0.95%	0.42%
					97,671	162,886		

9.3.1 As at June 30, 2018, the cost of above investments amounted to Rs.98.05 (2017: Rs.158.30) million.

9.3.2 Significant terms and conditions of sukuk certificates outstanding as at June 30, 2018 are as follows:

Name of securities	Remaining principal	Mark-up rate (per annum)	Issue date	Maturity date
	(Rupees in '000)			
Engro Corporation Limited - 5 years	5,000	13.50%	July 11, 2014	July 11, 2019
Dawood Hercules Corporation Limited	27,000	KIBOR 3M + 1.00%	November 16, 2017	November 16, 2022
Ghani Gases Limited	59,375	KIBOR 3M + 1.00%	February 2, 2017	February 2, 2023
WAPDA Sukuk - III	5,000	KIBOR 6M + 1.00%	October 14, 2013	October 14, 2021

9.4 Profit rate on TDMs is between 5.8% to 7.16% (2017: Nil) per annum with maturities up to July 12, 2018 (2017: Nil).

**9.5 Government of Pakistan - Ijarah sukuk classified as 'designated at fair value through profit or loss'**  
(sukuku of Rs.100,000 each)

Name of instrument	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Market value as at June 30, 2017	Market value as a % of total investments	Market value as a % of net assets
	(Number of certificates)				(Rupees in '000)				

Name of instrument

Government of Pakistan Ijarah Sukuk XVII - 3 years

-	790	790	-	-	-	-	0.00%	0.00%
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**10. DIVIDEND AND PROFIT RECEIVABLE**

Dividend receivable

Profit receivable on:

- Sukuk certificates
- Bank accounts
- Term deposit musharika (TDM)

Note	June 30, 2018	June 30, 2017
	(Rupees in '000)	
	8,691	4,335
	1,361	3,802
10.1	19,060	21,383
	3,713	-
	24,134	25,185
	32,825	29,520

10.1 This includes receivable of Rs.13.83 (2017: Rs.17.74) million on balances maintained with United Bank Limited - Islamic Banking Division (a related party).

**11. 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2018.

	Note	June 30, 2018 ----- (Rupees in '000) -----	June 30, 2017
<b>12. DEPOSITS AND OTHER RECEIVABLES</b>			
Deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
Balance held in collection account	12.1	<u>6,951</u>	<u>28,897</u>
		<u>9,551</u>	<u>31,497</u>

12.1 This represents cash realized in the centralized collection accounts against the issuance of units of the Fund. The balance held in the centralized collection account is transferred to the Fund's main account on T+1 basis.

### 13. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	13.1	287	487
Amortization during the year		<u>(200)</u>	<u>(200)</u>
		<u>87</u>	<u>287</u>

13.1 The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from December 11, 2013 in accordance with the Trust Deed.

### 14. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	14.1	5,439	6,158
Sales tax on remuneration payable	14.2	707	801
Sales load and other payable		1,468	4,461
Shariah advisory fee	14.3	25	56
Allocated expenses payable	14.4	1,120	1,218
Selling and marketing expenses payable	14.5	<u>6,891</u>	<u>7,596</u>
		<u>15,650</u>	<u>20,290</u>

14.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the amended NBFC Regulations dated November 25, 2015, of an amount not exceeding 2 percent of the average daily net assets of the Fund. The Management Company charged remuneration at the rate of 1 percent per annum of the average daily net assets of the Fund.

14.2 Sales tax at the rate of 13% (2017: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

14.3 As per amended NBFC Regulations dated November 25, 2015, the management company is entitled to charge shariah advisory fee from the Fund. Accordingly, the management company has charged Rs.0.324 million (2017: Rs.0.345) as shariah advisory fee under a contract signed with the shariah advisors.

14.4 As per regulation 60(3)(s) of amended NBFC Regulations dated November 25, 2015, 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 with effect from November 25, 2015, being lower.

14.5 Securities and Exchange Commission of Pakistan vide Circular No. 40 of 2016 dated December 30, 2016, has allowed Asset Management Companies to charge Selling and Marketing expenses to its CIS's at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, the Management Company has charged 0.4% on daily net assets of the Fund, being the lower amount.

### 15. PAYABLE TO THE TRUSTEE

Remuneration payable	15.1	626	698
Sales tax on remuneration payable	15.2	81	91
		<u>707</u>	<u>789</u>

15.1 The Trustee is entitled to a 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 monthly in arrears.

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

Net assets value	Tariff per annum
Up to Rs.1,000 million	Rs.0.7 million or 0.20% p.a. of net assets of the Fund, whichever is higher
On an amount exceeding Rs.1,000 million	Rs.2.00 million plus 0.10% p.a. of net assets of the Fund, on amount exceeding Rs.1,000 million

15.2 Sales tax at the rate of 13% (2017: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

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

This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay to SECP an amount equal to 0.095% (2017: 0.095%) of the average daily net assets of the Fund.

### 17. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.93% as on June 30, 2018 (2017: 2.46%) and this includes 0.24% (2017: 0.80%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an asset allocation scheme.

	Note	June 30, 2018 ----- (Rupees in '000) -----	June 30, 2017
<b>18. ACCRUED AND OTHER LIABILITIES</b>			
Auditors' remuneration		275	271
Provision for Sindh Workers' Welfare Fund (SWWF)	18.1	24,246	24,246
Sales tax payable		12	12
Brokerage payable		796	2,777
Withholding tax deducted at source payable		17	75,589
Charity payable		1,787	721
Zakat deducted at source payable		3,685	6,049
Provision for indirect taxes and duties	18.2	15,834	15,834
Capital gains tax payable		59	3,380
Other payable		50	-
Sales load payable to distributors		4,608	162,903
		<u>51,369</u>	<u>291,782</u>

#### 18.1 Provision for Sindh Workers' Welfare Fund (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act (SWWF Act), 2014 had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contended that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF which is currently pending. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision for SWWF from the date of enactment of SWWF Act, 2014 (i.e. starting from May 21, 2015).

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2018 would have been higher by Re.0.44 (2017: Re.0.36) per unit.

#### 18.2 Provision for indirect duties and taxes (Federal Excise Duty on remuneration to the Management Company)

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

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

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

With effect from July 1, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2018 aggregates to Rs.4.56 (2017: Rs.4.56) million. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2018 would have been higher by Re.0.08 (2017: Re.0.07) per unit.

#### 19. CONTINGENCIES AND COMMITMENTS

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

#### 20. AUDITORS' REMUNERATION

Annual audit fee	174	165
Half yearly review fee	87	83
Other certification and services	81	176
	<u>342</u>	<u>424</u>
Sales tax	27	34
Out of pocket expenses	37	55
	<u>406</u>	<u>513</u>

#### 21. 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 to the unit holders in cash. 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. Since the Fund has incurred net loss for the year, no distribution has been made by the Fund. Accordingly, no provision for taxation has been recognized in these financial statements.

## 22. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	June 30, 2018					
<b>Transactions during the year</b>						
Profit on PLS savings accounts	-	176,929	-	-	-	-
Bank and other charges	-	264	-	-	-	-
Units issued	-	-	-	-	4,006	59,234
Units redeemed	-	1,247	-	-	1	64,627
Central Depository Service Expenses (CDS)	-	-	187	-	-	-
Remuneration *	87,881	-	9,918	-	-	-
Allocated expenses by the Management Company	7,777	-	-	-	-	-
Selling and marketing expenses	31,110	-	-	-	-	-
Shariah advisory fee	324	-	-	-	-	-
Listing fee	-	-	-	-	-	25
	June 30, 2017					
<b>Transactions during the year</b>						
Profit on PLS savings accounts	-	72,380	-	-	-	-
Bank charges	-	128	-	-	-	-
Units issued	-	118,080	-	-	5,418	-
Units redeemed	-	976	-	-	5,514	-
Central Depository Service Expenses (CDS)	-	-	180	-	-	-
Cash dividend	-	20,819	-	-	101	-
Purchase of securities	-	8,838	-	-	-	-
Dividend Income	-	1,038	-	-	-	-
Sale of securities	-	115	-	-	-	-
Remuneration *	48,993	-	6,030	-	-	-
Allocated expenses by the Management Company	4,336	-	-	-	-	-
Selling and marketing expenses	7,596	-	-	-	-	-
Shariah advisory fee	345	-	-	-	-	-
	June 30, 2018					
	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	June 30, 2018					
<b>Balances held</b>						
Units held (units in '000)	-	1,883	-	-	34	50
Units held (Rupees in '000)	-	220,681	-	-	3,985	5,861
Bank balances	-	2,599,364	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	6,146	-	707	-	-	-
Sales load and other payable	1,468	463	-	-	-	-
Selling and marketing expenses payable	6,891	-	-	-	-	-
Profit receivable	-	13,825	-	-	-	-
Allocated expenses payable	1,120	-	-	-	-	-
Shariah advisory fee payable	25	-	-	-	-	-
	June 30, 2017					
<b>Balances held</b>						
Units held (units in '000)	-	1,893	-	-	-	-
Units held (Rupees in '000)	-	224,925	-	-	-	-
Bank balances	-	3,549,632	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	6,959	-	789	-	-	-
Sales load and other payable	4,461	2,943	-	-	-	-
Selling and marketing expenses payable	7,596	-	-	-	-	-
Profit receivable	-	17,744	-	-	-	-
Allocated expenses payable	1,218	-	-	-	-	-
Shariah advisory fee payable	56	-	-	-	-	-

\* Remuneration for the year is inclusive of sales tax.

## 23. FINANCIAL RISK MANAGEMENT

**23.1** 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 market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 23.2 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 profit rates, foreign exchange rates and debt security prices.

#### (i) Profit rate risk

Profit rate risk arises from the effects of fluctuations in the prevailing levels of market profit rates on the fair value of financial instruments and future cash flows. The profit rate environment is monitored on a regular basis and the portfolio mix of fixed and floating rate securities is altered. The Fund's investment in fixed profit rate securities expose it to fair value profit rate risk and investments in variable profit rate securities expose the Fund to cash flow profit rate risk.

##### a) Sensitivity analysis of variable rate instruments

The Fund's PLS saving accounts are exposed to variable rate risk. In case of 100 basis points increase / decrease in interest rates at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.37.14 (2017: Rs.18.80) million.

##### b) Sensitivity analysis of fixed rate instruments

As at June 30, 2018, the Fund holds fixed rate sukuk certificates of Engro Corporation which are classified as 'at fair value through profit or loss' and term deposit musharika (TDM) which is classified as 'loans and receivables', exposing the Fund to fair value interest rate risk. In case of increase in prevailing interest rates on June 30, 2018, the net income for the year and net assets would have a negative impact and vice versa.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2018 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

	June 30, 2018				Total	
	Profit rate (%)	Exposed to profit rate risk				Not exposed to profit rate risk
Up to three months		More than three months and up to one year	More than one year			
	(Rupees in '000)					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	3.90 - 6.40	3,621,497	-	-	24,871	3,646,368
Investments classified as:						
'At fair value through profit or loss'						
- held-for-trading		-	-	-	1,691,162	1,691,162
- available-for-sale		-	-	-	750,449	750,449
- designated upon initial recognition	KIBOR 3M-6M+	-	-	97,671	-	97,671
- loans and receivables	1.00% -13.5% 5.80 - 7.16	300,000	-	-	-	300,000
Receivable against sale of investment		-	-	-	891	891
Dividend and profit receivable		-	-	-	32,825	32,825
Deposit and other receivables		-	-	-	9,551	9,551
		<u>3,921,497</u>	<u>-</u>	<u>97,671</u>	<u>2,509,749</u>	<u>6,528,917</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	14,943	14,943
Payable to the Trustee		-	-	-	626	626
Accrued and other liabilities		-	-	-	7,489	7,489
		<u>-</u>	<u>-</u>	<u>-</u>	<u>23,058</u>	<u>23,058</u>
<b>On-balance sheet gap</b>		<u>3,921,497</u>	<u>-</u>	<u>97,671</u>	<u>2,486,691</u>	<u>6,505,860</u>

	June 30, 2017					Total
	Profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
	(Rupees in '000)					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	3.90 - 5.80	5,061,196	-	-	154,286	5,215,482
Investments classified as:						
At fair value through profit or loss'						
- held-for-trading		-	-	-	2,786,027	2,786,027
- designated upon initial recognition	KIBOR 3M+1.00% - 13.5%	-	-	162,886	-	162,886
Dividend and profit receivable		-	-	-	29,520	29,520
Deposit and other receivables		-	-	-	31,497	31,497
		<u>5,061,196</u>	<u>-</u>	<u>162,886</u>	<u>3,001,330</u>	<u>8,225,412</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	19,489	19,489
Payable to the Trustee		-	-	-	698	698
Payable against purchase of investments		-	-	-	15,800	15,800
Accrued and other liabilities		-	-	-	166,638	166,638
		<u>-</u>	<u>-</u>	<u>-</u>	<u>202,625</u>	<u>202,625</u>
<b>On-balance sheet gap</b>		<u>5,061,196</u>	<u>-</u>	<u>162,886</u>	<u>2,798,705</u>	<u>8,022,787</u>

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2018 and June 30, 2017.

#### (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) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities for which prices in the future are uncertain. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations.

The Fund manages the risk by limiting exposure to any single investee company to the extent of 15% of issued capital of that investee company and the net assets of the Fund with overall limit of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation.

Details of the Fund's investment in industrial / economic sector are given in note 9.

The following table illustrates the sensitivity of the income for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	June 30, 2018	June 30, 2017
	---- (Rupees in '000) ----	
Income statement	122,081	139,301
Unit holders' fund	122,081	139,301

### 23.3 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit 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 documents.

In order to manage the Fund's overall liquidity, the Fund has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such request 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. The Fund did not withhold any significant redemption during the period. Further, the Fund also has the ability to suspend redemption of units with approval of Board of Directors of the Management Company in extraordinary circumstances.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

<u>June 30, 2018</u>	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees in '000) -----				
<b>Financial liabilities</b>					
Payable to the Management Company	14,918	25	-	-	14,943
Payable to the Trustee	626	-	-	-	626
Accrued and other liabilities	1,787	5,702	-	-	7,489
<b>Total liabilities</b>	<u>17,331</u>	<u>5,727</u>	<u>-</u>	<u>-</u>	<u>23,058</u>

<u>June 30, 2017</u>	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees in '000) -----				
<b>Financial liabilities</b>					
Payable to the Management Company	19,433	56	-	-	19,489
Payable to the Trustee	698	-	-	-	698
Payable against purchase of equity securities	15,800	-	-	-	15,800
Accrued and other liabilities	721	165,917	-	-	166,638
<b>Total liabilities</b>	<u>36,652</u>	<u>165,973</u>	<u>-</u>	<u>-</u>	<u>202,625</u>

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

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
Bank balances	3,646,368	5,215,482
Dividend and profit receivable	32,825	29,520
Sukuk certificates	97,671	162,886

All deposits with banks, CDC and NCCPL are highly rated and risk of default is considered minimal.

The analysis below summarizes the credit quality of the Fund's bank balances as on June 30:

<b>Rating by Rating Category</b>	June 30, 2018	June 30, 2017
	----- (%) -----	
AAA	71.36	35.86
AA- to AA+	14.18	15.61
A- to A+	14.45	2.21
Others	0.00	46.32
<b>Total</b>	<u>100</u>	<u>100</u>

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.

#### 23.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risk arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

#### 23.6 Unit holders' fund risk management

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

## 24. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		June 30, 2018					Fair value			
		Carrying amount								
Note	Fair value through profit or loss	Available-for-sale	Loans and receivables	Other financial assets / financial liabilities	Total	Level 1	Level 2	Level 3	Total	
		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
	Equity securities - listed	1,691,162	750,449	-	-	2,441,611	2,441,611	-	-	2,441,611
24.1	Sukuk certificates	97,671	-	-	-	97,671	-	97,671	-	97,671
		<u>1,788,833</u>	<u>750,449</u>	<u>-</u>	<u>-</u>	<u>2,539,282</u>	<u>2,441,611</u>	<u>97,671</u>	<u>-</u>	<u>2,539,282</u>
<b>Financial assets not measured at fair value</b>										
24.2	Bank balances	-	-	-	3,646,368	3,646,368	-	-	-	3,646,368
	Term deposit musharika (TDM)	-	-	300,000	-	300,000	-	-	-	300,000
	Dividend and profit receivable	-	-	-	32,825	32,825	-	-	-	32,825
	Deposits and other receivables	-	-	-	9,551	9,551	-	-	-	9,551
		<u>-</u>	<u>-</u>	<u>300,000</u>	<u>3,688,745</u>	<u>3,988,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,988,745</u>
<b>Financial liabilities not measured at fair value</b>										
24.2	Payable to the Management Company	-	-	-	14,943	14,943	-	-	-	14,943
	Payable to the Trustee	-	-	-	626	626	-	-	-	626
	Accrued and other liabilities	-	-	-	51,369	51,369	-	-	-	51,369
		<u>-</u>	<u>-</u>	<u>-</u>	<u>66,938</u>	<u>66,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,938</u>
		June 30, 2017								
		Carrying amount					Fair value			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial assets / financial liabilities	Total	Level 1	Level 2	Level 3	Total	
		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
	Equity securities - listed	2,786,027	-	-	-	2,786,027	2,786,027	-	-	2,786,027
	Sukuk certificates	162,886	-	-	-	162,886	-	162,886	-	162,886
		<u>2,948,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,948,913</u>	<u>2,786,027</u>	<u>162,886</u>	<u>-</u>	<u>2,948,913</u>
<b>Financial assets not measured at fair value</b>										
	Bank balances	-	-	-	5,215,482	5,215,482	-	-	-	5,215,482
	Dividend and profit receivable	-	-	-	29,520	29,520	-	-	-	29,520
	Deposits and other receivables	-	-	-	2,600	2,600	-	-	-	2,600
		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,247,602</u>	<u>5,247,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,247,602</u>
<b>Financial liabilities not measured at fair value</b>										
	Payable to the Management Company	-	-	-	19,489	19,489	-	-	-	19,489
	Payable to the Trustee	-	-	-	698	698	-	-	-	698
	Payable against purchase of Investments	-	-	-	15,800	15,800	-	-	-	15,800
	Accrued and other liabilities	-	-	-	166,638	166,638	-	-	-	166,638
		<u>-</u>	<u>-</u>	<u>-</u>	<u>202,625</u>	<u>202,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,625</u>

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

## 24.1 Valuation techniques used in determination of fair values within level 2:

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

24.2 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 a reasonable approximation of fair value.

## 25. CORRESPONDING FIGURES

Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current year. However, there are no material re-arrangements / re-classifications to report.

## 26. SUPPLEMENTARY NON-FINANCIAL INFORMATION

The information regarding unit holding pattern, top ten brokers, members of the Investment Committee, fund manager, meetings of the Board of Directors of the Management Company and rating of the Fund and the Management Company has been disclosed in Annexure I to the financial statements.

## 27. GENERAL

27.1 Figures have been rounded off to the nearest thousand rupee.

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

## 28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 28-August-2018. \_\_\_\_\_

For UBL Fund Managers Limited  
(Management Company)

---SD---  
Chief Executive Officer

---SD---  
Director

---SD---  
Chief Financial Officer

**SUPPLEMENTARY NON-FINANCIAL INFORMATION**  
**AS REQUIRED UNDER RULES 6(D), (F), (G), (H), (I) AND (J)**  
**OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES**  
**AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) **PATTERN OF UNIT HOLDING**

Category	Number of unit holders	Number of units held	% of total
Individuals	2,800	45,836,959	83.22
Associated Company and Key Executives	2	1,916,248	3.48
Insurance Companies	2	258,421	0.47
Retirement Funds	33	3,090,130	5.61
Others	31	3,975,536	7.22
	<b>2,868</b>	<b>55,077,294</b>	<b>100</b>

(ii) **TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

Name	%
Topline Securities (Private) Limited	
Taurus Securities Limited	14.5%
Insight Securities (Private) Limited	12.5%
Arif Habib Limited	10.1%
Ismail Iqbal Securities (Private) Limited	8.8%
IGI Finex Securities Limited	8.2%
Alfalah Securities (Pvt) Limited	8.2%
Foundation Securities (Private) Limited	7.2%
Optimus Capital Management (Pvt) Limited	6.7%
EFG Hermes Pakistan Limited (Formerly Invest and Finance Securities Limited)	6.6%

(iii) **THE MEMBERS OF THE INVESTMENT COMMITTEE**

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	Usama Bin Razi	Fund Manager	15	MBA

\* Head of Risk - non voting observer

**OTHER FUNDS MANAGED BY THE FUND MANAGER**

UBL Liquidity Plus Fund  
 UBL Government Securities Fund  
 UBL Growth and Income Fund  
 UBL Asset Allocation Fund  
 UBL Capital Protected Fund-III  
 UBL Retirement Savings Fund  
 Al-Ameen Islamic Aggressive Income Fund

**(iv) 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:

	August 23, 2017	September 25, 2017	October 27, 2017	December 06, 2017	February 16, 2018	April 26, 2018	May 02, 2018	Total meetings attended
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**Directors:**

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 Director's 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

**(v) RATING OF THE FUND AND THE MANAGEMENT COMPANY**

JCR - VIS has assigned a "AM1" asset manager rating to the Management Company dated December 29, 2017.

***Al-Ameen Islamic Asset Allocation Fund***

<b><i>Holding</i></b>	<b><i>Resolution</i></b>	<b><i>For</i></b>	<b><i>Against</i></b>	<b><i>Abstain*</i></b>
<b><i>402,700</i></b>	<p><i>Annual General Meeting of M/s Kohat Cement Company Limited was held on October 23, 2017, below resolutions were passed.</i></p> <p><i>1. The Audited Accounts of the Company for the year ended June 30, 2017.</i></p> <p><i>2. Approve payment of cash dividend for the year ended June 30, 2017.</i></p> <p><i>3. Appoint Auditors of the company and fix their remuneration for the year ending June 30, 2017.</i></p> <p><i>4. Ratify and approve transactions carried out with Related Parties during financial year ended June 30, 2017.</i></p>			
	<p><i>5. Authorize the Chief Executive of the Company for approval of transactions with related parties during financial year ended June 30, 2017.</i></p> <p><i>6. Approval of appointments of related parties to respective offices of profit in the Company.</i></p> <p><i>7. Alteration in the Articles of Association of the Company for purpose of e-voting.</i></p>	✓		

***The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.***

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

<b><i>Holding</i></b>	<b><i>Resolution</i></b>	<b><i>For</i></b>	<b><i>Against</i></b>	<b><i>Abstain*</i></b>
<b><i>521,500</i></b>	<p><i>Extra Ordinary General Meeting of M/s Tariq Glass Industries Limited was held on August 30, 2017, below resolutions were passed.</i></p> <p><i>1. Confirm minutes of 38th Annual General Meeting held on October 27, 2016.</i></p> <p><i>2. Election of seven Directors of the Company for a period of three years.</i></p> <p><i>3. Approval for increasing Authorized Capital of the Company.</i></p> <p><i>4. Alteration in the Articles of Association of the Company for Authorization of E-Voting.</i></p>			
	<p><i>5. Revision in Meeting fee for Directors.</i></p> <p><i>6. Transact other business with permission of the Chairman.</i></p>	✓		

***The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.***

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

<b>Holding</b>	<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>
<b>438,500</b>	<p>Extraordinary General Meeting of M/s Sui Northern Gas Pipelines Limited was held on June 21, 2017, below resolutions were passed.</p> <p>1. Confirm minutes of 52nd Annual General Meeting held on January 26, 2017.</p> <p>2. Election of thirteen Directors of the Company.</p> <p>3. Transact any ordinary business with permission of the Chairman.</p>	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<b>Holding</b>	<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>
<b>2,600,400</b>	<p>Annual General Meeting of M/s The Hub Power Company Limited to be held on October 05, 2018, below are the meeting agendas.</p> <p>1. Approve Audited Financial Statements of the Company for the year ended June 30, 2018.</p> <p>2. Approve payment of cash dividend for the year ended June 30, 2018.</p> <p>3. Appoint Auditors of the company and fix their remuneration.</p> <p>4. Election of nine Directors for a period of three years.</p> <p>5. Consider and Approve, if though appropriate, Issuance of Letter of Support (LOS) Guarantee to Private Power &amp; Infrastructure Board (PPIB) for Thar Energy Limited (TEL).</p> <p>6. Transact any other business with permission of Chairman.</p>	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<b>Holding</b>	<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>
<b>924,700</b>	<p>Extra Ordinary General Meeting of M/s Pakistan Petroleum Limited was held on September 16, 2017, below resolutions were passed.</p> <p>1. Confirm minutes of 65th Annual General Meeting held on February 28, 2017.</p> <p>2. Election of ten Directors of the Company for a period of three years.</p> <p>3. Transact other business with permission of the Chairman.</p>	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
99,350	Extra Ordinary General Meeting of <i>M/s Attock Petroleum Limited</i> was held on March 01, 2018, below resolutions were passed. 1. Election of seven Directors of the Bank for a period of three years.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
123,000	Annual General Meeting of <i>M/s Engro Corporation Limited</i> was held on April 24, 2018, below resolutions were passed. 1. Approve Audited Accounts of the Company for the year ended December 31, 2017. 2. Approve payment of cash dividend for the year ended December 31, 2017. 3. Appoint Auditors of the company and fix their remuneration. 4. Election of nine Directors of the Company. 5. Accorded to lend/provide short term facilities to associated companies. 6. Alteration in the Articles of Association of the Company.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
133,200	Extra-Ordinary General Meeting of <i>M/s Thal Limited</i> was held on March 22, 2018, below resolutions were passed. 1. Approved to invest and arrange a Standby Letter of Credit in favor of lenders of ThalNova as required by sponsor support agreement. 2. Approved to contribute towards payments required to be made to foreign currency lenders of ThalNova and assign company's rights in respect of any investment made in ThalNova by way of loan. 3. Approved that for investments approval be accorded by the Board with jointly signed by the CEO and a director.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

# ASSF

## Al-Ameen Shariah Stock Fund

### INVESTMENT OBJECTIVE

ASSF is an open-end Equity Fund, investing primarily in Shariah compliant equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	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
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	Al-Baraka Islamic Banking Bank Alfalah Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited National Bank of Pakistan Limited Allied Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Shariah Stock Fund (ASSF)

- i) **Description of the Collective Investment Scheme category and type**  
Islamic Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
ASSF is an open-end Equity Fund, investing primarily in Shariah compliant equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.
- 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**  
KMI-30 Index
- 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
ASSF	-0.78%	-9.88%	0.75%	-5.07%	0.61%	0.50%	7.10%	-2.52%	4.46%	0.14%	-4.27%	-3.08%	-12.38%
Benchmark	0.72%	-11.94%	2.49%	-5.80%	1.19%	0.76%	8.74%	-2.02%	5.31%	0.05%	-5.25%	-2.63%	-9.59%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**  
  
In FY18 the fund yielded a return of -12.38%. At the end of FY18, the Fund Manager maintained exposure at around 89% of total assets in local equities. Major exposure was maintained in Oil & Gas Exploration Companies (24%), Fertilizer (15%) and Cements (11%).
- 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
Equities	86%	89%
Sukuks	0%	0%
GoP Ijarah Sukuks	0%	0%
Cash	13%	9%
Others	1%	2%
Leverage	Nil	Nil

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

FY'18 Return:	-12.38%
Standard Deviation (12m trailing):	17.05%
Sharpe Ratio (12m trailing):	(1.09)

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		%
6,879,144	8,780,769	(21.7)	134.28	153.26	(12.4)

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

**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 entry into the IMF program 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.

**xi) Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

**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
	ASSF
0.0001 - 9,999.9999	9,802
10,000.0000 - 49,999.9999	454
50,000.0000 - 99,999.9999	51
100,000.0000 - 499,999.9999	49
500,000.0000 & Above	10
<b>Total</b>	<b>10,366</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and 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 Shariah Stock fund

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>6,879,144</b>	8,780,769	4,029,898
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>			
Class A Units - Offer	<b>138.08</b>	157.6000	132.8500
- Redemption	<b>134.28</b>	153.2600	128.5900
<b>RETURN OF THE FUND - %</b>			
One Year	<b>-12.38</b>	29.19	14.47
Capital Growth (per unit)	<b>(12.38)</b>	12.59	9.97
Date of Income Distribution	-	26-Jun-17	27-Jun-16
Income Distribution	-	13.00	3.00
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
<b>AVERAGE ANNUAL RETURN - %</b>			
One Year	<b>(12.38)</b>	29.19	14.47
Second Year	<b>8.41</b>	21.83	20.77
Third Year	<b>10.43</b>	23.58	25.30
Fourth Year	<b>14.59</b>	26.27	31.37
Fifth Year	<b>18.54</b>	30.94	28.65
Sixth Year	<b>23.72</b>	28.74	28.28
Since inception	<b>22.54</b>	26.90	26.57
<b>OFFER / REPURCHASE DURING THE YEAR - Rupees *</b>			
Highest price per unit - Class A - Offer	<b>159.83</b>	190.73	139.14
Highest price per unit - Class A - Redemption	<b>155.43</b>	185.48	134.6800
Lowest price per unit - Class A - Offer	<b>128.59</b>	132.20	110.94
Lowest price per unit - Class A - Redemption	<b>125.05</b>	128.56	107.39

\* Front-end load @2.5% is applicable

### PORTFOLIO COMPOSITION

Percentage of Net Assets as at 30 June

#### PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	<b>9.00</b>	13.00	13.00
Sukuk certificates	-	-	-
Equity securities	<b>89.00</b>	86.00	87.00
Foreign Investments	-	-	-
others	<b>2.00</b>	1.00	-

#### PORTFOLIO COMPOSITION BY MARKET - %

Equity market	<b>100.00</b>	100.00	100.00
Debt market	-	-	-

#### Note:

- The Launch date of the Fund is 24 December 2006

#### DISCLAIMER

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

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL-AMEEN SHARIAH STOCK 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 Shariah Stock 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 Fund's activities.

In the capacity of Shariah Advisor, we have prescribed criteria for Shariah compliance of equity investments which comprises of five factors such as (i) Nature of business, (ii) interest bearing debt to total assets, (iii) Illiquid assets to total assets. (iv) Investment in non-Shariah compliant activities and income from non-compliant investments, and (v) Net liquid assets vs. share market price.

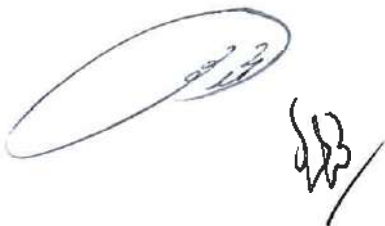
It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A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

- i. We have reviewed and approved the modes of investments of ASSF in light of Shariah requirements. The following is a list of top equity investments of ASSF as on 30 June 2018 and their evaluation according to the screening criteria established by us.

ASSF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A	B
1	Engro Corporation	Manufacturer of Chemicals	28%	22%	3%	57%	(15.9)	313.9
2	The Hub Power Co. Ltd.	Generator of Electricity	31%	2%	0%	32%	(17.5)	92.2
3	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	18%	4%	38%	67.1	155.6
4	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	3%	7%	0%	19%	96.6	1,506.2
5	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	14%	3%	42%	39.5	214.9
6	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	3%	1%	83%	(32.8)	74.9
7	Nishat Mills Ltd.	Manufacturer of Textile	21%	32%	2%	45%	100.2	140.9
8	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	4%	2%	42%	2.9	671.8
9	Lucky Cement Co. Ltd.	Manufacturer of Cement	10%	0%	3%	58%	40.5	507.9
10	Kohat Cement Co. Ltd.	Manufacturer of Cement	2%	18%	1%	65%	6.5	123.1

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on accounts of ASSF by UBL Funds are Shariah compliant and in accordance with the criteria established.

- ii. On the basis of information provided by the management, all operations of ASSF for the year ended 30 June 2018 have been in compliance with the Shariah principles.
- iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by ASSF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.





During the year, an amount of PKR 4,117,258 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 SHARIAH STOCK 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 Shariah Stock 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.

**UBL FUND MANAGERS LIMITED**

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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.

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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

## TO THE UNITHOLDERS' OF AL-AMEEN SHARIAH STOCK FUND

### Review Report on the 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 (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Shariah Stock 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 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 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, the Fund's 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 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.

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 Fund for the year ended June 30, 2018.

  
Chartered Accountants

**Date:** September 17, 2018  
**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Al-Ameen Shariah Stock Fund

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Al-Ameen Shariah Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2018, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund 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 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 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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, investments amounted to Rs. 6,315.913 million as at June 30, 2018.</p> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities and there is a risk that appropriate quoted prices may not be used to determine fair value.</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2018 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2018 by independently matching the securities held by the Fund as per internal records with the securities appearing in the Central Depository Company (CDC) account and investigated any reconciling items</p>

S. No.	Key audit matters	How the matters were addressed in our audit
	<p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end,</p> <p>The disclosure regarding the investments are included in notes 3.2 and 5 to the financial statements.</p>	
2.	<p><b>Impairment of available for sale investments</b></p> <p>The Fund invests a significant portion of it funds in financial instruments that comprise available for sale investments in equity securities. As at June 30, 2018, investments in equity securities classified as available for sale amounted to Rs. 2,437.684 million. These investments are measured at fair value with the corresponding fair value changes recognized in other comprehensive income. The valuation is performed by the Management Company using the quoted market prices at the stock exchange.</p> <p>The Management Company performs an impairment review of its available for sale investments annually and records impairment charge when there has been a significant or prolonged decline in the fair value of investments below their cost. In determining 'significant' or 'prolonged', Management Company evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.</p> <p>There is a risk that Management Company may not calculate the impairment charge accurately as high degree of judgement is involved in determining 'significant' or 'prolonged' decline.</p> <p>The Fund's disclosures related to financial investments are included in notes 3.2 and 5.</p>	<p>In auditing the impairment of available for sale investments, we assessed the processes and key controls relating to valuation of available for sale investments. In addition, we performed valuation testing on a sample of investments held as at June 30, 2018, reviewed the Fund's impairment policy, and assessed the adequacy of impairment charge on available for sale investments at year-end.</p>

S. No.	Key audit matters	How the matters were addressed in our audit
3.	<p><b><i>Change in accounting policy as a result of amendments in Non-Banking Finance Companies and Notified Entities Regulation, 2008</i></b></p> <p>As disclosed in note 3.11, to the financial statements, on August 03, 2017, the Securities and Exchange Commission of Pakistan (SECP) issued SRO no. 756(1)/2017 whereby certain amendments were made in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations). Such amendments introduced definition of Element of Income, and required certain additional disclosures in the income statement and statement of movement in unit holders' fund together with removal of requirement to present distribution statement separately.</p> <p>The abovementioned amendments require significant changes in the calculation, accounting, presentation and disclosure of the 'Element of Income' in the financial statements, which have been applied as a change in accounting policy prospectively in accordance with the clarification issued by the SECP. Considering the significance of the above factors, we have treated these changes as Key Audit Matter.</p>	<p>In auditing the impact of change in accounting policy, we enquired from management about the resulting changes in the financial statements, processes and controls. Subsequently, We also assessed the processes and controls implemented by management to address this change.</p> <p>In addition, we checked adequacy of presentation and disclosure requirements including element of income in the financial statements as per the requirements of Schedule V of the NBFC Regulations.</p>

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

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 Management Company and Board of Directors for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of 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 to 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

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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.

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

  
Chartered Accountants

**Date:** September 17, 2018  
**Place:** Karachi

**AL-AMEEN SHARIAH STOCK FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2018**

	2018	2017
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4 <b>645,299</b>	1,211,102
Investments - net	5 <b>6,315,913</b>	7,721,672
Dividend and profit receivable	6 <b>37,066</b>	29,742
Security deposits and other receivables	7 <b>49,761</b>	44,552
Advance tax	8 <b>3,218</b>	3,192
<b>Total assets</b>	<b>7,051,257</b>	9,010,260
<b>LIABILITIES</b>		
Payable to UBL Fund Managers Limited - Management Company	9 <b>22,742</b>	32,822
Payable to Central Depository Company of Pakistan Limited - Trustee	11 <b>762</b>	929
Payable to Securities and Exchange Commission of Pakistan	12 <b>7,235</b>	6,607
Accrued expenses and other liabilities	13 <b>141,374</b>	189,134
<b>Total liabilities</b>	<b>172,113</b>	229,492
<b>Net Assets</b>	<b>6,879,144</b>	8,780,768
<b>Unit Holders' Fund</b> (as per statement attached)	<b>6,879,144</b>	8,780,768
<b>CONTINGENCIES AND COMMITMENTS</b>		
	28	
	----- (Number of units) -----	
<b>Number of Units in Issue</b>	14 <b>51,231,359</b>	57,291,914
	----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>	<b>134.28</b>	153.26
<b>Face Value Per Unit</b>	<b>100</b>	100

The annexed notes 1 to 30 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 SHARIAH STOCK FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 ------(Rupees in '000)-----	2017
<b>INCOME</b>			
(Loss) / gain on sale of investments - net		(480,642)	830,975
Financial income		59,999	31,409
Dividend income		330,749	218,312
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1 & 5.2	(746,627)	593,616
Impairment loss on equity securities classified as available for sale	5.3.2	(836,521) (69,826)	1,674,312 -
<b>Total (loss) / income</b>		<b>(906,347)</b>	<b>1,674,312</b>
<b>EXPENSES</b>			
Remuneration of UBL Fund Managers Limited - Management Company	9.1	152,321	139,093
Sindh Sales Tax on remuneration of the Management Company	9.2	19,802	18,083
Allocated expenses	9.3	7,616	6,955
Allocated selling and marketing expenses	10	30,464	10,151
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	9,736	8,988
Annual fee - Securities and Exchange Commission of Pakistan	12.1	7,235	6,607
Auditor's remuneration	15	437	446
Bank charges		292	173
Brokerage and settlement charges		7,189	27,356
Listing fee		25	50
Legal and professional charges		155	463
Charity expense	13.1	4,063	3,062
Shariah advisor fee		332	345
Printing expenses		21	17
Other expenses		3	5
<b>Total expenses</b>		<b>239,691</b>	<b>221,794</b>
<b>Net operating (loss) / income for the year</b>		<b>(1,146,038)</b>	<b>1,452,518</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	2.4	-	559,318
Reversal of provision for Workers' Welfare Fund	13.3	-	50,548
Provision for Sindh Workers' Welfare Fund	13.3	-	(63,333)
<b>Net (loss) / income before taxation</b>		<b>(1,146,038)</b>	<b>1,999,051</b>
Taxation	16	-	-
<b>Net (loss) / income after taxation</b>		<b>(1,146,038)</b>	<b>1,999,051</b>
<b>Allocation of net income for the year</b>			
- Net loss for the year after taxation		-	-
- Income already paid on units redeemed		-	-
<b>Net loss for the year after taxation</b>		<b>-</b>	<b>-</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
<b>Earnings per unit</b>	17		

The annexed notes 1 to 30 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 SHARIAH STOCK FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

Note	2018 ------(Rupees in '000)-----	2017
Net (loss) / income for the year after taxation	<b>(1,146,038)</b>	1,999,051
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to income statement</b>		-
Unrealised loss on re-measurement of investments classified as 'available for sale - net'	<b>(76,683)</b>	-
Reclassification of loss to income statement on sale of investments classified as 'available for sale - net'	<b>6,255</b>	-
Reclassification of impairment loss to income statement on equity securities classified as 'available for sale'	<b>69,826</b>	-
5.3.2		
5.3.1	<b>(602)</b>	-
<b>Items that will not be reclassified subsequently to income statement</b>	-	-
<b>Total comprehensive income for the year</b>	<b>(1,146,640)</b>	1,999,051

The annexed notes 1 to 30 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 SHARIAH STOCK FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018			2017	
	Capital value	Undistributed income	Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net	Total	Total
	(Rs. in '000)				
<b>Net assets at beginning of the year</b>	5,465,885	3,314,883	-	8,780,768	4,029,899
Amount received on issuance of 36,989,570 units (2017: 66,307,392 units)					
- Capital value	5,669,021	-	-	5,669,021	-
- Element of income / (loss)					
- relating to other comprehensive income for the year	17,256	-	-	17,256	-
- relating to net loss for the year after taxation	(459,522)	-	-	(459,522)	-
<b>Total amount received on issuance of units</b>	5,226,755	-	-	5,226,755	10,346,853
Amount paid on redemption of 43,050,125 units (2017: 40,354,674 units)					
- Capital value	(6,597,862)	-	-	(6,597,862)	-
- Element of income / (loss)					
- relating to other comprehensive income for the year	(18,654)	-	-	(18,654)	-
- relating to net loss for the year after taxation	634,777	-	-	634,777	-
<b>Total amount paid on redemption of units</b>	(5,981,739)	-	-	(5,981,739)	(6,450,276)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed transferred to income statement - net	-	-	-	-	(559,318)
<b>Total comprehensive income for the year</b>	-	(1,146,038)	(602)	(1,146,640)	1,999,051
Distribution for the year Rs. Nil per unit (2017: Rs. 13 per unit declared on June 23, 2017)	-	-	-	-	(585,441)
<b>Net (loss) / income for the year less distribution</b>	-	(1,146,038)	(602)	(1,146,640)	1,413,610
<b>Net assets at end of the year</b>	4,710,901	2,168,845	(602)	6,879,144	8,780,768
Refund / adjustment on units as element of income	-	-	-	-	-
<b>Undistributed income brought forward comprising of:</b>					
- Realised	-	2,721,267	-	2,721,267	1,557,598
- Unrealised	-	593,616	-	593,616	343,675
	-	3,314,883	-	3,314,883	1,901,273
<b>Accounting income available for distribution</b>					
- Related to capital gain	-	-	-	-	-
- Excluding capital gain	-	-	-	-	-
Net (loss) / income for the year after taxation	-	(1,146,038)	(602)	(1,146,640)	1,999,051
Distribution during the year	-	-	-	-	(585,441)
<b>Undistributed income carried forward - net</b>	-	2,168,845	(602)	2,168,243	3,314,883
<b>Undistributed income carried forward comprising of:</b>					
- Realised	-	2,915,472	-	2,915,472	2,721,267
- Unrealised	-	(746,627)	(602)	(747,229)	593,616
	-	2,168,845	(602)	2,168,243	3,314,883
	------(Rupees)-----				
Net assets value per unit at the beginning of the year				153.26	128.59
Net assets value per unit at the end of the year				134.28	153.26

The annexed notes 1 to 30 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 SHARIAH STOCK FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(1,146,038)	1,999,051
<b>Adjustments for non-cash charges and other items:</b>		
Dividend income	(330,749)	(218,312)
Financial income	(59,999)	(31,409)
Loss / (gain) on sale of investments - net	480,642	(830,975)
Provision for Sindh Workers' Welfare Fund	-	63,333
Reversal of provision for Workers' Welfare Fund	-	(50,548)
Impairment loss on equity securities classified as available for sale	69,826	-
Unrealised loss / (gain) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	746,627	(593,616)
Element of (income) and capital (gain) / loss included in the prices of units issued less those in units redeemed - net	-	(559,318)
	<b>906,347</b>	<b>(2,220,845)</b>
<b>Decrease / (increase) in assets</b>		
Investments	108,062	(2,558,948)
Security deposits and other receivables	(5,209)	(31,047)
	<b>102,853</b>	<b>(2,589,995)</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(10,080)	20,715
Payable to Central Depository Company of Pakistan Limited - Trustee	(167)	469
Payable to Securities and Exchange Commission of Pakistan	628	33
Payable against redemption of units	-	(389)
Accrued expenses and other liabilities	(47,760)	(89,554)
	<b>(57,379)</b>	<b>(68,726)</b>
	<b>(194,217)</b>	<b>(2,880,515)</b>
Dividend income received	322,730	201,848
Financial income received	60,694	28,199
Tax paid / (refund)	(26)	1,010
<b>Net cash generated from / (used in) operating activities</b>	<b>189,181</b>	<b>(2,649,458)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	5,226,755	10,346,853
Payments against redemption of units	(5,981,739)	(6,450,276)
Cash dividend paid	-	(585,441)
<b>Net cash (used in) / generated from financing activities</b>	<b>(754,984)</b>	<b>3,311,136</b>
<b>Net increase in cash and cash equivalents</b>	<b>(565,803)</b>	<b>661,678</b>
Cash and cash equivalents at the beginning of the year	1,211,102	549,424
<b>Cash and cash equivalents at the end of the year</b>	<b>645,299</b>	<b>1,211,102</b>

The annexed notes 1 to 30 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 SHARIAH STOCK FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Al-Ameen Shariah Stock 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 September 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2006 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from November 16, 2006.

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 categorised as Shariah Compliant Equity Fund and is 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.

The investment objective of the fund is to achieve long term capital growth by investing primarily in shariah compliant equity securities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. The Fund invests in securities approved by the Shariah Advisory Board.

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company as on December 29, 2017.

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

**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) 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) and requirements of the Trust Deed.

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

**2.2 Amendments to IFRS that are effective for the year ended June 30, 2018**

The following amendments are effective for the year ended June 30, 2018. These standards are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**Effective from accounting period  
beginning on or after:**

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

January 01, 2017

**Effective from accounting period  
beginning on or after:**

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses

January 01, 2017

Certain annual improvements have also been made to a number of IFRSs, which are also not relevant to the Fund.

**2.3 New accounting standards / amendments and IFRS interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments (except IFRS 9 'Financial Instruments') are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**Effective from accounting  
periods beginning on or after:**

IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.

July 01, 2018

IFRS 16 'Leases' - This standard will supersede IAS 17 'Leases' upon its effective date.

January 01, 2019

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.

January 01, 2019

IFRS 9 'Financial Instruments'

July 01, 2018

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.

January 01, 2019

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.

Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures.

January 01, 2019

Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement.

January 01, 2019

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.

January 01, 2018

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

January 01, 2018

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 01, 2019

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

**2.4 IFRS 9 'Financial Instruments' Impact Assessment**

'IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018.

#### 2.4.1 Key requirements of IFRS 9 are as follows;

##### **Classification and measurement of financial assets**

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value.
- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at fair value through other comprehensive income "FVTOCI".
- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.
- In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

##### **Classification and measurement of financial liabilities**

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

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

##### **Impairment of financial assets**

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

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

##### **Impact assessment**

Based on the analysis of Fund's financial assets and liabilities as at June 30, 2018 and also considering facts and circumstances that exists at that date, the Management Company have assessed the impact of IFRS 9 on the financial statements as follows

- Listed equity securities classified as financial assets at 'fair value through profit or loss' - held for trading will be classified at fair value through profit or loss upon application of IFRS 9 with value changes continue to recognised in profit or loss.
- Listed equity securities classified as financial assets at 'available-for-sale' are to be measured at fair value through profit or loss upon application of IFRS 9 with value changes to be recognised in profit or loss instead of other comprehensive income. The change in fair value attributed to these financial assets amounting to Rs. 0.602 million during the current year would be recognised in income statement under IFRS 9.

#### 2.4.2 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

## **2.5 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets (notes 3.2 and 5); and
- (ii) impairment of financial assets (note 3.2.5 and 5.3.2)

## **2.6 Accounting convention**

These financial statements have been prepared under the historical cost convention except that certain financial assets are carried at fair value.

## **2.7 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented unless otherwise stated.

### **3.1 Cash and cash equivalents**

Cash and cash equivalent 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 cost.

### **3.2 Financial assets**

#### **3.2.1 Classification**

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of Fund's financial assets at the time of initial recognition and re-evaluates this classification on regular basis.

Financial assets are classified 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.

#### **c) Available for sale**

These are non-derivate 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 and may be sold in response to the needs for liquidity or change in price.

#### **3.2.2 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.

### **3.2.3 Initial recognition and measurement**

All financial assets are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

### **3.2.4 Subsequent measurement**

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

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:

##### **- Basis of valuation of equity securities**

Equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the statement of comprehensive income until these are derecognised or impaired. At the time of impairment or derecognition, the cumulative gain or loss previously recognised in the statement of comprehensive income 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 are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

### **3.2.5 Impairment**

The Management Company assesses at each reporting date whether there is objective evidence that the financial assets or a group of fund's financial assets are impaired. 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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

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 these 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 SECP.

### **3.2.6 Derecognition**

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

### **3.3 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, cancelled or expired.

### **3.4 Offsetting of financial assets and financial 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.

### **3.5 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. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

### **3.6 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.

### **3.7 Collaterals**

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

### **3.8 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

### **3.9 Distributions**

Dividend distribution to the Unit Holders is recognized in the period in which these are approved.

### **3.10 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

### **3.11 Element of income / (loss) included in prices of units issued less those in units redeemed**

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. 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.

### **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 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.

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" 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 reserves or unit holders' fund instead of income statement. Further, SRO requires an additional disclosure should be stated below income statement for allocation of net income for the year comprising of (a) Income already paid on units redeemed; and (b) accounting income available for distribution.

MUFAP with the consultation of SECP has clarified that income already paid on redemption of units (element of income paid out) is determined on following basis:

- Income already paid on redemption of units (element of income) made during the year shall be on gross basis instead of element of income / loss on net basis.
- In situations where funds have remained profitable for part of the year and ended up In net profit, the INCOME already paid on redemption of Units (element of INCOME) has been calculated from the DATE at which the fund was last breakeven.
- Income already paid on redemption of Units (element of income) shall be calculated on FIFO method on redemption of Units for identifying Units redeemed with Units issued.

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. Further the basis of estimation of income already paid on redemption has been established in line with the guidelines provided by MUFAP as stated above and accordingly the same has been disclosed in the additional disclosure. Since the Fund has incurred net loss during the year, therefore, element of income paid on redemption is 'Nil'. Had the change in accounting policy applied retrospectively, the income of the Fund for the year ended June 30, 2017 would have been lower by Rs. 559.318 million.

Had the element of income been recognised as per the previous accounting policy, the income of the fund would have been higher by Rs. 173.856 million. However, the change in accounting policy does not have any impact on the 'Statement of Cash flows', the 'net assets attributable to the units holders' and 'net assets value per unit' as shown in the statement of 'assets and liabilities' and 'statement of movement of 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 statements.

### **3.12 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.

### 3.13 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank balances and term deposits is recognised on a time proportionate basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

	Note	2018 -----Rupees in '000-----	2017
<b>4. BANK BALANCES</b>			
<b>In local currency:</b>			
- Profit and loss sharing accounts	4.1	<b>599,718</b>	717,320
- Current accounts		<b>45,581</b>	493,782
		<u><b>645,299</b></u>	<u>1,211,102</u>

4.1 Profit rates on these profit and loss sharing accounts range between 5.6% to 6.2% (2017: 3.75% to 5.5%) per annum.

	Note	2018 -----Rupees in '000-----	2017
<b>5. INVESTMENTS - NET</b>			
At fair value through profit or loss - Held for trading			
- equity securities	5.1	<b>3,859,755</b>	7,721,672
- letter of rights	5.2	<b>18,474</b>	-
Available-for-sale - equity securities	5.3	<b>2,437,684</b>	-
		<u><b>6,315,913</b></u>	<u>7,721,672</u>

## 5.1 Equity securities - Held-for-trading

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

Name of Investee Company	As at July 1, 2017	Purchased / bonus received during the year	Sold during the year	As at June 30, 2018	Total carrying value as at June 30, 2018	Total market value as at June 30, 2018	Unrealised gain / (loss) as at June 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total value of investment	Investment as a percentage of paid-up capital of investee company	
<b>Quoted investments</b>	<b>Note</b>	<b>Number of shares</b>			<b>Rupees in '000</b>			<b>%</b>			
<b>OIL AND GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited		143,950	-	46,850	97,100	60,826	57,288	(3,538)	0.83	0.91	0.12
Pakistan State Oil Company Limited		705,244	247,368	585,300	367,312	120,744	116,919	(3,825)	1.70	1.85	0.11
Sui Northern Gas Pipelines Limited		1,446,500	-	1,204,200	242,300	36,083	24,283	(11,800)	0.35	0.38	0.04
					217,653	198,490	(19,163)	2.88	3.14		
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil and Gas Development Company Limited		2,569,500	369,300	1,032,200	1,906,600	270,325	296,705	26,380	4.31	4.70	0.04
Pakistan Petroleum Limited		2,083,800	175,800	861,500	1,398,100	210,283	300,452	90,169	4.37	4.76	0.07
Pakistan Oilfields Limited		272,300	10,000	272,400	9,900	4,533	6,651	2,118	0.10	0.11	0.00
Mari Petroleum Company Limited		258,220	12,000	4,500	265,720	418,066	400,222	(17,844)	5.82	6.34	0.24
					903,207	1,004,030	100,823	14.60	15.90		
<b>FERTILIZER</b>											
Engro Corporation Limited		1,415,735	158,500	412,100	1,162,135	377,501	364,748	(12,753)	5.30	5.78	0.22
Engro Fertilizers Limited		5,312,500	160,000	2,576,500	2,896,000	160,251	216,939	56,688	3.15	3.43	0.22
					537,752	581,687	43,935	8.45	9.21		
<b>CHEMICALS</b>											
I.C.I Pakistan Limited		194,650	-	57,900	136,750	149,680	109,605	(40,075)	1.59	1.74	0.15
Engro Polymer and Chemicals Limited		4,805,000	883,000	2,612,000	3,076,000	111,491	96,463	(15,028)	1.40	1.53	0.46
					261,171	206,068	(55,103)	3.00	3.26		
<b>CEMENT</b>											
Cherat Cement Company Limited		1,341,600	50,000	697,400	694,200	122,379	67,497	(54,882)	0.98	1.07	0.39
D.G. Khan Cement Company Limited	5.1.1	1,366,107	125,000	1,451,900	39,207	6,611	4,489	(2,122)	0.07	0.07	0.01
Fauji Cement Company Limited		3,333,000	-	3,294,500	38,500	1,580	880	(700)	0.01	0.01	0.00
Kohat Cement Company Limited		523,307	479,400	-	1,002,707	217,905	123,403	(94,502)	1.79	1.95	0.65
Lucky Cement Limited	5.1.1	707,884	122,250	407,500	422,634	345,005	214,668	(130,337)	3.12	3.40	0.13
Pioneer Cement Limited		1,606,456	138,900	742,000	1,003,356	128,853	47,017	(81,836)	0.68	0.74	0.44
					822,333	457,954	(364,379)	6.66	7.25		
<b>AUTOMOBILE ASSEMBLER</b>											
Honda Atlas Cars (Pakistan) Limited		301,000	15,000	8,500	307,500	262,246	97,290	(164,956)	1.41	1.54	0.22
Millat Tractors Limited		116,200	-	53,180	63,020	86,617	74,872	(11,745)	1.09	1.19	0.14
Pak Suzuki Motor Company Limited		243,900	-	237,850	6,050	4,721	2,380	(2,341)	0.03	0.04	0.01
					353,584	174,542	(179,042)	2.53	2.76		
<b>PAPER AND BOARD</b>											
Century Paper and Board Mills Limited		939,000	123,000	-	1,062,000	103,894	67,437	(36,457)	0.98	1.07	0.72
Packages Limited		350,413	-	327,650	22,763	15,833	11,147	(4,686)	0.16	0.18	0.03
					119,727	78,584	(41,143)	1.14	1.24		
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited		2,490,500	17,900	945,400	1,563,000	247,835	220,258	(27,577)	3.20	3.49	0.44
					247,835	220,258	(27,577)	3.20	3.49		
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited		-	397,000	-	397,000	29,169	32,443	3,274	0.47	0.51	0.04
					29,169	32,443	3,274	0.47	0.51		
<b>POWER GENERATION AND DISTRIBUTION</b>											
The Hub Power Company Limited		3,948,528	435,100	940,000	3,443,628	402,758	317,365	(85,393)	4.61	5.02	0.30
K-Electric Limited (Face value of Rs. 3.5 per share)		11,972,736	-	3,168,500	8,804,236	60,749	50,008	(10,741)	0.73	0.79	0.03
					463,507	367,373	(96,134)	5.34	5.82		
Carried forward					<b>3,955,938</b>	<b>3,321,429</b>	<b>(634,509)</b>				

Name of Investee Company	As at July 1, 2017	Purchased / bonus received during the year	Sold during the year	As at June 30, 2018	Total carrying value as at June 30, 2018	Total market value as at June 30, 2018	Unrealised gain / (loss) as at June 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total value of investment	Investment as a percentage of paid-up capital of investee company	
<b>Quoted investments</b>	<b>Note</b>	<b>-----Number of shares-----</b>			<b>-----Rupees in '000-----</b>			<b>-----%-----</b>			
<b>Carried forward</b>					<b>3,955,938</b>	<b>3,321,429</b>	<b>(634,509)</b>				
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
Thal Limited (Face Value Rs. 5 per share)	517,000	-	146,950	370,050	224,261	176,710	(47,551)	2.57	2.80	0.46	
Ghandhara Industries Limited	133,300	-	133,300	-	-	-	-	0.00	0.00	0.00	
					<b>224,261</b>	<b>176,710</b>	<b>(47,551)</b>	<b>2.57</b>	<b>2.80</b>		
<b>GLASS AND CERAMICS</b>											
Tariq Glass Industries Limited	1,516,500	29,900	162,500	1,383,900	153,206	148,299	(4,907)	2.16	2.35	1.88	
					<b>153,206</b>	<b>148,299</b>	<b>(4,907)</b>	<b>2.16</b>	<b>2.35</b>		
<b>ENGINEERING</b>											
Amreli Steels Limited	396,000	-	299,500	96,500	11,865	6,808	(5,057)	0.10	0.11	0.03	
International Steels Limited	1,482,000	210,000	720,000	972,000	123,036	98,853	(24,183)	1.44	1.57	0.22	
Ittefaq Iron Industries Limited	-	521,000	171,000	350,000	10,772	4,893	(5,879)	0.07	0.08	0.27	
Mughal Iron and Steel Industries Limited	1,131,500	-	940,500	191,000	15,419	11,731	(3,688)	0.17	0.19	0.08	
					<b>161,092</b>	<b>122,285</b>	<b>(38,807)</b>	<b>1.78</b>	<b>1.94</b>		
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al Shaheer Corporation	2,133,000	-	-	2,133,000	85,555	58,125	(27,430)	0.84	0.92	1.50	
					<b>85,555</b>	<b>58,125</b>	<b>(27,430)</b>	<b>0.84</b>	<b>0.92</b>		
<b>PHARMACEUTICALS</b>											
The Searle Company Limited	5.1.1 & 5.1.2	287,874	20,665	211,610	96,929	41,355	32,907	(8,448)	0.48	0.52	0.05
					<b>41,355</b>	<b>32,907</b>	<b>(8,448)</b>	<b>0.48</b>	<b>0.52</b>		
<b>Total June 30, 2018</b>					<b>4,621,407</b>	<b>3,859,755</b>	<b>(761,652)</b>				
Total June 30, 2017					7,128,056	7,721,672	593,616				

**5.1.1** The above equity securities include 0.35 million shares (2017: 1.17 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 139.73 million (2017: Rs. 437.8 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

**5.1.2** The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. An investee company of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 19.74 million (2017: Rs. 21.85 million) at year end. Such shares have not been deposited by the investee company in CDC account of Income Tax department. The Fund has included in its investments the withheld shares and recorded them at fair market value at year end. However, through Finance Act, 2018, the tax on bonus shares is withdrawn.



	Note	2018 -----Rupees in '000-----	2017
<b>5.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale</b>			
Market value of investment	5.3	2,437,684	-
Less: cost of investments	5.3	(2,508,112)	-
Unrealised loss on re-measurement of investments classified as available for sale - net		70,428	-
Impairment loss on equity securities classified as available for sale	5.3.2	(69,826)	-
		602	-

### 5.3.2 Movement in provision for impairment loss against available for sale equity securities

Opening balance		-	-
Add: charge for the year		69,826	-
Less: reversal of provision		-	-
Closing balance		69,826	-

### 6. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		33,229	25,210
Profit receivable on profit and loss sharing accounts		3,837	4,532
		37,066	29,742

### 7. SECURITY DEPOSITS AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Receivable against sale of investments		41,403	19,921
Receivable against issuance of units		5,758	22,031
		49,761	44,552

### 8. 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 (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150, 150A and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

	Note	2018 -----Rupees in '000-----	2017
<b>9. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY</b>			
Management fee (including Sindh Sales tax thereagainst)	9.1 & 9.2	13,394	16,735
Allocated expenses	9.3	1,203	1,560
Sales load and conversion charges		839	4,320
Shariah advisor fee		25	56
Selling and marketing expense	10	7,281	10,151
		22,742	32,822

9.1 As per the amended NBFC Regulations dated November 25, 2015 the Management Company is entitled to remuneration of an amount not exceeding 2% (2017: 2%) of average daily net assets of the Fund.

The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Fund.

- 9.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 9.3** As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, 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 amount, to the Fund.

**10. ALLOCATED SELLING AND MARKETING EXPENSES**

SECP vide Circular No. 40 of 2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, AMCs are allowed to charge selling and marketing expenses for an initial period of three years (from January 01, 2017 till December 31, 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund from March 21, 2017, being the lower amount.

<b>11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	<b>2018</b> -----Rupees in '000-----	<b>2017</b> -----Rupees in '000-----
Trustee fee	11.1	<u><u>762</u></u>	<u><u>929</u></u>

- 11.1** The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the 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:

On net assets:

Upto Rs.1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.
Over Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV.

<b>12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>2018</b> -----Rupees in '000-----	<b>2017</b> -----Rupees in '000-----
Annual fee	12.1	<u><u>7,235</u></u>	<u><u>6,607</u></u>

- 12.1** Under the provisions of the NBFC Regulations a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund.

<b>13. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>2018</b> -----Rupees in '000-----	<b>2017</b> -----Rupees in '000-----
Auditor's remuneration		286	282
Sales load payable		402	-
Tax deduction at source		137	44,788
Zakat deducted at source		2,675	3,033
Commission payable		2,822	4,229
Capital gain tax payable		848	4,621
Charity payable	13.1	4,117	3,464
Provision for indirect duties and taxes	13.2	59,585	59,585
Payable against purchase of investments		4,956	3,241
Sindh sales tax payable		68	68
Provision for Sindh Workers' Welfare Fund	13.3	63,333	63,333
Others		2,145	2,490
		<u><u>141,374</u></u>	<u><u>189,134</u></u>

- 13.1** According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non shariah compliant avenues, such income / portion of the income earned on these non-shariah compliant avenues should be donated for charitable purposes directly by the Fund. An amount of Rs. 4.063 million (2017: Rs. 3.062 million) has been recognised by the Fund as charity expense in these financial statements.
- 13.2** 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 since June 13, 2013.

On 30 June 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 54.508 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. 1.06 (June 30, 2017: Rs. 0.95) 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.

### **13.3 Sindh 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 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 during financial year ended June 30, 2017. 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), MUFAP has recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded of provision of Rs. Nil (2017: Rs. 63.33 million) for the year and Rs. 63.33 million (June 30, 2017: Rs. 63.33 million) in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 1.24 per unit (June 30, 2017: Rs. 1.11 per unit).

2018                      2017  
-----Number of units-----

**14. NUMBER OF UNITS IN ISSUE**

Total units in issue at the beginning of the year	<b>57,291,914</b>	31,339,196
Units issued during the year	<b>36,989,570</b>	66,307,392
Units redeemed during the year	<b>(43,050,125)</b>	(40,354,674)
Total units in issue at the end of the year	<b>51,231,359</b>	57,291,914

**14.1** The par value of each unit is Rs. 100. The Management Company has set a minimum investment c

**14.2** All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.

2018                      2017  
-----Rupees in '000-----

**15. AUDITOR'S REMUNERATION**

Annual audit fee	<b>188</b>	182
Half yearly review	<b>125</b>	121
Review of compliance with the requirements of the Code of Corporate Governance	<b>35</b>	34
Other certifications	<b>41</b>	40
Out of pocket expenses and Sindh Sales Tax	<b>48</b>	69
	<b>437</b>	446

**16. TAXATION**

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2018, no provision for taxation has been made in these financial statements as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

**17. EARNINGS PER UNIT**

Earnings per unit has not been disclosed as in the opinion of the Management Company, the determination of the cumulative weighted average number of outstanding units is not practicable.

**18. TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 3.15% (2017: 3.37%) as on June 30, 2018 and this includes 0.37% (2017: 1.27%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

## 19. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Particulars	-----As at June 30, 2018-----			
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
-----Rupees in '000-----				
<b>Financial assets</b>				
Bank balances	645,299	-	-	645,299
Investments - net	-	3,878,229	2,437,684	6,315,913
Dividend and profit receivable	37,066	-	-	37,066
Security deposits and other receivables	49,761	-	-	49,761
	<b>732,126</b>	<b>3,878,229</b>	<b>2,437,684</b>	<b>7,048,039</b>

Particulars	-----As at June 30, 2018-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	22,742	22,742
Payable to Central Depository Company of Pakistan Limited - Trustee	-	762	762
Accrued expenses and other liabilities	-	14,728	14,728
Net assets attributable to redeemed units	-	6,879,144	6,879,144
	-	<b>6,917,376</b>	<b>6,917,376</b>

Particulars	-----As at June 30, 2017-----			
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
-----Rupees in '000-----				
<b>Financial assets</b>				
Bank balances	1,211,102	-	-	1,211,102
Investments - net	-	7,721,672	-	7,721,672
Dividend and profit receivable	29,742	-	-	29,742
Security deposits and other receivables	44,552	-	-	44,552
	<b>1,285,396</b>	<b>7,721,672</b>	<b>-</b>	<b>9,007,068</b>

Particulars	-----As at June 30, 2017-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	32,822	32,822
Payable to Central Depository Company of Pakistan Limited - Trustee	-	929	929
Accrued expenses and other liabilities	-	13,706	13,706
Net assets attributable to redeemed units	-	8,780,768	8,780,768
	-	<b>8,828,225</b>	<b>8,828,225</b>

## Management of liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2018			
	Upto three months	More than three months and up to one year	More than one year	Total

Rupees in '000

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	22,742	-	-	22,742
Payable to the Central Depository Company of Pakistan Limited - Trustee	762	-	-	762
Accrued expenses and other liabilities	14,728	-	-	14,728
Net assets attributable to redeemed units	6,879,144	-	-	6,879,144
	<b>6,917,376</b>	-	-	<b>6,917,376</b>

Particulars	As at June 30, 2017			
	Upto three months	More than three months and up to one year	More than one year	Total

Rupees in '000

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	32,822	-	-	32,822
Payable to the Central Depository Company of Pakistan Limited - Trustee	929	-	-	929
Accrued expenses and other liabilities	13,706	-	-	13,706
Net assets attributable to redeemed units	8,780,768	-	-	8,780,768
	<b>8,828,225</b>	-	-	<b>8,828,225</b>

## **20. FINANCIAL RISK MANAGEMENT**

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

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and 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. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Fund primarily invests in a portfolio of equity securities of listed companies. The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

### **20.1 Market risk**

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

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

#### **20.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

#### **20.1.2 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.

##### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. During the year, the net income would have increased / (decreased) by Rs. 6.01 million (2017: Rs. 7.17 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

##### **b) Fair value interest rate risk**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

#### **20.1.3 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 rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund's equity securities are primarily exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities as 'financial assets at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Fund's constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit investment in individual equity securities to not more than 15% of its net assets, or 15% of the issued capital of the investee company and the sector exposure limit to 35% of net assets.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2018, net income for the year would increase / decrease by Rs. 193.911 million (2017: Rs. 386.083 million) and net assets of the Fund would increase / decrease by the same amount.

In case of 5% increase / decrease in the fair value of the Fund's equity securities held as available for sale on June 30, 2018, net assets of the Fund would increase / decrease by Rs. 121.884 million (2017: Rs. Nil).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

## 20.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

### Management of credit risk

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

The maximum exposure to credit risk before considering any collateral 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'.

### 20.2.1 The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2018:

#### Bank balances by rating category

Name of bank	Balances held by the Fund as at June 30, 2018	Latest available published rating as at June 30, 2018	Rating Agency
(Rupees in '000)			
Bank Alfalah Limited	54,616	A-1+	JCR-VIS
AlBaraka Bank (Pakistan) Limited	4,365	A-1	JCR-VIS
Dubai Islamic Bank Pakistan Limited	510	A-1	JCR-VIS
Meezan Bank Limited	24	A-1+	JCR-VIS
MCB Bank	1,314	A-1+	PACRA
Habib Metropolitan Bank Limited	7,196	A1+	PACRA
United Bank Limited	348,030	A-1+	JCR-VIS
BankIslami Pakistan Limited	228,363	A1+	PACRA
Allied Bank Limited	10	A1+	PACRA
National Bank of Pakistan	871	A-1+	JCR-VIS
	645,299		

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other 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 major bank balance is held with one bank. Management believes that such bank is a reputed institution.

### 20.3 Liquidity risk

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

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

## 21. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing 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:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company 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.

## 22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets or liabilities carried at fair values, by valuation methods.

As at June 30, 2018

	Level 1	Level 2	Level 3	Total
----- Rupees in '000-----				
<b>ASSETS</b>				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	3,859,755	-	-	3,859,755
- Letter of right	18,474	-	-	18,474
Available for sale				
- Equity securities	2,437,684	-	-	2,437,684
	<b>6,315,913</b>	<b>-</b>	<b>-</b>	<b>6,315,913</b>

As at June 30, 2017

	Level 1	Level 2	Level 3	Total
----- Rupees in '000-----				
<b>ASSETS</b>				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	7,721,672	-	-	7,721,672
- Letter of right	-	-	-	-
Available for sale				
- Equity securities	-	-	-	-
	<b>7,721,672</b>	<b>-</b>	<b>-</b>	<b>7,721,672</b>

There were no transfers between various levels of fair value hierarchy during the year.

### 23. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGED

	June 30, 2018 (Percentage)
1 Taurus Securities Limited	7.75
2 Arif Habib Limited	5.64
3 EFG Hermes Pakistan Limited	5.40
4 DJM Securities (Private) Limited	5.38
5 Topline Securities (Private) Limited	5.33
6 Optimus Capital Management (Private) Limited	4.86
7 Habib Metropolitan Financial Services Limited	4.77
8 BMA Capital Management Limited	4.47
9 JS Global Capital Limited	4.29
10 Foundation Securities (Private) Limited	4.14
	June 30, 2017 (Percentage)
1 Al Falah Securities (Private) Limited	6.81
2 Insight Securities (Private) Limited	6.38
3 Next Capital Limited	6.28
4 Topline Securities (Private) Limited	5.83
5 Elixir Securities Pakistan (Private) Limited	5.67
6 BMA Capital Management Limited	5.44
7 Optimus Capital Management ((Private)) Limited	5.01
8 DJM Securities (Private) Limited	5.06
9 Intermarket Securities Limited	4.90
10 Foundation Securities (Private) Limited	4.80

## 24. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund as at June 30, 2018 are as follows:

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

\*Head of Risk - non voting observer

Mr. Asim Wahab Khan is also a fund manager in UBL Stock Advantage Fund.

## 25. PATTERN OF UNIT HOLDERS

Category	As at June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	10,240	22,215,192	43.36
Insurance companies	10	1,788,491	3.49
Retirement funds	60	19,410,868	37.89
Public limited companies	9	2,497,052	4.87
Others	47	5,319,758	10.38
	<b>10,366</b>	<b>51,231,361</b>	<b>100.00</b>

Category	As at June 30, 2017		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	9,173	21,997,691	38.40
Associated companies and directors	15	4,121,429	7.19
Insurance companies	17	4,999,907	8.73
Retirement funds	51	18,783,319	32.79
Public limited companies	28	5,075,614	8.86
Others	22	2,313,954	4.04
	<b>9,306</b>	<b>57,291,914</b>	<b>100.00</b>

## 26. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

**26.1** Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.

**26.2** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**26.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

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

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties ***
Year ended June 30, 2018						
(Units in '000)						
<b>Transactions during the year</b>						
Units issued	1,006	-	-	-	148	-
Units redeemed	3,415	12	-	-	135	-
(Rupees in '000)						
Profit on savings accounts	-	45,573	-	-	-	-
Dividend Income	-	-	-	-	-	-
Bank charges and other charges	-	266	-	-	-	25
Value of units issued	141,000	-	-	-	20,525	-
Value of units redeemed	476,195	1,653	-	-	19,043	-
Dividend paid	-	-	-	-	-	-
Remuneration (including sales tax)	172,123	-	9,736	-	-	-
Shariah advisor fee	332	-	-	-	-	-
Allocated expenses	7,616	-	-	-	-	-
Selling and marketing expenses	30,464	-	-	-	-	-
CDS expense	-	-	421	-	-	-
As at June 30, 2018						
(Units in '000)						
<b>Balances held</b>						
Units held	-	-	-	-	184	9,229
(Rupees in '000)						
Value of units held	-	233,717	-	-	28,244	1,414,495
Bank balances	-	348,031	-	-	-	-
Deposits	-	-	100	-	-	-
Investments	-	-	-	-	-	-
Profit receivable	-	2,590	-	-	-	-
Remuneration payable (including sales tax)	13,377	-	762	-	-	-
Sales load payable	706	393	-	-	-	-
Allocated expenses payable	1,203	-	-	-	-	-
Shariah advisor fee payable	25	-	-	-	-	-
Selling and Marketing expenses payable	7,281	-	-	-	-	-
Other payable	150	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
Year ended June 30, 2017						
(Units in '000)						
<b>Transactions during the year</b>						
Units issued	831	3,606	-	-	118	1,192
Units redeemed	1,872	3,899	-	-	103	-
(Rupees in '000)						
Profit on savings accounts	-	23,591	-	-	-	-
Dividend Income	-	7,145	-	-	-	-
Bank charges	-	117	-	-	-	-
Value of units issued	118,804	535,097	-	-	18,917	113,164
Value of units redeemed	261,769	623,340	-	-	17,293	-
Purchase of securities	-	42,736	-	-	-	-
Sale of securities	-	105,671	-	-	-	-
Dividend paid	10,062	10,145	-	-	2,114	116,566
Remuneration (including sales tax)	157,176	-	8,988	-	-	-
Shariah advisor fee	345	-	-	-	-	-
Allocated expenses	6,955	-	-	-	-	-
Selling and marketing expenses	10,151	-	-	-	-	-
CDS expense	-	-	610	-	-	-
As at June 30, 2017						
(Units in '000)						
<b>Balances held</b>						
Units held	2,409	1,537	-	-	189	9,229
(Rupees in '000)						
Value of units held	127,400	235,556	-	-	28,966	1,414,437
Bank balances	-	513,356	-	-	-	-
Deposits	-	-	100	-	-	-
Investments	-	-	-	-	-	-
Profit receivable	-	2,541	-	-	-	-
Remuneration payable	16,735	-	929	-	-	-
Sales load payable	4,249	2,490	-	-	-	-
Allocated expenses payable	1,560	-	-	-	-	-
Shariah Advisor fee payable	56	-	-	-	-	-
Selling and Marketing expenses payable	10,151	-	-	-	-	-
Other payable	71	-	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These include transactions and balance in relation to those directors and key executives that existed as at year end. However, it does not include the transactions and balances whereby director and key executive has resigned from the management company during the year.

\*\*\* This represents the person having 10% or more holding in each year.

**27. 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:

	August 23, 2017	September 25, 2017	October 27, 2017	December 06, 2017	February 16, 2018	April 26, 2018	May 02, 2018	Total meetings attended
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**Directors:**

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 Director's 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

N/A = Not Available

**28. CONTINGENCIES AND COMMITMENTS**

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

**29. GENERAL**

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

**30. DATE OF AUTHORISATION FOR ISSUE**

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

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD

\_\_\_\_\_  
Chief Executive Officer

SD

\_\_\_\_\_  
Chief Financial Officer

SD

\_\_\_\_\_  
Director

## Al-Ameen Shariah Stock Fund

Holding	Resolution	For	Against	Abstain*
1,209,207	Annual General Meeting of M/s Kohat Cement Company Limited was held on October 23, 2017, below resolutions were passed. 1. The Audited Accounts of the Company for the year ended June 30, 2017. 2. Approve payment of cash dividend for the year ended June 30, 2017. 3. Appoint Auditors of the company and fix their remuneration for the year ending June 30, 2017. 4. Ratify and approve transactions carried out with Related Parties during financial year ended June 30, 2017. 5. Authorize the Chief Executive of the Company for approval of transactions with related parties during financial year ended June 30, 2017. 6. Approval of appointments of related parties to respective offices of profit in the Company. 7. Alteration in the Articles of Association of the Company for purpose of e-voting.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
1,622,500	Extraordinary General Meeting of M/s Sui Northern Gas Pipelines Limited was held on June 21, 2017, below resolutions were passed. 1. Confirm minutes of 52nd Annual General Meeting held on January 26, 2017. 2. Election of thirteen Directors of the Company. 3. Transact any ordinary business with permission of the Chairman.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
6,653,216	Annual General Meeting of M/s The Hub Power Company Limited to be held on October 05, 2018, below are the meeting agendas. 1. Approve Audited Financial Statements of the Company for the year ended June 30, 2018. 2. Approve payment of cash dividend for the year ended June 30, 2018. 3. Appoint Auditors of the company and fix their remuneration. 4. Election of nine Directors for a period of three years. 5. Consider and Approve, if though appropriate, Issuance of Letter of Support (LOS) Guarantee to Private Power & Infrastructure Board (PPIB) for Thar Energy Limited (TEL).	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
114,800	Extra Ordinary General Meeting of M/s Attock Petroleum Limited was held on March 01, 2018, below resolutions were passed. 1. Election of seven Directors of the Bank for a period of three years.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
516,700	Annual General Meeting of M/s Engro Corporation Limited was held on April 24, 2018, below resolutions were passed. 1. Approve Audited Accounts of the Company for the year ended December 31, 2017. 2. Approve payment of cash dividend for the year ended December 31, 2017. 3. Appoint Auditors of the company and fix their remuneration. 4. Election of nine Directors of the Company. 5. Accorded to lend/provide short term facilities to associated companies. 6. Alteration in the Articles of Association of the Company.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
7,500	Extra-Ordinary General Meeting of M/s Thal Limited was held on March 22, 2018, below resolutions were passed. 1. Approved to invest and arrange a Standby Letter of Credit in favor of lenders of ThalNova as required by sponsor support agreement. 2. Approved to contribute towards payments required to be made to foreign currency lenders of ThalNova and assign company's rights in respect of any investment made in ThalNova by way of loan. 3. Approved that for investments approval be accorded by the Board with jointly signed by the CEO and a director.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

# AIDEF

## Al-Ameen Islamic Dedicated Equity Fund

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	Bank Alfalah Limited Faysal Bank Limited Bank Islami Pakistan Limited Allied Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan United Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Dedicated Equity Fund (AIDEF)

- i) **Description of the Collective Investment Scheme category and type**  
Islamic Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.
- 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**  
KMI-30 Index
- 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
AIDEF	-1.16%	-10.09%	0.68%	-5.13%	0.48%	0.53%	6.86%	-2.52%	4.50%	0.25%	-4.20%	-3.27%	-13.30%
Benchmark	0.72%	-11.94%	2.49%	-5.80%	1.19%	0.76%	8.74%	-2.02%	5.31%	0.05%	-5.25%	-2.63%	-9.59%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund Manager maintained exposure at around 90% of total assets in local equities at the end of FY18. Moreover, the Fund Manager held major exposure in Oil & Gas exploration Companies (24%), Fertilizers (15%) and Cement (11%). The fund yielded a return of -13.30% during the period under review.

- 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
Equities	92%	90%
Sukuks	0%	0%
GoP Ijarah Sukuk	0%	0%
Cash	7%	9%
Others	1%	1%
Leverage	Nil	Nil

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

FY'18 Return:	-13.30%
Standard Deviation (12m trailing):	17.24%
Sharpe Ratio (12m trailing):	(1.13)

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		%
11,196,638	11,735,472	(4.6)	115.94	133.72	(13.3)

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

**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 co-operation 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 entry into the IMF program 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.

**xi) Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

**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
	AIDEF
0.0001 - 9,999.9999	-
10,000.0000 - 49,999.9999	-
50,000.0000 - 99,999.9999	-
100,000.0000 - 499,999.9999	-
500,000.0000 & Above	8
<b>Total</b>	<b>8</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and 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 Dedicated Equity Fund

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>11,196,638</b>	11,735,472	7,107,732
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>			
Class A Units - Offer	<b>115.94</b>	133.72	108.95
- Redemption	<b>115.94</b>	133.72	108.95
<b>RETURN OF THE FUND - %</b>			
One Year	<b>-13.30</b>	26.83	9.98
Capital Growth (per unit)	<b>(13.30)</b>	20.50	8.98
Date of Income Distribution	-	<b>30-Jun-17</b>	<b>24-Jun-16</b>
Income Distribution	-	4.50	1.00
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
<b>AVERAGE ANNUAL RETURN - %</b>			
One Year	<b>(13.30)</b>	26.83	9.98
Second Year	<b>6.77</b>	18.41	9.98
Since inception	<b>6.77</b>	18.41	9.98
<b>OFFER / REPURCHASE DURING THE YEAR - Rupees *</b>			
Highest price per unit - Class A - Offer	<b>135.2520</b>	155.2830	111.9147
Highest price per unit - Class A - Redemption	<b>135.2520</b>	155.2830	111.9147
Lowest price per unit - Class A - Offer	<b>108.2259</b>	108.9321	91.0991
Lowest price per unit - Class A - Redemption	<b>108.2259</b>	108.9321	91.0991

\* Front-end load @0% is applicable

### PORTFOLIO COMPOSITION

Percentage of Net Assets as at 30 June

#### PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	<b>8.00</b>	7.00	9.00
Equity securities	<b>89.00</b>	92.00	91.00
others	<b>3.00</b>	1.00	

#### PORTFOLIO COMPOSITION BY MARKET - %

Equity market	<b>100.00</b>	100.00	100.00
Debt market			

#### Note:

- The Launch date of the Fund is 4 January 2016

#### DISCLAIMER

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

**Head Office:**

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URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL AMEEN ISLAMIC DEDICATED EQUITY 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 Dedicated Equity 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 Fund's activities.

In the capacity of Shariah Advisor, we have prescribed criteria for Shariah compliance of equity investments which comprises of five factors such as (i) Nature of business, (ii) interest bearing debt to total assets, (iii) Illiquid assets to total assets. (iv) Investment in non-Shariah compliant activities and income from non-compliant investments, and (v) Net liquid assets vs. share market price.

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 from the Management Company personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

- i. We have reviewed and approved the modes of investments of AIDEF in light of Shariah requirements. The following is a list of top equity investments of AIDEF as on 30 June 2018 and their evaluation according to the screening criteria established by us.

AIDEF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A	B
1	Engro Corporation	Manufacturer of Chemicals	28%	22%	3%	57%	(15.9)	313.9
2	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	18%	4%	38%	67.1	155.6
3	The Hub Power Co. Ltd.	Generator of Electricity	31%	2%	0%	32%	(17.5)	92.2
4	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	3%	7%	0%	19%	96.6	1,506.2
5	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	14%	3%	42%	39.5	214.9
6	Nishat Mills Ltd.	Manufacturer of Textile	21%	32%	2%	45%	100.2	140.9
7	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	3%	1%	83%	(32.8)	74.9
8	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	4%	2%	42%	2.9	671.8
9	Lucky Cement Co. Ltd.	Manufacturer of Cement	10%	0%	3%	58%	40.5	507.9
10	Kohat Cement Co. Ltd.	Manufacturer of Cement	2%	18%	1%	65%	6.5	123.1

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on accounts of AIDEF by UBL Funds are Shariah compliant and in accordance with the criteria established.

- ii. On the basis of information provided by the management, all operations of AIDEF for the year ended 30 June 2018 have been in compliance with the Shariah principles.
- iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by AIDEF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.





During the year, an amount of PKR 6,420,747 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 Najeem Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 2018**

**UBL FUND MANAGERS LIMITED**

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info@ublfunds.com  
4<sup>th</sup> Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.



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

**NAME OF FUND: AL AMEEN ISLAMIC DEDICATED EQUITY 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 Dedicated Equity 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 Furrugh 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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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

## TO THE UNITHOLDERS' OF AL-AMEEN ISLAMIC DEDICATED EQUITY FUND

### Review Report on the 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 (the Board) of UBL Fund Managers Limited (the Management Company) for Al-Ameen Islamic Dedicated Equity 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 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 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, the Fund's 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 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.

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 Fund for the year ended June 30, 2018.

  
Chartered Accountants

**Date:** September 17, 2018  
**Place:** Karachi

## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Al-Ameen Islamic Dedicated Equity Fund

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of **Al-Ameen Islamic Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2018, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund 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 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 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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, investments amounted to Rs. 10,265.243 million as at June 30, 2018.</p> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities and there is a risk that appropriate quoted prices may not be used to determine fair value.</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2018 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2018 by independently matching the securities held by the Fund as per internal records with the securities appearing in the Central Depository Company (CDC) account and investigated any reconciling items</p>

S. No.	Key audit matters	How the matters were addressed in our audit
	<p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end,</p> <p>The disclosure regarding the investments are included in notes 3.2 and 5 to the financial statements.</p>	
2.	<p><b>Impairment of available for sale investments</b></p> <p>The Fund invests a significant portion of its funds in financial instruments that comprise available for sale investments in equity securities. As at June 30, 2018, investments in equity securities classified as available for sale amounted to Rs. 4,196.185 million. These investments are measured at fair value with the corresponding fair value changes recognized in other comprehensive income. The valuation is performed by the Management Company using the quoted market prices at the stock exchange.</p> <p>The Management Company performs an impairment review of its available for sale investments annually and records impairment charge when there has been a significant or prolonged decline in the fair value of investments below their cost. In determining 'significant' or 'prolonged', Management Company evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.</p> <p>There is a risk that Management Company may not calculate the impairment charge accurately as high degree of judgement is involved in determining 'significant' or 'prolonged' decline.</p> <p>The Fund's disclosures related to financial investments are included in notes 3.2 and 5.</p>	<p>In auditing the impairment of available for sale investments, we assessed the processes and key controls relating to valuation of available for sale investments. In addition, we performed valuation testing on a sample of investments held as at June 30, 2018, reviewed the Fund's impairment policy, and assessed the adequacy of impairment charge on available for sale investments at year-end.</p>

S. No.	Key audit matters	How the matters were addressed in our audit
3.	<p><b><i>Change in accounting policy as a result of amendments in Non-Banking Finance Companies and Notified Entities Regulation, 2008</i></b></p> <p>As disclosed in note 3.12, to the financial statements, on August 03, 2017, the Securities and Exchange Commission of Pakistan (SECP) issued SRO no. 756(1)/2017 whereby certain amendments were made in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations). Such amendments introduced definition of Element of Income, and required certain additional disclosures in the income statement and statement of movement in unit holders' fund together with removal of requirement to present distribution statement separately.</p> <p>The abovementioned amendments require significant changes in the calculation, accounting, presentation and disclosure of the 'Element of Income' in the financial statements, which have been applied as a change in accounting policy prospectively in accordance with the clarification issued by the SECP. Considering the significance of the above factors, we have treated these changes as Key Audit Matter.</p>	<p>In auditing the impact of change in accounting policy, we enquired from management about the resulting changes in the financial statements, processes and controls. Subsequently, We also assessed the processes and controls implemented by management to address this change.</p> <p>In addition, we checked adequacy of presentation and disclosure requirements including element of income in the financial statements as per the requirements of Schedule V of the NBFC Regulations.</p>

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

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 Management Company and Board of Directors for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of 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 to 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

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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.

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

  
Chartered Accountants

**Date:** September 17, 2018

**Place:** Karachi

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

Note	2018 ------(Rs. in '000)-----	2017	
<b>ASSETS</b>			
Bank balances	4	979,428	884,816
Investments - net	5	10,265,243	11,730,409
Dividend and profit receivable	6	46,533	55,542
Security deposits and other receivables	7	66,441	14,877
Advance tax	8	2,168	2,760
Preliminary expenses and floatation costs	9	553	773
<b>Total assets</b>		<b>11,360,366</b>	<b>12,689,177</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	10	35,278	42,292
Payable to Central Depository Company of Pakistan Limited - Trustee	12	1,174	1,332
Payable to Securities and Exchange Commission of Pakistan	13	11,292	10,014
Payable against purchase of investment		29,336	31,600
Accrued expenses and other liabilities	14	86,647	868,464
<b>Total liabilities</b>		<b>163,727</b>	<b>953,702</b>
<b>Net Assets</b>		<b>11,196,639</b>	<b>11,735,475</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>11,196,639</b>	<b>11,735,475</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	29	----- (Number of units) -----	
<b>Number of Units in Issue</b>	15	<b>96,571,467</b>	<b>87,759,932</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>115.94</b>	<b>133.72</b>
<b>Face Value Per Unit</b>		<b>100</b>	<b>100</b>

The annexed notes 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 DEDICATED EQUITY FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 ------(Rs. in '000)-----	2017
<b>INCOME</b>			
(Loss) / gain on sale of investments - net		(652,253)	1,269,157
Profit on bank deposits		91,914	41,200
Dividend income		524,366	331,102
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1 & 5.2	(1,088,574)	877,652
		(1,124,547)	2,519,111
Impairment loss on equity securities classified as available for sale	5.3.2	(185,602)	-
<b>Total (loss) / income</b>		<b>(1,310,149)</b>	<b>2,519,111</b>
<b>EXPENSES</b>			
Remuneration of UBL Fund Managers Limited - Management Company	10.1	237,724	210,827
Sindh Sales Tax on remuneration to the Management Company	10.2	30,904	27,407
Allocated expenses	10.3	11,886	10,541
Allocated selling and marketing expenses	11	47,545	15,173
Shariah advisor fee		335	337
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	14,561	13,042
Annual fee - Securities and Exchange Commission of Pakistan	13.1	11,292	10,014
Listing fee		28	51
Auditor's remuneration	16	283	282
Bank charges		57	35
Brokerage and settlement charges		9,231	35,023
Charity expense	14.1	6,421	4,434
Amortization of preliminary and floatation cost		220	327
Other expenses		174	71
<b>Total expenses</b>		<b>370,661</b>	<b>327,564</b>
<b>Net operating (loss) / income for the year</b>		<b>(1,680,810)</b>	<b>2,191,547</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	2.4	-	428,521
Provision for Sindh Workers' Welfare Fund	14.3	-	(64,137)
<b>Net (loss) / income for the year before taxation</b>		<b>(1,680,810)</b>	<b>2,555,931</b>
Taxation	17	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(1,680,810)</b>	<b>2,555,931</b>
<b>Allocation of net income for the year</b>			
- Net loss for the year after taxation		-	-
- Income already paid on units redeemed		-	-
<b>Net loss for the year after taxation</b>		<b>-</b>	<b>-</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-
<b>Earnings per unit</b>	18		

The annexed notes 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 DEDICATED EQUITY FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Note	------(Rs. in '000)-----	
Net (loss) / income for the year after taxation	(1,680,810)	2,555,931
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to income statement</b>		
	2.4	
Unrealised loss on re-measurement of investments classified as 'available for sale - net'	(139,619)	-
Reclassification to income statement of gain on sale of investments classified as 'available for sale - net'	(23,789)	-
Reclassification to income statement of impairment loss on equity securities classified as 'available for sale'	185,602	-
	22,194	-
	5.3.2	
	5.3.1	
<b>Items that will not be reclassified subsequently to income statement</b>		
	-	-
<b>Total comprehensive income for the year</b>	<b>(1,658,616)</b>	<b>2,555,931</b>

The annexed notes 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 DEDICATED EQUITY FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018			2017	
	(Rs. in '000)				
	Capital value	Undistributed income	Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net	Total	Total
<b>Net assets at beginning of the year</b>	8,977,582	2,757,893	-	11,735,475	7,107,732
Amount received on issuance of 127,399,357 units (2017: 65,460,880 units)					
- Capital value	17,036,148	-	-	17,036,148	-
- Element of income / (loss)					
- relating to other comprehensive income for the year	(77,430)	-	-	(77,430)	-
- relating to net loss for the year after taxation	(1,805,297)	-	-	(1,805,297)	-
<b>Total amount received on issuance of units</b>	15,153,421	-	-	15,153,421	8,738,961
Amount paid on redemption of 118,587,822 units (2017: 42,938,012 units)					
- Capital value	(15,857,848)	-	-	(15,857,848)	-
- Element of income / (loss)					
- relating to other comprehensive income for the year	66,166	-	-	66,166	-
- relating to net loss for the year after taxation	1,758,041	-	-	1,758,041	-
<b>Total amount paid on redemption of units</b>	(14,033,641)	-	-	(14,033,641)	(5,856,565)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed transferred to income statement - net	-	-	-	-	(428,521)
<b>Total comprehensive income for the year</b>	-	(1,680,810)	22,194	(1,658,616)	2,555,931
Distribution for the year Rs. Nil per unit (2017: Rs. 4.5 per unit declared on June 30, 2017)	-	-	-	-	(382,063)
<b>Net (loss) / income for the year less distribution</b>	-	(1,680,810)	22,194	(1,658,616)	2,173,868
<b>Net assets at end of the year</b>	10,097,362	1,077,083	22,194	11,196,639	11,735,475
Refund / adjustment on units as element of income	-	-	-	-	-
<b>Undistributed income brought forward comprising of:</b>					
- Realised	-	1,880,241	-	1,880,241	(65,937)
- Unrealised	-	877,652	-	877,652	649,962
	-	2,757,893	-	2,757,893	584,025
<b>Accounting income available for distribution</b>					
- Related to capital gain	-	-	-	-	-
- Excluding capital gain	-	-	-	-	-
	-	-	-	-	-
Net (loss) / income for the year after taxation	-	(1,680,810)	22,194	(1,658,616)	2,555,931
Distribution during the year	-	-	-	-	(382,063)
<b>Undistributed income carried forward - net</b>	-	1,077,083	22,194	1,099,277	2,757,893
<b>Undistributed income carried forward comprising of:</b>					
- Realised	-	2,165,657	-	2,165,657	1,880,241
- Unrealised	-	(1,088,574)	22,194	(1,066,380)	877,652
	-	1,077,083	22,194	1,099,277	2,757,893

------(Rupees)-----

Net assets value per unit at the beginning of the year	133.72	108.95
Net assets value per unit at the end of the year	115.94	133.72

The annexed notes 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 DEDICATED EQUITY FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	------(Rs. in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(1,680,810)	2,555,931
<b>Adjustments for non-cash charges and other items</b>		
Dividend income	(524,366)	(331,102)
Profit on bank deposits	(91,914)	(41,200)
Loss / (gain) on sale of investments - net	652,253	(1,269,157)
Impairment loss on equity securities classified as available for sale	185,602	-
Amortization of preliminary and floatation cost	220	327
Provision for Sindh Workers' Welfare Fund	-	64,137
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	1,088,574	(877,652)
Element of income and capital gain included in the prices of units issued less those in units redeemed - net	-	(428,521)
	<b>1,310,369</b>	<b>(2,883,168)</b>
<b>Decrease / (increase) in assets</b>		
Investments	(439,069)	(2,898,340)
Security deposits, advances and other receivables	(51,564)	3,449
	<b>(490,633)</b>	<b>(2,894,891)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(7,014)	22,337
Payable to Central Depository Company of Pakistan Limited - Trustee	(158)	579
Payable to Securities and Exchange Commission of Pakistan	1,278	7,238
Payable against purchase of investment	(2,264)	31,600
Accrued expenses and other liabilities	(16,720)	19,266
	<b>(24,878)</b>	<b>81,020</b>
	<b>(885,952)</b>	<b>(3,141,108)</b>
Dividend income received	528,346	323,328
Advance tax refund	592	-
Profit on bank deposits received	96,943	31,817
<b>Net cash used in operating activities</b>	<b>(260,071)</b>	<b>(2,785,963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	15,153,421	8,738,961
Payments against redemption of units	(14,798,738)	(5,091,468)
Cash dividend paid	-	(382,063)
<b>Net cash generated from financing activities</b>	<b>354,683</b>	<b>3,265,430</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>94,612</b>	<b>479,467</b>
Cash and cash equivalents at the beginning of the year	884,816	405,349
<b>Cash and cash equivalents at the end of the year</b>	<b>979,428</b>	<b>884,816</b>

The annexed notes 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 DEDICATED EQUITY FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Al-Ameen Islamic Dedicated Equity 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 October 10, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 20, 2015 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from January 5, 2016.

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 categorised as Shariah Compliant Equity Fund and is 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.

The investment objective of the fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah Compliant Equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering superior risk adjusted returns. The Fund invests in securities approved by the Shariah Advisory Board.

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the management company as on December 29, 2017.

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

**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) 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) and requirements of the Trust Deed.

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

**2.2 Amendments to IFRS that are effective for the year ended June 30, 2018**

The following amendments are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Fund's operations or do not have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017

### **2.3 New accounting standards / amendments and IFRS interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments (except IFRS 9 'Financial Instruments') are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting periods beginning on or after:</b>
IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16 'Leases' - This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2019
IFRS 9 'Financial Instruments'	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after January 01, 2018
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

## 2.4 IFRS 9 'Financial Instruments' Impact Assessment

IFRS 9 'Financial Instruments' was issued on July 24, 2014. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018.

### 2.4.1 Key requirements of IFRS 9 are as follows;

#### Classification and measurement of financial assets

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value.
- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at fair value through other comprehensive income "FVTOCI".
- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.
- In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

#### Classification and measurement of financial liabilities

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

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

#### Impairment of financial assets

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

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

#### Impact assessment

Based on the analysis of Fund's financial assets and liabilities as at June 30, 2018 and also considering facts and circumstances that exists at that date, the Management Company has assessed the impact of IFRS 9 on the financial statements as follows:

- Listed equity securities classified as financial assets at fair value through profit or loss - held for trading will be classified as 'fair value through profit or loss' upon application of IFRS 9 with value changes continue to recognised in profit or loss.
- Listed equity securities classified as financial assets at 'available-for-sale' are to be measured at fair value through profit or loss upon application of IFRS 9 with value changes to be recognised in profit or loss instead of other comprehensive income. The change in fair value attributed to these financial assets amounting to Rs. 22.195 million during the current year would be recognised in income statement under IFRS 9.

**2.4.2** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

## **2.5 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets (notes 3.2 and 5); and
- (ii) impairment of financial assets (notes 3.2.5 and 5.3.2)

## **2.6 Accounting convention**

These financial statements have been prepared under the historical cost convention except that certain financial assets are carried at fair value.

## **2.7 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented unless otherwise stated

### **3.1 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 cost.

### **3.2 Financial assets**

#### **3.2.1 Classification**

The classification of financial assets depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of Fund's financial assets at the time of initial recognition and re-evaluates this classification on regular basis.

Financial assets are classified 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.

**c) Available for sale**

These are 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 and may be sold in response to the needs for liquidity or change in price.

**3.2.2 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.

**3.2.3 Initial recognition and measurement**

All financial assets are initially recognised at cost, being the fair value of the consideration given, including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

**3.2.4 Subsequent measurement**

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

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:

**- Basis of valuation of equity securities**

Equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date, the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the statement of comprehensive income until these are derecognised or impaired. At the time of impairment or derecognition, the cumulative gain or loss previously recognised in the statement of comprehensive income 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 are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

**3.2.5 Impairment**

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. 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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

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 these 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 SECP.

**3.2.6 Derecognition**

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

### **3.3 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, cancelled or expires.

### **3.4 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchange and other expenses. These cost are amortised over a period of five years starting from the end of initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

### **3.5 Offsetting of financial assets and financial liabilities**

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

### **3.6 Derivatives**

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

### **3.7 Provisions**

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

### **3.8 Collaterals**

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

### **3.9 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

### **3.10 Distributions**

Dividend distribution to the Unit Holders is recognized in the period in which these are approved.

### **3.11 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

### **3.12 Element of income / (loss) included in prices of units issued less those in units redeemed**

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. 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.

#### **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 was recognized in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities was included in distribution statement.

Securities & Exchange Commission of Pakistan (SECP) 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" 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 reserves or unit holders' fund instead of income statement. Further, SRO requires an additional disclosure should be stated below income statement for allocation of net income for the year comprising of (a) Income already paid on units redeemed; and (b) accounting income available for distribution.

Mutual Funds Association of Pakistan (MUFAP) with the consultation of SECP has clarified that income already paid on redemption of units (element of income paid out) is determined on following basis:

- Income already paid on redemption of units (element of income) made during the year shall be on gross basis instead of element of income / loss on net basis.
- In situations where funds have remained profitable for part of the year and ended up in net profit, the income already paid on redemption of units (element of income) has been calculated from the date at which the fund was last breakeven.
- Income already paid on redemption of units (element of income) shall be calculated on FIFO method on redemption of units for identifying units redeemed with units issued.

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. Further the basis of estimation of income already paid on redemption has been established in line with the guidelines provided by MUFAP as stated above and accordingly the same has been disclosed in the additional disclosure. Since the Fund has incurred net loss during the year, therefore, element of income paid on redemption is 'Nil'. Had the change in accounting policy applied retrospectively, the income of the Fund for the year ended June 30, 2017 would have been lower by Rs. 428.521 million.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs. 58.520 million. However, the change in accounting policy does not have any impact on the 'statement of Cash flows', the 'net assets attributable to the units holders' and 'net assets value per unit' as shown in the statement of 'assets and liabilities' and 'statement of movement of 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 statements.

### 3.13 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 year end.

### 3.14 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank balances and term deposits is recognised on a time proportionate.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

	Note	2018 ------(Rs. in '000)-----	2017
<b>4. BANK BALANCES</b>			
<b>In local currency:</b>			
- Profit and loss sharing accounts	4.1	886,012	700,542
- Current account		93,416	184,274
		<u>979,428</u>	<u>884,816</u>

4.1 Profit rate on these profit and loss sharing accounts range between 4% to 6.2% (2017: 5.50%) per annum.

	Note	2018 ------(Rs. in '000)-----	2017
<b>5. INVESTMENTS - NET</b>			
At fair value through profit or loss - Held for trading			
- equity securities	5.1	6,047,618	11,730,409
- letter of rights	5.2	21,440	-
Available-for-sale - equity securities	5.3	4,196,185	-
		<u>10,265,243</u>	<u>11,730,409</u>

## 5.1 Equity securities - At fair value through profit or loss - Held-for-trading

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

Name of Investee Company	As at July 1, 2017	Purchased / bonus received during the year	Sold during the year	As at June 30, 2018	Total carrying value as at June 30, 2018	Total market value as at June 30, 2018	Unrealised gain (loss) as at June 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of investee company
<b>Quoted investments</b>										
-----Rupees in '000-----										
<b>OIL AND GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited	5.1.2	1,106,456	192,591	742,800	556,247	179,534	177,059	(2,475)	1.58	1.72
Sui Northern Gas Pipelines Limited		2,475,500	-	1,874,400	601,100	89,516	60,242	(29,274)	0.54	0.59
						269,050	237,301	(31,749)	2.12	2.31
<b>OIL AND GAS EXPLORATION COMPANIES</b>										
Oil and Gas Development Company Limited		3,523,600	101,000	591,100	3,033,500	427,452	472,073	44,621	4.22	4.60
Pakistan Oilfields Limited		152,000	64,200	191,550	24,650	15,294	16,560	1,266	0.15	0.16
Pakistan Petroleum Limited		3,117,500	110,000	636,100	2,591,400	386,237	556,892	170,655	4.97	5.43
Attock Petroleum Limited		197,950	-	21,950	176,000	110,252	103,838	(6,414)	0.93	1.01
Mari Petroleum Company Limited		466,331	-	42,000	424,331	668,593	639,119	(29,474)	5.71	6.23
						1,607,828	1,788,482	180,654	15.98	17.43
<b>ENGINEERING</b>										
Amreli Steels Limited		1,249,000	-	460,000	789,000	97,008	55,664	(41,344)	0.50	0.54
International Steels Limited		2,213,000	34,700	735,800	1,511,900	193,283	153,760	(39,523)	1.37	1.50
Mughal Iron and Steel Industries Limited		2,381,942	-	1,804,000	577,942	46,657	35,497	(11,160)	0.32	0.35
						336,948	244,921	(92,027)	2.19	2.39
<b>FERTILIZER</b>										
Engro Corporation Limited		2,180,165	34,400	565,800	1,648,765	537,073	517,481	(19,592)	4.62	5.04
Engro Fertilizers Limited		7,692,000	-	3,000,000	4,692,000	259,186	351,478	92,292	3.14	3.42
						796,259	868,959	72,700	7.76	8.46
<b>CHEMICALS</b>										
I.C.I Pakistan Limited		275,116	-	84,500	190,616	208,639	152,779	(55,860)	1.36	1.49
Engro Polymer and Chemicals Limited		6,012,000	575,500	5,454,000	1,133,500	41,112	35,547	(5,565)	0.32	0.35
						249,751	188,326	(61,425)	1.68	1.84
<b>CEMENT</b>										
Cherat Cement Company Limited		2,034,658	100,000	758,500	1,376,158	243,435	133,804	(109,631)	1.20	1.30
Attock Cement (Pakistan) Limited		-	125,000	87,900	37,100	7,349	4,989	(2,360)	0.04	0.05
DG Khan Cement Company Limited	5.1.1	2,209,993	100,000	2,265,100	44,893	9,422	5,140	(4,282)	0.05	0.05
Fauji Cement Company Limited		4,744,000	-	4,079,000	665,000	27,285	15,195	(12,090)	0.14	0.15
Kohat Cement Company Limited		1,360,693	-	-	1,360,693	311,952	167,460	(144,492)	1.50	1.63
Lucky Cement Limited		1,092,716	45,000	396,000	741,716	614,863	376,740	(238,123)	3.36	3.67
Pioneer Cement Limited		1,451,344	154,900	592,500	1,013,744	128,897	47,504	(81,393)	0.42	0.46
						1,343,203	750,832	(592,371)	6.71	7.31
<b>PAPER AND BOARD</b>										
Packages Limited		465,487	-	410,000	55,487	38,596	27,173	(11,423)	0.24	0.26
Cherat Packaging Limited		296,600	-	118,500	178,100	42,345	25,591	(16,754)	0.23	0.25
Century Paper and Board Mills Limited		1,520,500	-	41,500	1,479,000	145,016	93,917	(51,099)	0.84	0.91
						225,957	146,681	(79,276)	1.31	1.42
<b>AUTOMOBILE ACCESSORIES</b>										
Honda Atlas Cars (Pakistan) Limited		295,550	27,750	18,250	305,050	258,400	96,515	(161,885)	0.86	0.94
Millat Tractors Limited		116,800	-	29,500	87,300	119,989	103,718	(16,271)	0.93	1.01
Pak Suzuki Motor Company Limited		407,950	-	407,950	-	-	-	-	0.00	0.00
Thal Limited		735,600	-	108,600	627,000	379,981	299,411	(80,570)	2.67	2.92
						758,370	499,644	(258,726)	4.46	4.87
<b>TEXTILE COMPOSITE</b>										
Nishat Mills Limited		4,054,500	-	1,735,200	2,319,300	368,027	326,836	(41,191)	2.92	3.18
						368,027	326,836	(41,191)	2.92	3.18
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
Al-Shaheer Corporation		2,599,500	-	-	2,599,500	104,266	70,836	(33,430)	0.63	0.69
						104,266	70,836	(33,430)	0.63	0.69
<b>POWER GENERATION AND DISTRIBUTION</b>										
The Hub Power Company Limited	5.1.1	6,084,172	52,400	584,800	5,551,772	651,808	511,651	(140,157)	4.57	4.98
K-Electric Limited (Face value of Rs. 3.5 per share)		19,701,264	-	4,825,000	14,876,264	102,646	84,497	(18,149)	0.75	0.82
						754,454	596,148	(158,306)	5.32	5.80
<b>CABLE AND ELECTRICAL GOODS</b>										
Pak Elektron Limited		2,951,500	-	2,950,600	900	99	32	(67)	0.00	0.00
						99	32	(67)	0.00	0.00
<b>GLASS AND CERAMICS</b>										
Tariq Glass Industries Limited		2,558,924	-	251,000	2,307,924	255,626	247,317	(8,309)	2.21	2.41
						255,626	247,317	(8,309)	2.21	2.41
<b>COMMERCIAL BANKS</b>										
Meezan Bank Limited		400,000	165,000	-	565,000	43,645	46,172	2,527	0.41	0.45
						43,645	46,172	2,527	0.41	0.45
<b>PHARMACEUTICALS</b>										
The Searle Company Limited	5.1.2	404,416	23,413	324,350	103,479	44,149	35,131	(9,018)	0.31	0.34
						44,149	35,131	(9,018)	0.31	0.34
<b>Total June 30, 2018</b>						<b>7,157,632</b>	<b>6,047,618</b>	<b>(1,110,014)</b>		
<b>Total June 30, 2017</b>						<b>10,852,759</b>	<b>11,730,409</b>	<b>877,652</b>		

**5.1.1** The above equity securities include 1.57 million (2017: 2 million) shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 146.254 million (2017: Rs. 282.725 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

**5.1.2** This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 7.439 million (2017: Rs. 5.125 million) at year end. Such shares has not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis. However, through Finance Act, 2018, the tax on bonus shares is withdrawn.

## 5.2 Letter of rights - At fair value through profit or loss - Held for trading

Name of Investee Company	As at July 1, 2017	Entitlement during the year	Exercised during the year	As at June 30, 2018	Total carrying value as at June 30, 2018	Total market value as at June 30, 2018	Unrealised gain/(loss) as at June 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of investee company
	Number of rights				Rupees in '000			%		
<b>CHEMICAL</b>										
Engro Polymer & Chemicals Limited	-	2,430,798	-	2,430,798	-	21,440	21,440	0.19	0.21	0.37
<b>PAPER AND BOARD</b>										
Cherat Packaging Limited	-	40,041	40,041	-	-	-	-	-	-	-
<b>Total June 30, 2018</b>					<b>-</b>	<b>21,440</b>	<b>21,440</b>			
Total June 30, 2017					-	-	-			

## 5.3 Equity securities - Available for sale

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

Name of Investee Company	As at July 1, 2017	Purchased / bonus received during the year	Sold during the year	As at June 30, 2018	Total carrying value as at June 30, 2018	Total market value as at June 30, 2018	Unrealised gain / (loss) as at June 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of investee company
	Number of shares				Rupees in '000			%		
<b>Quoted investments</b>										
<b>OIL AND GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited	5.1.2	-	438,900	-	438,900	133,891	139,706	5,815	1.25	1.36
Sui Northern Gas Pipelines Limited	-	-	450,000	20,000	430,000	43,277	43,095	(182)	0.38	0.42
					<b>177,168</b>	<b>182,801</b>	<b>5,633</b>	<b>1.63</b>	<b>1.78</b>	<b>0.07</b>
<b>OIL AND GAS EXPLORATION COMPANIES</b>										
Oil and Gas Development Company Limited	-	2,528,100	-	2,528,100	402,521	393,423	(9,098)	3.51	3.83	0.06
Pakistan Oilfields Limited	-	863,600	244,000	619,600	347,273	416,241	68,968	3.72	4.05	0.26
Pakistan Petroleum Limited	-	802,700	115,900	686,800	134,111	147,593	13,482	1.32	1.44	0.03
Attock Petroleum Limited	-	5,450	3,400	2,050	1,297	1,209	(88)	0.01	0.01	0.00
Mari Petroleum Company Limited	-	91,580	-	91,580	135,157	137,936	2,779	1.23	1.34	0.08
					<b>1,020,359</b>	<b>1,096,402</b>	<b>76,043</b>	<b>9.79</b>	<b>10.67</b>	
<b>ENGINEERING</b>										
Amreli Steels Limited	-	1,007,600	-	1,007,600	94,103	71,086	(23,017)	0.63	0.69	0.34
Ittefaq Iron Industries Limited	-	1,644,000	200,000	1,444,000	30,924	20,187	(10,737)	0.18	0.20	1.10
International Steels Limited	-	1,152,700	-	1,152,700	119,289	117,230	(2,059)	1.05	1.14	0.26
					<b>244,316</b>	<b>208,503</b>	<b>(35,813)</b>	<b>1.86</b>	<b>2.03</b>	
<b>FERTILIZER</b>										
Engro Corporation Limited	-	1,698,000	-	1,698,000	507,429	532,934	25,505	4.76	5.19	0.32
Fauji Fertilizer Company Limited	-	2,720,500	1,150,000	1,570,500	153,726	155,307	1,581	1.39	1.51	0.12
Engro Fertilizers Limited	-	3,446,000	2,138,500	1,307,500	88,013	97,945	9,932	0.87	0.95	0.10
					<b>749,168</b>	<b>786,186</b>	<b>37,018</b>	<b>7.02</b>	<b>7.65</b>	
<b>CHEMICALS</b>										
I.C.I Pakistan Limited	-	25,400	-	25,400	19,455	20,358	903	0.18	0.20	0.03
Stara Chemical Industries Limited	-	115,050	300	114,750	38,554	42,265	3,711	0.38	0.41	0.54
Engro Polymer and Chemicals Limited	-	5,722,000	285,000	5,437,000	167,502	170,504	3,002	1.52	1.66	0.82
					<b>225,511</b>	<b>233,127</b>	<b>7,616</b>	<b>2.08</b>	<b>2.27</b>	
<b>CEMENT</b>										
Cherat Cement Company Limited	-	863,200	112,000	751,200	91,801	73,039	(18,762)	0.65	0.71	0.43
Attock Cement (Pakistan) Limited	-	469,900	2,500	467,400	94,359	62,856	(31,503)	0.56	0.61	0.41
DG Khan Cement Company Limited	5.1.1	879,200	20,000	859,200	117,327	98,370	(18,957)	0.88	0.96	0.20
Fauji Cement Company Limited	-	150,000	-	150,000	4,641	3,428	(1,213)	0.03	0.03	0.01
Kohat Cement Company Limited	-	1,578,000	-	1,578,000	230,262	194,204	(36,058)	1.73	1.89	1.02
Lucky Cement Limited	-	78,800	-	78,800	47,853	40,025	(7,828)	0.36	0.39	0.02
Maple Leaf Cement Factory Limited	-	175,000	-	175,000	11,012	8,880	(2,132)	0.08	0.09	0.03
Pioneer Cement Limited	-	1,541,200	118,000	1,423,200	108,410	66,691	(41,719)	0.60	0.65	0.63
					<b>705,665</b>	<b>547,493</b>	<b>(158,172)</b>	<b>4.89</b>	<b>5.33</b>	
<b>PAPER AND BOARD</b>										
Cherat Packaging Limited	-	40,041	7,200	32,841	4,105	4,719	614	0.04	0.05	0.10
Century Paper and Board Mills Limited	-	525,300	25,500	499,800	32,478	31,737	(741)	0.28	0.31	0.34
					<b>36,583</b>	<b>36,456</b>	<b>(127)</b>	<b>0.32</b>	<b>0.36</b>	
<b>AUTOMOBILE ACCESSORIES</b>										
Honda Atlas Cars (Pakistan) Limited	-	251,100	-	251,100	138,097	79,446	(58,651)	0.71	0.77	0.18
Millat Tractors Limited	-	42,440	13,000	29,440	37,274	34,976	(2,298)	0.31	0.34	0.07
Pak Suzuki Motor Company Limited	-	-	-	-	-	-	-	0.00	0.00	0.00
Thal Limited	-	1,600	-	1,600	785	764	(21)	0.01	0.01	0.00
					<b>176,156</b>	<b>115,186</b>	<b>(60,970)</b>	<b>1.03</b>	<b>1.12</b>	
<b>TEXTILE COMPOSITE</b>										
Nishat Mills Limited	-	880,800	-	880,800	131,495	124,122	(7,373)	1.11	1.21	0.25
Kohinoor Textile Mills Limited	-	2,076,500	177,600	1,898,900	113,634	104,421	(9,213)	0.93	1.02	0.63
					<b>245,129</b>	<b>228,543</b>	<b>(16,586)</b>	<b>2.04</b>	<b>2.23</b>	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
Al-Shaheer Corporation	-	1,938,000	-	1,938,000	50,011	52,811	2,800	0.47	0.51	1.36
					<b>50,011</b>	<b>52,811</b>	<b>2,800</b>	<b>0.47</b>	<b>0.51</b>	
<b>POWER GENERATION AND DISTRIBUTION</b>										
The Hub Power Company Limited	5.1.1	-	3,671,300	-	3,671,300	360,304	338,347	(21,957)	3.02	3.30
Lalpir Power Limited	-	-	2,692,000	20,500	2,671,500	55,582	51,320	(4,262)	0.46	0.50
PAKGEN Power Limited	-	-	3,382,500	8,000	3,374,500	70,063	65,060	(5,003)	0.58	0.63
Saif Power Limited	-	-	2,229,000	-	2,229,000	59,208	59,046	(162)	0.53	0.58
K-Electric Limited (Face value of Rs. 3.5 per share)	-	-	6,415,000	-	6,415,000	40,372	36,437	(3,935)	0.33	0.35
					<b>585,529</b>	<b>550,210</b>	<b>(35,319)</b>	<b>4.92</b>	<b>5.36</b>	
<b>GLASS AND CERAMICS</b>										
Tariq Glass Industries Limited	-	78,000	-	78,000	8,079	8,358	279	0.07	0.08	0.11
					<b>8,079</b>	<b>8,358</b>	<b>279</b>	<b>0.07</b>	<b>0.08</b>	
<b>COMMERCIAL BANKS</b>										
Meezan Bank Limited	-	2,022,000	200,000	1,822,000	134,694	148,894	14,200	1.33	1.45	0.17
					<b>134,694</b>	<b>148,894</b>	<b>14,200</b>	<b>1.33</b>	<b>1.45</b>	
<b>TECHNOLOGY AND COMMUNICATION</b>										
Systems Limited	-	12,000	-	12,000	1,225	1,215	(10)	0.01	0.01	0.01
					<b>1,225</b>	<b>1,215</b>	<b>(10)</b>	<b>0.01</b>	<b>0.01</b>	
<b>Total June 30, 2018</b>					<b>4,359,593</b>	<b>4,196,185</b>	<b>(163,408)</b>			
Total June 30, 2017					-	-	-			

	Note	2018 ------(Rs. in '000)-----	2017
<b>5.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale</b>			
Market value of investments	5.3	4,196,185	-
Less: cost of investments	5.3	(4,359,593)	-
Unrealised loss on re-measurement of investments classified as available for sale - net		(163,408)	-
Impairment loss on equity securities classified as available for sale	5.3.2	185,602	-
		<b>22,194</b>	-
<b>5.3.2 Movement in provision for impairment loss against available for sale equity securities</b>			
Opening balance		-	-
Add: charge for the year		185,602	-
Less: reversal of provision		-	-
Closing balance		<b>185,602</b>	-
<b>6. DIVIDEND AND PROFIT RECEIVABLE</b>			
Dividend receivable		41,011	44,991
Profit receivable on profit and loss sharing accounts		5,522	10,551
		<b>46,533</b>	55,542
<b>7. SECURITY DEPOSITS AND OTHER RECEIVABLES</b>			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with the Central Depository Company of Pakistan Limited - Trustee		100	100
Receivable against sale of investments - net		63,841	12,223
Prepaid listing fees		-	54
		<b>66,441</b>	14,877
<b>8. ADVANCE TAX</b>			
<p>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, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the financial year ended June 30, 2016, prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150 and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.</p>			
<b>9. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Opening		773	1,100
Amortisation during the year	9.1	(220)	(327)
		<b>553</b>	773

- 9.1 The provisions of the Trust Deed and NBFC regulations require the amortisation of the preliminary expenses and floatation costs up to one percent of the pre-IPO capital of the fund. As there was no public offering, the Management Company sought approval from SECP to amortise the preliminary expenses and floatation costs.

	Note	2018 ------(Rs. in '000)-----	2017
<b>10. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY</b>			
Management fee (including Sindh Sales Tax thereagainst)	10.1 & 10.2	<b>21,628</b>	24,782
Allocated expenses	10.3	<b>1,942</b>	2,290
Other payable		<b>16</b>	-
Shariah advisor fee		<b>28</b>	47
Selling and marketing expense	11	<b>11,664</b>	15,173
		<b>35,278</b>	42,292

- 10.1 As per the amended NBFC Regulations dated November 25, 2015 the Management Company is entitled to remuneration of an amount not exceeding 2% of average daily net assets of the Fund.

The Management Company has charged remuneration at the rate of 2% (2017: 2%) of average annual net assets of the Fund.

- 10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

- 10.3 As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, 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 amount, to the Fund.

#### 11. ALLOCATED SELLING AND MARKETING EXPENSES

SECP vide Circular No. 40 of 2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (from January 01, 2017 till December 31, 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

	Note	2018 ------(Rs. in '000)-----	2017
<b>12. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee	12.1	<b>1,174</b>	1,332

- 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 the 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 period June 30, 2018 is as follows:

On net assets:

Upto Rs.1,000 million  
Over Rs. 1,000 million

Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.  
Rs. 2.0 million plus 0.10% p.a. of NAV.

		2018	2017
	Note	------(Rs. in '000)-----	
<b>13. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee	13.1	<u>11,292</u>	<u>10,014</u>

- 13.1** Under the provisions of the NBFC Regulations, a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund.

		2018	2017
	Note	------(Rs. in '000)-----	
<b>14. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditor's remuneration		201	194
Commission payable		5,129	23,902
Charity payable	14.1	6,421	4,434
Provision for indirect duties and taxes	14.2	10,650	10,650
Listing fees payable		-	50
Payable against redemption of units		-	765,097
Provision for Sindh Workers' Welfare Fund	14.3	64,137	64,137
Other payables		109	-
		<u>86,647</u>	<u>868,464</u>

- 14.1** According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non-shariah compliant avenues, should be donated for charitable purposes directly by the Fund. An amount of Rs. 6.421 million (2017: Rs. 4.434 million) has been recognised by the Fund as charity expense in these financial statements.

- 14.2** 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 since June 13, 2013.

On 30 June 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 10.650 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 Rs. 0.11 (June 30, 2017: Rs. 0.12) 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.

#### **14.3 Sindh 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 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

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 during financial year ended June 30, 2017. 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), MUFAP has recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded of provision of Rs. Nil (June 2017: Rs. 64.137 million) for the year and Rs. 64.137 million (June 2017: Rs. 64.137 million) in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 0.66 per unit (30 June 2017: Rs. 0.12 per unit).

	2018	2017
	-----Number of units-----	
<b>15. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	<b>87,759,932</b>	65,237,064
Units issued during the year	<b>127,399,357</b>	65,460,880
Units redeemed during the year	<b>(118,587,822)</b>	(42,938,012)
Total units in issue at the end of the year	<b>96,571,467</b>	87,759,932

**15.1** The par value of each unit is Rs. 100. The Management Company has set a minimum investment of Rs. 500.

**15.2** All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.

	2018	2017
	----- (Rs. in '000) -----	
<b>16. AUDITOR'S REMUNERATION</b>		
Annual audit fee	<b>155</b>	150
Review of Condensed Interim Financial Information	<b>62</b>	60
Review of compliance with the requirements of the Code of Corporate Governance	<b>15</b>	15
Other certifications	<b>15</b>	15
Out of pocket expenses and Sindh Sales Tax	<b>36</b>	42
	<b>283</b>	282

**17. TAXATION**

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2018, no provision for taxation has been made in these financial statements as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

**18. EARNINGS PER UNIT**

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

**19. TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 3.12% (2017: 3.11%) as on June 30, 2018 and this includes 0.37% (2017: 0.70%) representing government levy and SECP fee.

## 20. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	
-----Rupees in '000-----				
<b>Financial assets</b>				
Bank balances	979,428	-	-	979,428
Investments - net	-	6,069,058	4,196,185	10,265,243
Dividend and profit receivable	46,533	-	-	46,533
Security deposits and other receivables	66,441	-	-	66,441
	<b>1,092,402</b>	<b>6,069,058</b>	<b>4,196,185</b>	<b>11,357,645</b>

Particulars	As at June 30, 2018		Total
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	35,278	35,278
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,174	1,174
Accrued expenses and other liabilities	-	11,860	11,860
Payable against purchase of investments	-	29,336	29,336
Net assets attributable to redeemable units	-	11,196,639	11,196,639
	-	<b>11,274,287</b>	<b>11,274,287</b>

Particulars	As at June 30, 2017			Total
	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	
-----Rupees in '000-----				
<b>Financial assets</b>				
Bank balances	884,816	-	-	884,816
Investments	-	11,730,409	-	11,730,409
Dividend and profit receivable	55,542	-	-	55,542
Security deposits and other receivables	14,877	-	-	14,877
	<b>955,235</b>	<b>11,730,409</b>	<b>-</b>	<b>12,685,644</b>

Particulars	As at June 30, 2017		Total
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	42,292	42,292
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	1,332	1,332
Accrued expenses and other liabilities	-	793,677	793,677
Payable against purchase of investments	-	31,600	31,600
Net assets attributable to redeemable units	-	11,735,475	11,735,475
	-	<b>12,604,376</b>	<b>12,604,376</b>

## 21. FINANCIAL RISK MANAGEMENT

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

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and 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. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Fund primarily invests in a portfolio of equity securities of listed companies. The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

## **21.1 Market risk**

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

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

### **21.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2018 as there are no financial assets or financial liabilities denominated in foreign currencies.

### **21.1.2 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.

#### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the period would have increased / (decreased) by Rs. 8.860 million (2017: Rs. 6.979 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

### **21.1.3 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 rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund's equity securities are primarily exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities as 'financial assets at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Fund's constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit investment in individual equity securities to not more than 15% of its net assets, or 15% of the issued capital of the investee company and the sector exposure limit to 35% of net assets.

In case of 5% increase / decrease in the fair value of the Fund's equity securities and letter of rights at fair value through profit or loss on June 30, 2018, net income for the year would increase / decrease by Rs. 303.453 million (2017: Rs. 586.520 million) and net assets of the Fund would increase / decrease by the same amount.

In case of 5% increase / decrease in the fair value of the Fund's equity securities held as available for sale on June 30, 2018, net assets of the Fund would increase / decrease by Rs. 209.809 million (2017: Rs. Nil).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

## 21.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

### Management of credit risk

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

The maximum exposure to credit risk before considering any collateral 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'.

21.2.1 The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2018:

### Bank balances by rating category

Name of bank	Balances held by the Fund as at June 30, 2018	Latest available published ratings at June 30, 2018	Rating agency
(Rupees in '000)			
Faysal Bank Limited	1,033	AA	PACRA
Bank Alfalah Limited	93,116	AA+	PACRA
United Bank Limited	884,952	AAA	JCR-VIS
Habib Metropolitan Bank	10	AA+	PACRA
BankIslami Pakistan Limited	7	A+	PACRA
Allied Bank Limited	10	AAA	PACRA
National Bank of Pakistan	300	AAA	PACRA
	979,428		

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other 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 major bank balance is held with one bank. Management believes that such bank is a reputed institution.

## 21.3 Liquidity risk

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

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

## Management of liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2018			
	Upto three months	More than three months and up to one year	More than one year	Total

----- Rupees in '000 -----

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	35,278	-	-	35,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,174	-	-	1,174
Accrued expenses and other liabilities	11,860	-	-	11,860
Payable against purchase of investment	29,336	-	-	29,336
Net assets attributable to redeemable units	11,196,639			11,196,639
	<b>11,274,287</b>	-	-	<b>11,274,287</b>

Particulars	As at June 30, 2017			
	Upto three months	More than three months and up to one year	More than one year	Total

----- Rupees in '000 -----

### Liabilities

Payable to UBL Fund Managers Limited - Management Company	42,292	-	-	42,292
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,332	-	-	1,332
Accrued expenses and other liabilities	793,677	-	-	793,677
Payable against purchase of investment	31,600	-	-	31,600
Net assets attributable to redeemable units	11,735,475	-	-	11,735,475
	<b>12,604,376</b>	-	-	<b>12,604,376</b>

## 22. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company 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.

## 23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets or liabilities carried at fair values, by valuation methods.

<b>As at June 30, 2018</b>				
<b>ASSETS</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees in '000-----				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	6,047,618	-	-	6,047,618
- Letter of rights	21,440	-	-	21,440
Available for sale				
- Equity securities	4,196,185	-	-	4,196,185
	<b>10,265,243</b>	<b>-</b>	<b>-</b>	<b>10,265,243</b>
<hr/>				
<b>As at June 30, 2017</b>				
<b>ASSETS</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees in '000-----				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	11,730,409	-	-	11,730,409
- Letter of rights	-	-	-	-
Available for sale				
- Equity securities	-	-	-	-
	<b>11,730,409</b>	<b>-</b>	<b>-</b>	<b>11,730,409</b>

There were no transfers between various levels of fair value hierarchy during the year.

**24. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGED**

	<b>2018 (Percentage)</b>
1. Taurus Securities Limited	6.72
2. Topline Securities (Private) Limited	6.34
3. DJM Securities (Private) Limited	5.77
4. Arif Habib Limited	5.74
5. BMA Capital Management Limited	5.58
6. Inter Market Securities Limited	5.21
7. Insight Securities (Private) Limited	4.50
8. Foundation Securities (Private) Limited	4.18
9. Next Capital Limited	4.14
10. Habib Metropolitan Financial Services	3.98

	<b>2017 (Percentage)</b>
1. Arif Habib Limited	5.52
2. Din Capital Limited	5.12
3. Next Capital Limited	4.83
4. Taurus Securities Limited	4.83
5. Adam Securities Limited	4.00
6. DJM Securities (Private) Limited	3.89
7. Fortune Securities Limited	3.88
8. JS Global Limited	3.66
9. IGI Finex Securities Limited	3.42
10. Nael Capital (Private) Limited	3.42

**25. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER**

Details of the members of the investment committee of the Fund as at June 30, 2018 are as follows:

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

\* Head of Risk - non voting observer

**25.1** Mr. Shabbir Sardar Zaidi is also Fund Manager of Al-Ameen Islamic Retirement Savings Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Active Allocation Plan VII, Al-Ameen Islamic Active Allocation Plan VIII, Al-Ameen Islamic Active Allocation Plan IX, Al-Ameen Islamic Active Allocation Plan X, Al-Ameen Islamic Active Principal Preservation Plan I and Al-Ameen Islamic Active Principal Preservation Plan II.

**26. PATTERN OF UNIT HOLDERS**

Category	As at June 30, 2018	
	Number of units held	Percentage of units held %

Collective Investment Schemes

AI - Ameen Active Principal Preservation Plan - I	1,678,509	2
AI - Ameen Active Principal Preservation Plan - II	519,508	1
AI - Ameen Islamic Active Allocation Plan - V	7,531,683	8
AI - Ameen Islamic Active Allocation Plan - VI	13,654,331	14
AI - Ameen Islamic Active Allocation Plan - VII	10,713,152	11
AI - Ameen Islamic Active Allocation Plan - VIII	28,321,218	29
AI - Ameen Islamic Active Allocation Plan - IX	23,418,772	24
AI - Ameen Islamic Active Allocation Plan - X	10,734,294	11
	<b>96,571,467</b>	<b>100</b>

Category	As at June 30, 2017	
	Number of units held	Percentage of units held %

Collective Investment Schemes

AI - Ameen Islamic Active Allocation Plan - II	16,980,240	19
AI - Ameen Islamic Active Allocation Plan - III	10,639,475	12
AI - Ameen Islamic Active Allocation Plan - IV	9,514,712	11
AI - Ameen Islamic Active Allocation Plan - V	13,973,842	16
AI - Ameen Islamic Active Allocation Plan - VI	14,792,824	17
AI - Ameen Islamic Active Allocation Plan - VII	8,613,899	10
AI - Ameen Islamic Active Allocation Plan - VIII	13,244,940	15
	<b>87,759,932</b>	<b>100</b>

**27. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

- 27.1** Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.
- 27.2** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 27.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

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

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
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-----For the year ended June 30, 2018 -----

----- (Units in '000) -----

**Transactions during the period**

Units issued	-	-	-	127,399	-	-
Units redeemed	-	-	-	118,588	-	-

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

Profit on savings accounts	-	91,946	-	-	-	-
Bank and other charges	-	17	-	-	-	28
Value of units issued	-	-	-	15,153,421	-	-
Value of units redeemed	-	-	-	14,033,641	-	-
Remuneration (including Sindh Sales Tax)	268,628	-	14,561	-	-	-
Allocated expenses	11,886	-	-	-	-	-
Shariah Advisor fee	335	-	-	-	-	-
CDS expenses	-	-	618	-	-	-
Selling and marketing expense	47,545	-	-	-	-	-

----- As at June 30, 2018 -----

----- (Units in '000) -----

**Balances held**

Units held	-	-	-	96,571	-	-
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----- (Rupees in '000) -----

Value of units held	-	-	-	11,196,639	-	-
Bank balances	-	884,952	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	21,628	-	1,174	-	-	-
Profit receivable	-	5,522	-	-	-	-
Allocated expenses payable	1,942	-	-	-	-	-
Other payable	16	-	-	-	-	-
Shariah advisor fee payable	28	-	-	-	-	-
Selling and marketing expense	11,664	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
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-----For the year ended June 30, 2017 -----

----- (Units in '000) -----

Transactions during the period

Units issued	-	-	-	65,461	-	-
Units redeemed	-	-	-	42,938	-	-

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

Profit on savings accounts	-	41,133	-	-	-	-
Bank charges	-	13	-	-	-	-
Value of units issued	-	-	-	8,738,961	-	-
Value of units redeemed	-	-	-	5,856,565	-	-
Dividend paid	-	-	-	64,639	-	-
Remuneration (including Sindh Sales Tax)	238,234	-	13,042	-	-	-
Allocated expenses	10,541	-	-	-	-	-
Shariah Advisor fee	337	-	-	-	-	-
CDS expenses	-	-	768	-	-	-
Selling and marketing expense	15,173	-	-	-	-	-

----- As at June 30, 2017 -----

----- (Units in '000) -----

Balances held

Units held	-	-	-	87,760	-	-
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----- (Rupees in '000) -----

Value of units held	-	-	-	11,735,475	-	-
Bank balances	-	699,539	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	24,782	-	1,332	-	-	-
Profit receivable	-	10,489	-	-	-	-
Allocated expenses payable	2,290	-	-	-	-	-
Shariah advisor fee payable	47	-	-	-	-	-
Selling and marketing expense	15,173	-	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These include transactions and balances in relation to the entities where common directorship exists as at year end.

\*\*\* These include transactions and balances in relation to those directors and key executives that exists as at year end.

**28. 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:

August 23, 2017	September 25, 2017	October 27, 2017	December 06, 2017	February 16, 2018	April 26, 2018	May 02, 2018	Total meetings attended
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**Directors:**

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 Septe

\*\* Independent Director's 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

N/A = Not Available

**29. CONTINGENCIES AND COMMITMENTS**

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

**30. GENERAL**

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

**31. DATE OF AUTHORISATION FOR ISSUE**

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

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

## Al-Ameen Islamic Dedicated Equity Fund

Holding	Resolution	For	Against	Abstain*
1,906,493	Annual General Meeting of M/s Kohat Cement Company Limited was held on October 23, 2017, below resolutions were passed. 1. The Audited Accounts of the Company for the year ended June 30, 2017. 2. Approve payment of cash dividend for the year ended June 30, 2017. 3. Appoint Auditors of the company and fix their remuneration for the year ending June 30, 2017. 4. Ratify and approve transactions carried out with Related Parties during financial year ended June 30, 2017. 5. Authorize the Chief Executive of the Company for approval of transactions with related parties during financial year ended June 30, 2017. 6. Approval of appointments of related parties to respective offices of profit in the Company. 7. Alteration in the Articles of Association of the Company for purpose of e-voting.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
2,558,924	Extra Ordinary General Meeting of M/s Tariq Glass Industries Limited was held on August 30, 2017, below resolutions were passed. 1. Confirm minutes of 38th Annual General Meeting held on October 27, 2016. 2. Election of seven Directors of the Company for a period of three years. 3. Approval for increasing Authorized Capital of the Company. 4. Alteration in the Articles of Association of the Company for Authorization of E-Voting. 5. Revision in Meeting fee for Directors. 6. Transact other business with permission of the Chairman.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
2,475,500	Extraordinary General Meeting of M/s Sui Northern Gas Pipelines Limited was held on June 21, 2017, below resolutions were passed. 1. Confirm minutes of 52nd Annual General Meeting held on January 26, 2017. 2. Election of thirteen Directors of the Company. 3. Transact any ordinary business with permission of the Chairman.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

Holding	Resolution	For	Against	Abstain*
8,290,895	Annual General Meeting of M/s The Hub Power Company Limited to be held on October 05, 2018, below are the meeting agendas. 1. Approve Audited Financial Statements of the Company for the year ended June 30, 2018. 2. Approve payment of cash dividend for the year ended June 30, 2018. 3. Appoint Auditors of the company and fix their remuneration. 4. Election of nine Directors for a period of three years. 5. Consider and Approve, if though appropriate, Issuance of Letter of Support (LOS) Guarantee to Private Power & Infrastructure Board (PPIB) for Thar Energy Limited (TEL). 6. Transact any other business with permission of Chairman.	✓		

The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
3,102,500	Extra Ordinary General Meeting of <i>M/s Pakistan Petroleum Limited</i> was held on September 16, 2017, below resolutions were passed. 1. Confirm minutes of 65th Annual General Meeting held on February 28, 2017. 2. Election of ten Directors of the Company for a period of three years. 3. Transact other business with permission of the Chairman.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
187,950	Extra Ordinary General Meeting of <i>M/s Attock Petroleum Limited</i> was held on March 01, 2018, below resolutions were passed. 1. Election of seven Directors of the Bank for a period of three years.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
1,028,500	Annual General Meeting of <i>M/s Engro Corporation Limited</i> was held on April 24, 2018, below resolutions were passed. 1. Approve Audited Accounts of the Company for the year ended December 31, 2017. 2. Approve payment of cash dividend for the year ended December 31, 2017. 3. Appoint Auditors of the company and fix their remuneration. 4. Election of nine Directors of the Company. 5. Accorded to lend/provide short term facilities to associated companies. 6. Alteration in the Articles of Association of the Company.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

<i>Holding</i>	<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain*</i>
631,100	Extra-Ordinary General Meeting of <i>M/s Thal Limited</i> was held on March 22, 2018, below resolutions were passed. 1. Approved to invest and arrange a Standby Letter of Credit in favor of lenders of ThalNova as required by sponsor support agreement. 2. Approved to contribute towards payments required to be made to foreign currency lenders of ThalNova and assign company's rights in respect of any investment made in ThalNova by way of loan. 3. Approved that for investments approval be accorded by the Board with jointly signed by the CEO and a director.	✓		

**The proxy voting policy of the Collective Investment Scheme is available on the website of the Asset Management Company and detailed information regarding actual proxies voted by the Asset Management Company in respect of the Collective Investment Scheme is also available without charge, upon request, to all unit holders.**

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

# AIFPF

## Al-Ameen Islamic Financial Planning Fund Al-Ameen Islamic Active Allocation Plan - II - VI

### INVESTMENT OBJECTIVE

AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte Yousuf Adil & Co., Chartered Accountants
<b>Bankers</b>	United Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

**Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-II (AIActAP-II)**

- i) **Description of the Collective Investment Scheme category and type**  
Islamic Fund of Funds Scheme / Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-II	-2.09%	-4.68%	0.66%	-	-	-	-	-	-	-	-	-	-6.05%
Benchmark	0.87%	-5.28%	1.17%	-	-	-	-	-	-	-	-	-	-3.34%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**  
The fund manager successfully managed to earn a potentially high return through active asset allocation between Islamic Equities and Islamic Income based on outlook on the asset classes. The fund matured on 27 Sep' 2017 and posted a return of 27.34% since inception
- 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
Equity Funds	80%	0%
Money Market Funds	0%	98%
Income Funds	18%	0%
Others	0%	0%
Cash	2%	2%
Leverage	Nil	Nil

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

FY'18 Return:	-6.05%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

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		
01-Jul-17	27-Sep-17	Change	01-Jul-17	27-Sep-17	Change
Rupees (000)		%	Rupees		%
2,792,045	2,575,320	(7.76)	133.18	100.06	(24.87)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-II are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

- xi) Disclosure on distribution (if any), comprising:-**  
During the period no distribution has been made.

- 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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIActAP-II
0.0001 - 9,999.9999	514
10,000.0000 - 49,999.9999	278
50,000.0000 - 99,999.9999	44
100,000.0000 - 499,999.9999	38
500,000.0000 & Above	7
<b>Total</b>	<b>881</b>

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

There were no unit splits during the period.

- xv) **Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and 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.

**Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-III (AIActAP-III)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah compliant Fund of Funds Scheme / Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-III	-0.99%	-7.89%	0.52%	-2.95%	1.14%	-0.91%	-	-	-	-	-	-	-10.84%
Benchmark	0.76%	-9.09%	1.68%	-3.24%	1.37%	-1.00%	-	-	-	-	-	-	-9.56%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**  
The fund manager successfully managed to earn a potentially high return through active asset allocation between Islamic Equities and Islamic Income based on outlook on the asset classes. The fund generated a return of -10.84% since inception and matured on 22 Dec' 2017.
- 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
Equity Funds	80%	0%
Money Market Funds	0%	0%
Income Funds	19%	100%
Others	0%	0%
Cash	0%	0%
Leverage	Nil	Nil

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

FY'18 Return:	-10.84%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

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		
01-Jul-17	22-Dec-17	Change	01-Jul-17	22-Dec-17	Change
Rupees (000)		%	Rupees		%
1,733,389	1,540,040	(11.15)	127.71	101.40	(20.60)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-III are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

- xi) Disclosure on distribution (if any), comprising:-**  
During the period no distribution has been made.

- 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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIActAP-III
0.0001 - 9,999.9999	338
10,000.0000 - 49,999.9999	213
50,000.0000 - 99,999.9999	31
100,000.0000 - 499,999.9999	20
500,000.0000 & Above	5
<b>Total</b>	<b>607</b>

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

There were no unit splits during the period.

- xv) **Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and 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.

**Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-IV (AIActAP-IV)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The funds achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
<b>AIActAP-IV</b>	-0.99%	-7.97%	0.54%	-3.20%	0.82%	0.41%	2.45%	-0.48%	0.77%	-	-	-	-7.78%
<b>Benchmark</b>	0.72%	-9.23%	1.77%	-3.53%	1.15%	0.65%	3.09%	-0.25%	0.80%	-	-	-	-5.27%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**  
The fund manager successfully managed to earn a potentially high return through active asset allocation between Islamic Equities and Islamic Income based on outlook on the asset classes. The fund generated a return of 20.02% since inception and matured on 29 Mar’ 2018.
- 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
Equity Funds	82%	0%
Money Market Funds	0%	99%
Income Funds	19%	0%
Others	0%	0%
Cash	0%	1%
Leverage	Nil	Nil

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

FY'18 Return:	-7.78%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

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		
01-Jul-17	29-Mar-18	Change	01-Jul-17	29-Mar-18	Change
Rupees (000)		%	Rupees		%
1,540,270	1,402,710	(8.93)	126.09	101.65	(19.38)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-IV are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

- xi) Disclosure on distribution (if any), comprising:-**  
During the period no distribution has been made.

- 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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIActap-IV
0.0001 - 9,999.9999	302
10,000.0000 - 49,999.9999	158
50,000.0000 - 99,999.9999	30
100,000.0000 - 499,999.9999	22
500,000.0000 & Above	4
<b>Total</b>	<b>516</b>

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

There were no unit splits during the period.

- xv) **Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and 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.

**Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-V (AIActAP-V)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-V	-0.97%	-8.04%	0.72%	-3.70%	0.44%	0.43%	4.46%	-1.64%	3.01%	0.80%	-1.85%	-1.53%	-8.13%
Benchmark	0.70%	-9.41%	1.97%	-4.18%	1.03%	0.68%	5.80%	-1.16%	3.64%	0.71%	-2.35%	-1.11%	-4.45%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**  
  
During FY18, AIActAP-V generated a return of -8.13%. The Fund’s exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June’18 stood at 50%. The remaining funds were invested in Al-Ameen Islamic Income Fund (49%) and Cash (1%). The net assets of the Fund were PKR 1,749 million as at June 30, 2018 representing the net asset value of PKR 103.87 per unit.
- 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
Equity Funds	82%	50%
Money Market Funds	0%	0%
Income Funds	18%	49%
Others	0%	0%
Cash	0%	1%

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

FY'18 Return:	-8.13%
Standard Deviation (12m trailing):	12.57%
Sharpe Ratio (12m trailing):	(1.13)

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		
01-Jul-17	30-Jun-18	Change	01-Jul-17	30-Jun-18	Change
Rupees (000)		%	Rupees		%
2,255,482	1,749,387	(22.44)	113.06	103.87	(8.13)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-V are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

**xi) Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

**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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIActAP-V
0.0001 - 9,999.9999	563
10,000.0000 - 49,999.9999	208
50,000.0000 - 99,999.9999	21
100,000.0000 - 499,999.9999	20
500,000.0000 & Above	5
<b>Total</b>	<b>817</b>

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

There were no unit splits during the period.

**xv) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and 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.

**Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund –  
Al-Ameen Islamic Active Allocation Plan-VI (AIActAP-VI)**

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme’s investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-VI	-0.98%	-7.90%	0.58%	-3.71%	0.44%	0.47%	5.27%	-1.94%	3.51%	0.40%	-3.00%	-2.46%	-9.53%
Benchmark	0.73%	-9.28%	1.97%	-4.20%	1.03%	0.70%	6.79%	-1.45%	4.21%	0.27%	-3.77%	-1.92%	-5.73%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**

The Fund was launched on 21-Nov-16. During FY18, AIActAP-VI generated a return of -9.53%. The Fund’s exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at Jun’18 stood at 77%. The remaining funds were invested in Al-Ameen Islamic Sovereign Fund. The net assets of the Fund were PKR 2,066 million as at June 30, 2018 representing the net asset value of PKR 95.4602 per unit.

**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
Equity Funds	80%	77%
Money Market Funds	0%	0%
Income Funds	20%	23%

Others	0%	0%
Cash	1%	0%
Leverage	Nil	Nil

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

FY'18 Return:	-9.53%
Standard Deviation (12m trailing):	13.28%
Sharpe Ratio (12m trailing):	(1.18)

viii) **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		
01-Jul-17	30-Jun-18	Change	01-Jul-17	30-Jun-18	Change
Rupees (000)		%	Rupees		%
2,427,354	2,066,428	(14.87)	105.52	95.46	(9.53)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-AIACTAP-VI are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

x) **Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

xi) **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 state of affairs of the scheme.

xii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIAActAP-VI
0.0001 - 9,999.9999	785
10,000.0000 - 49,999.9999	295
50,000.0000 - 99,999.9999	45
100,000.0000 - 499,999.9999	33
500,000.0000 & Above	2
<b>Total</b>	<b>1160</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

Al-Ameen Islamic Active Allocation Plan-II

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE- Rupees in '000</b>	** 2,575,320	2,792,046	2,606,094
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>			
Class A units - Offer	<b>104.0304</b>	138.4669	109.5709
- Redemption	<b>100.0581</b>	133.1797	105.1881
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(6.05)</b>	21.73	11.36
Capital Growth (per unit)	<b>(23.35)</b>	20.47	9.61
Date of Income Distribution	<b>25-Sep-17</b>	30-Jun-17	27-Jun-16
Income Distribution	<b>25.04</b>	0.20	1.75
<b>AVERAGE ANNUAL RETURN - %</b>			
Since Launch One Year	<b>(6.05)</b>	21.73	11.36
Two Year	<b>7.84</b>	16.55	11.36
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>			
Highest price per unit - Class A units - Offer	<b>138.9516</b>	151.9933	112.89
Highest price per unit - Class A units - Redemption	<b>133.6459</b>	146.1896	108.37
Lowest price per unit - Class A units - Offer	<b>104.0078</b>	113.9195	96.04
Lowest price per unit - Class A units - Redemption	<b>100.0364</b>	109.5696	92.19

## **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

## **PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances	<b>2.00</b>	2.00	2.00
Money Market Funds	-	-	20.00
Equity Funds	<b>98.00</b>	80.00	78.00
income funds	-	18.00	-

## **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100	100
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Note:

- The Launch date of Fund is 28 September 2015.

\*\* The Fund was matured on 27 September 2017

## DISCLAIMER

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

**PERFORMANCE TABLE**

Al-Ameen Islamic Active Allocation Plan-III

		2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	**	<b>1,540,040</b>	1,733,390	1,532,914
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>				
Class A units - Offer		<b>105.4211</b>	132.7798	106.5023
- Redemption		<b>101.3957</b>	127.7097	102.2422
<b>RETURN OF THE FUND - %</b>				
Total Return of the Fund		<b>(10.84)</b>	21.41	8.39
Capital Growth (per unit)		<b>(18.25)</b>	19.38	6.54
Date of Income Distribution		<b>21-Dec-17</b>	30-Jun-17	27-Jun-16
Income Distribution		<b>12.47</b>	1.60	1.85
<b>AVERAGE ANNUAL RETURN - %</b>				
Since One Year		<b>(10.84)</b>	21.41	8.39
Two year		<b>5.29</b>	14.90	8.39
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>				
Highest price per unit - Class A units - Offer		<b>133.9246</b>	147.41	109.87
Highest price per unit - Class A units - Redemption		<b>128.8108</b>	141.78	105.47
Lowest price per unit - Class A units - Offer		<b>105.4134</b>	110.73	94.15
Lowest price per unit - Class A units - Redemption		<b>101.3883</b>	106.50	90.39

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances	-	-	-
Money Market Funds	<b>42</b>	20	20
Equity Funds	<b>58</b>	80	80

**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100	100
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Note:

- The Launch date of Fund is 22 Dec 2015.

\*\* The Fund was matured on 22 December 2017

**DISCLAIMER**

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

## PERFORMANCE TABLE

Al-Ameen Islamic Active Allocation Plan-IV

	2018	2017	2016
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>** 1,402,710</b>	1,540,268	1,364,624
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees</b>			
Class A units - Offer	<b>105.6864</b>	131.0942	105.3405
- Redemption	<b>101.6509</b>	126.0885	101.1269
<b>RETURN OF THE FUND - %</b>			
Total Return of the Fund	<b>(7.78)</b>	21.49	7.13
Capital Growth (per unit)	<b>(17.77)</b>	19.37	5.38
Date of Income Distribution	<b>27-Mar-18</b>	30-Jun-17	27-Jun-16
Income Distribution	<b>14.63</b>	1.90	1.75
<b>AVERAGE ANNUAL RETURN - %</b>			
Since One Year	<b>(7.78)</b>	21.49	7.13
Two Year	<b>6.86</b>	14.31	7.13
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees</b>			
Highest price per unit - Class A units - Offer	<b>132.23</b>	109.52	108.58
Highest price per unit - Class A units - Redemption	<b>127.18</b>	105.34	104.23
Lowest price per unit - Class A units - Offer	<b>105.67</b>	145.79	99.78
Lowest price per unit - Class A units - Redemption	<b>101.64</b>	140.23	95.78
<b>PORTFOLIO COMPOSITION - %</b>			
Percentage of Net Assets as at 30 June			
<b>PORTFOLIO COMPOSITION BY CATEGORY - %</b>			
Bank balances	<b>1.00</b>	0.00	3.00
income funds	<b>0.00</b>	18.00	19.00
Equity Funds	<b>99.00</b>	82.00	78.00
<b>PORTFOLIO COMPOSITION BY MARKET - %</b>			
Mutual Funds	<b>100</b>	100	100

Note:

- The Launch date of Fund is 29 March 2016.

\*\* The Fund was matured on 29 March 2018

## DISCLAIMER

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-V

	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>1,749,387</b>	2,255,482
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>103.8718</b>	113.0591
- Redemption	<b>101.7944</b>	108.5367
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(8.13)</b>	15.54
Capital Growth (per unit)	<b>(8.13)</b>	13.04
Date of Income Distribution	-	30-Jun-17
Income Distribution	-	2.50
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>(8.13)</b>	15.54
Second Year	<b>3.71</b>	15.54
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>114.0520</b>	130.9959
Highest price per unit - Class A units - Redemption	<b>111.7710</b>	125.7561
Lowest price per unit - Class A units - Offer	<b>96.4312</b>	101.7131
Lowest price per unit - Class A units - Redemption	<b>94.5026</b>	97.6446

\* Contingent load @ 2% is applicable

### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances	<b>1.00</b>	-
income funds	<b>49.00</b>	18.00
Equity Funds	<b>50.00</b>	82.00

### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
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Note:

- The Launch date of Fund is 15 Aug 2016.

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-VI

	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>2,066,428</b>	2,427,354
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>95.4602</b>	105.5173
- Redemption	<b>93.5510</b>	101.2966
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(9.53)</b>	7.90
Capital Growth (per unit)	<b>(9.53)</b>	5.50
Date of Income Distribution	-	30-Jun-17
Income Distribution	-	2.40
<b>AVERAGE ANNUAL RETURN - %</b>		
One Year	<b>(9.53)</b>	7.90
Second Year	<b>(0.82)</b>	7.90
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees **</b>		
Highest price per unit - Class A units - Offer	<b>106.4106</b>	118.1280
Highest price per unit - Class A units - Redemption	<b>104.2824</b>	113.4029
Lowest price per unit - Class A units - Offer	<b>89.9964</b>	100.0000
Lowest price per unit - Class A units - Redemption	<b>88.1965</b>	96.0000

\* Contingent load @ 2% is applicable

### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Income funds	<b>23.00</b>	20.00
Equity Funds	<b>77.00</b>	80.00

### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
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Note:

- The Launch date of Fund is 21 NOV 2016.

## **DISCLAIMER**

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

**Head Office:**  
CDC House, 99-B, Block 'B',  
S.M.C.H.S., Main Shakra-e-Faisal,  
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 FINANCIAL PLANNING FUND

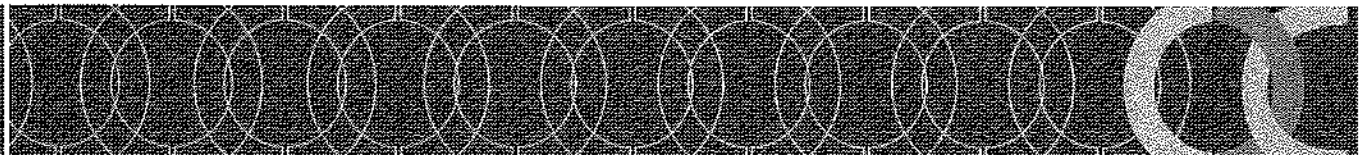
#### Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Financial Planning 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 25, 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 AIFPF- AIActAP-II in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-AIActAP-II 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 AIFPF-AIActAP-II for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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



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**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee



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**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 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 AIFPF- AIActAP-III in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-AIActAP-III 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 AIFPF-AIActAP-III for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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



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**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 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 AIFPF- AIActAP-IV in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-AIActAP-IV 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 AIFPF-AIActAP-IV for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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**

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 AIFPF- AIActAP-V in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-AIActAP-V 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 AIFPF-AIActAP-V for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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



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**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 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 AIFPF- AIActAP-VI in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF- AIActAP-VI 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 AIFPF- AIActAP-VI for the year ended 30 June 2018 have been in compliance with the Shariah principles.

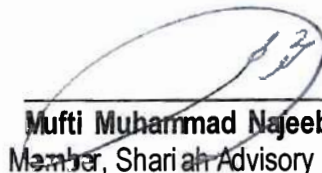
During the year, PKR Nil amount has been recognized as charity.

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



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**Mufti Muhammad Najeed 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 FINANCIAL PLANNING 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 Financial Planning 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 Furrugh Zaem

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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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

**UBL FUND MANAGERS LIMITED**

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www.ublfunds.com

## TO THE UNITHOLDERS' OF AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND

### **Review Report on the 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 (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Islamic Financial Planning 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 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 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, the Fund's 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 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.

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 Fund for the year ended June 30, 2018.

  
**Chartered Accountants**

**Date:** September 17, 2018  
**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Al-Ameen Islamic Financial Planning Fund

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Al-Ameen Islamic Financial Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2018, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund 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.

#### Emphasis of Matter – Maturity of plans

We draw attention to note 1.3 to the financial statements, which states that the Fund was launched with an intention whereby different plans would be offered to investors from time to time. The life of the Fund is perpetual in nature, whilst the plans, as per their constitutive documents approved by the SECP have a finite life of two years. Consequently, as per note 1.4 all plans under the Fund have matured as at June 30, 2018 except Al-Ameen Islamic Active Allocation Plan-V (AIACTAP-V) which matured on August 14, 2018 and Al-Ameen Islamic Active Allocation Plan-VI (AIACTAP-VI) which will mature on November 20, 2018. Accordingly, the financial statements of the Fund have been prepared on a basis other than going concern since the management does not intend to launch any other plan and may revoke the Fund as per the constitutive document of the Fund. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled. Our conclusion is not qualified in respect of this matter.

#### 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 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.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, investment amounted to:</p> <ul style="list-style-type: none"> <li>• Rs. 2,577.152 million as at September 27, 2017 for AIACTAP - II;</li> <li>• Rs. 1,559.268 million as at December 22, 2017 for AIACTAP - III;</li> <li>• Rs. 1,412.034 million as at March 29, 2018 for AIACTAP - IV;</li> <li>• Rs. 1,734.065 million as at June 30, 2018 for AIACTAP - V; and</li> <li>• Rs. 2,058.213 million as at on June 30, 2018 for AIACTAP - VI.</li> </ul> <p>The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in units of mutual funds and there is a risk that appropriate Net Asset Value (NAV) may not be used to determine fair value.</p> <p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end,</p> <p>The disclosure regarding the investments are included in notes 3.2 and 5 to the financial statements.</p>	<p>In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2018 by verifying the prices from MUFAP website, and (2) we performed existence testing of sample of investments held as at June 30, 2018 by matching the units held by the Fund as per portfolio report with the units appearing in the statement of account and investigated any reconciling items.</p>
2.	<p><b>Change in accounting policy as a result of amendments in Non-Banking Finance Companies and Notified Entities Regulation, 2008</b></p> <p>As disclosed in note 3.11, to the financial statements, on August 03, 2017, the Securities and Exchange Commission of Pakistan (SECP) issued SRO no. 756(1)/2017 whereby certain amendments were made in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p>	<p>In auditing the impact of change in accounting policy, we enquired from management about the resulting changes in the financial statements, processes and controls. Subsequently, We also assessed the processes and controls implemented by management to address this change.</p>

S. No.	Key audit matters	How the matters were addressed in our audit
	<p>Such amendments introduced definition of Element of Income, and required certain additional disclosures in the income statement and statement of movement in unit holders' fund together with removal of requirement to present distribution statement separately.</p> <p>The abovementioned amendments require significant changes in the calculation, accounting, presentation and disclosure of the 'Element of Income' in the financial statements, which have been applied as a change in accounting policy prospectively in accordance with the clarification issued by the SECP. Considering the significance of the above factors, we have treated these changes as Key Audit Matter.</p>	<p>In addition, we checked adequacy of presentation and disclosure requirements including element of income in the financial statements as per the requirements of Schedule V of the NBFC Regulations.</p>

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

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 Management Company and Board of Directors for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of 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 to 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

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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.

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

  
Chartered Accountants

**Date:** September 17, 2018

**Place:** Karachi

**AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND JUNE 30, 2018**

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----			
Note		AICTAP II	AICTAP- III	AICTAP- IV	AICTAP- V	AICTAP- VI	Total	
------(Rupees in '000)-----								
<b>ASSETS</b>								
	Bank balances	4	46,943	3,940	12,259	24,654	14,213	102,009
	Investments	5	2,577,152	1,559,268	1,412,034	1,734,065	2,058,213	9,340,732
	Profit receivable on bank deposits		191	15	55	126	69	456
	Other receivables		-	-	-	-	724	724
	<b>Total assets</b>		<b>2,624,286</b>	<b>1,563,223</b>	<b>1,424,348</b>	<b>1,758,845</b>	<b>2,073,219</b>	<b>9,443,921</b>
<b>LIABILITIES</b>								
	Payable to UBL Fund Managers Limited - Management Company	6	657	98	350	312	370	1,787
	Payable to Central Depository Company of Pakistan Limited - Trustee	7	183	96	97	134	160	670
	Payable to Securities and Exchange Commission of Pakistan	8	484	580	793	1,430	1,657	4,944
	Accrued expenses and other liabilities	9	47,642	22,409	20,398	7,582	4,604	102,635
	<b>Total liabilities</b>		<b>48,966</b>	<b>23,183</b>	<b>21,638</b>	<b>9,458</b>	<b>6,791</b>	<b>110,036</b>
	<b>Net Assets</b>		<b>2,575,320</b>	<b>1,540,040</b>	<b>1,402,710</b>	<b>1,749,387</b>	<b>2,066,428</b>	<b>9,333,885</b>
	<b>Unit holders' fund (as per statement attached)</b>		<b>2,575,320</b>	<b>1,540,040</b>	<b>1,402,710</b>	<b>1,749,387</b>	<b>2,066,428</b>	<b>9,333,885</b>
<b>CONTINGENCIES AND COMMITMENTS</b>								
		23	------(Number of units)-----					
	Number of units in issue	10	25,738,255	15,188,422	13,799,302	16,841,789	21,647,012	
			------(Rupees)-----					
	Net Asset Value Per Unit		100.06	101.40	101.65	103.87	95.46	
	Face Value Per Unit		100	100	100	100	100	

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND JUNE 30, 2018**

	June 22, 2017	June 30, 2017						
	AIACTAP-I	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total	
<b>Note</b>	(Rupees in '000)							
<b>ASSETS</b>								
Bank balances	4	6,296	49,083	6,977	17,764	27,555	18,138	125,813
Investments	5	3,043,112	2,775,260	1,765,371	1,561,226	2,287,263	2,469,916	13,902,148
Profit receivable on bank deposits		23	522	38	79	111	90	863
Other receivables		-	-	-	-	-	-	-
<b>Total assets</b>		<b>3,049,431</b>	<b>2,824,865</b>	<b>1,772,386</b>	<b>1,579,069</b>	<b>2,314,929</b>	<b>2,488,144</b>	<b>14,028,824</b>
<b>LIABILITIES</b>								
Payable to UBL Fund Managers Limited - Management Company	6	455	514	310	291	415	446	2,431
Payable to Central Depository Company of Pakistan Limited Trustee	7	169	227	149	135	188	201	1,069
Payable to Securities and Exchange Commission of Pakistan	8	2,043	2,177	1,307	1,162	1,512	1,183	9,384
Accrued expenses and other liabilities	9	59,767	29,902	37,231	37,211	57,332	58,960	280,403
<b>Total liabilities</b>		<b>62,434</b>	<b>32,820</b>	<b>38,997</b>	<b>38,799</b>	<b>59,447</b>	<b>60,790</b>	<b>293,287</b>
<b>Net Assets</b>		<b>2,986,997</b>	<b>2,792,045</b>	<b>1,733,389</b>	<b>1,540,270</b>	<b>2,255,482</b>	<b>2,427,354</b>	<b>13,735,537</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,986,997</b>	<b>2,792,045</b>	<b>1,733,389</b>	<b>1,540,270</b>	<b>2,255,482</b>	<b>2,427,354</b>	<b>13,735,537</b>
<b>CONTINGENCIES AND COMMITMENTS</b>								
	23	(Number of units)						
<b>Number of units in issue</b>	10	<b>29,545,330</b>	<b>20,964,506</b>	<b>13,572,891</b>	<b>12,215,775</b>	<b>19,949,582</b>	<b>23,004,340</b>	
		(Rupees)						
<b>Net Asset Value Per Unit</b>		<b>101.10</b>	<b>133.18</b>	<b>127.71</b>	<b>126.09</b>	<b>113.06</b>	<b>105.52</b>	
<b>Face Value Per Unit</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND**
**INCOME STATEMENT**
**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018		For the period / year ended June 30, 2018
	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
Note -----(Rupees in '000)-----						
<b>INCOME</b>						
Profit on bank deposits	649	127	590	1,517	912	3,795
(Loss) / gain on sale of investments - net	(180,227)	(193,153)	(125,587)	(134,712)	(68,909)	(702,588)
Dividend income	-	-	-	-	-	-
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1 12,545	5,843	5,999	(53,993)	(164,484)	(194,090)
Back end load income	605	297	584	7,557	4,460	13,503
<b>Total (loss) / income</b>	<b>(166,428)</b>	<b>(186,886)</b>	<b>(118,414)</b>	<b>(179,631)</b>	<b>(228,021)</b>	<b>(879,380)</b>
<b>EXPENSES</b>						
Allocated expenses	6.1 646	774	1,057	1,906	2,210	6,593
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7.1 616	791	1,074	1,830	2,096	6,407
Annual fee to Securities and Exchange - Commission of Pakistan	8.1 484	580	794	1,430	1,657	4,945
Auditor's remuneration	11 59	49	72	110	110	400
Bank charges	1	51	51	17	26	146
Listing fee	5	5	5	5	6	26
Legal and professional charges	-	34	52	56	56	198
Shariah advisory fee	11	38	64	105	106	324
Printing expenses	-	4	1	1	1	7
Postage expense	-	-	-	-	-	-
Preliminary expenses and floatation costs	-	-	-	-	-	-
<b>Total expenses</b>	<b>1,822</b>	<b>2,326</b>	<b>3,170</b>	<b>5,460</b>	<b>6,268</b>	<b>19,046</b>
<b>Net operating (loss) / income</b>	<b>(168,250)</b>	<b>(189,212)</b>	<b>(121,584)</b>	<b>(185,091)</b>	<b>(234,289)</b>	<b>(898,426)</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	3.11 -	-	-	-	-	-
Reversal of provision for Workers' Welfare Fund	9.2 -	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	9.2 -	-	-	-	-	-
<b>Net (loss) / income for the period / year before taxation</b>	<b>(168,250)</b>	<b>(189,212)</b>	<b>(121,584)</b>	<b>(185,091)</b>	<b>(234,289)</b>	<b>(898,426)</b>
Taxation	12 -	-	-	-	-	-
<b>Net (loss) / income for the period / year after taxation</b>	<b>(168,250)</b>	<b>(189,212)</b>	<b>(121,584)</b>	<b>(185,091)</b>	<b>(234,289)</b>	<b>(898,426)</b>
<b>Allocation of net income for the period / year</b>						
Net income for the period / year after taxation	-	-	-	-	-	-
Income already paid on units redeemed	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-
Earnings per unit	13					

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND  
INCOME STATEMENT**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017	For the year / period ended June 30, 2017
	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
<b>Note</b> ------(Rupees in '000)-----							
<b>INCOME</b>							
Profit on bank deposits	531	3,196	551	1,529	5,121	2,734	13,662
(Loss) / gain on sale of investments - net	721,692	98,084	38,360	33,762	38,486	34,776	965,160
Dividend income	-	73,946	46,319	41,422	60,835	64,400	286,922
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1 673	398,020	253,293	224,258	228,815	97,973	1,203,032
Back end load income	3,945	7,797	2,639	2,735	4,152	6,256	27,524
<b>Total (loss) / income</b>	<b>726,841</b>	<b>581,043</b>	<b>341,162</b>	<b>303,706</b>	<b>337,409</b>	<b>206,139</b>	<b>2,496,300</b>

**EXPENSES**

Allocated expenses	6.1	2,724	2,902	1,742	1,550	2,015	1,578	12,511
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7.1	2,585	2,742	1,759	1,596	1,956	1,508	12,146
Annual fee to Securities and Exchange - Commission of Pakistan	8.1	2,044	2,178	1,308	1,163	1,512	1,183	9,388
Auditor's remuneration	11	16	55	55	55	51	51	283
Bank charges		5	4	2	3	6	-	20
Listing fee		10	10	10	10	11	-	51
Legal and professional charges		235	13	-	13	1	-	262
Shariah advisory fee		56	62	56	64	57	40	335
Printing expenses		3	3	3	3	3	-	15
Postage expense		-	-	13	-	-	-	13
Preliminary expenses and floatation costs		2,442	-	-	-	-	-	2,442
<b>Total expenses</b>		<b>10,120</b>	<b>7,969</b>	<b>4,948</b>	<b>4,457</b>	<b>5,612</b>	<b>4,360</b>	<b>37,466</b>

**Net operating (loss) / income** 716,721 573,074 336,214 299,249 331,797 201,779 2,458,834

Element of loss and capital losses included in prices  
of units issued less those in units redeemed - net 3.11 (74,786) (58,578) (18,063) (15,223) (15,192) (16,005) (197,847)

Reversal of provision for Workers' Welfare Fund 9.2 88 - - - - - 88

Provision for Sindh Workers' Welfare Fund 9.2 (17,080) (15,357) (8,588) (7,364) (6,208) (3,643) (58,240)

**Net (loss) / income for the period / year before taxation** 624,943 499,139 309,563 276,662 310,397 182,131 2,202,835

Taxation 12 - - - - - - -

**Net (loss) / income for the period / year after taxation** 624,943 499,139 309,563 276,662 310,397 182,131 2,202,835

**Allocation of net income for the period / year**

Net income for the period / year after taxation - - - - - - -

Income already paid on units redeemed - - - - - - -

**Accounting income available for distribution**

- Relating to capital gains - - - - - - -

- Excluding capital gains - - - - - - -

Earnings per unit 13

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND  
STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the period / year ended June 30, 2018	
	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	
<b>Note -----(Rupees in '000)-----</b>						
Net (loss) / income for the period / year after taxation	(168,250)	(189,212)	(121,584)	(185,091)	(234,289)	(898,426)
<b>Other comprehensive income for the period / year</b>	<b>2.4</b>					
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-
<b>Total comprehensive income for the period / year</b>	<b>(168,250)</b>	<b>(189,212)</b>	<b>(121,584)</b>	<b>(185,091)</b>	<b>(234,289)</b>	<b>(898,426)</b>

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND  
STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017	For the period / year ended June 30, 2017
	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
<b>Note</b> ------(Rupees in '000)-----							
Net (loss) / income for the period / year after taxation	624,943	499,139	309,563	276,662	310,397	182,131	2,202,835
<b>Other comprehensive income for the period / year</b>	<b>2.4</b>						
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
<b>Total comprehensive income for the period / year</b>	<b>624,943</b>	<b>499,139</b>	<b>309,563</b>	<b>276,662</b>	<b>310,397</b>	<b>182,131</b>	<b>2,202,835</b>

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended September 27, 2017			For the period ended December 22, 2017			For the period ended March 29, 2018			For the year ended June 30, 2018			For the year ended June 30, 2018			Total
	AIACTAP-II		AIACTAP-III		AIACTAP-IV		AIACTAP-V		AIACTAP-VI		AIACTAP-VI		AIACTAP-VI			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
(Rupees in '000)																
Net assets at beginning of the period / year	2,068,460	722,585	2,792,045	1,351,953	381,436	1,733,389	1,217,635	322,635	1,540,270	1,994,969	260,523	2,255,482	2,300,433	126,921	2,427,354	10,748,540
<b>Amount received on issue of units:</b>																
- AIACTAP-II : 838,436 ( Bonus units: 4,387,809)																
- AIACTAP-III : 354,099 ( Bonus units: 1,470,596)																
- AIACTAP-IV : 388,471 ( Bonus units: 1,620,723)																
- AIACTAP-V : 394,899																
- AIACTAP-VI : 568,925																
Capital value of units	696,029	-	696,029	233,031	-	233,031	253,336	-	253,336	44,647	-	44,647	60,031	-	60,031	1,287,074
Element of income/ (loss) - net during the period / year																
- relating to other comprehensive income for the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- relating to net income for the period / year after taxation	(611,235)	-	(611,235)	(193,142)	-	(193,142)	(207,470)	-	(207,470)	(51)	-	(51)	(1,420)	-	(1,420)	(1,013,318)
<b>Total amount received on issuance of units</b>	84,794	-	84,794	39,889	-	39,889	45,866	-	45,866	44,596	-	44,596	58,611	-	58,611	273,756
<b>Amount paid on redemption of units:</b>																
- AIACTAP-II : 452,496																
- AIACTAP-III : 209,164																
- AIACTAP-IV : 425,667																
- AIACTAP-V : 3,502,692																
- AIACTAP-VI : 1,926,253																
Capital value of units	(60,263)	-	(60,263)	(26,712)	-	(26,712)	(53,672)	-	(53,672)	(396,011)	-	(396,011)	(203,253)	-	(203,253)	(739,911)
Element of income/ (loss) - net during the period / year																
- relating to other comprehensive income for the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- relating to net income for the period / year after taxation	8,082	-	8,082	2,984	-	2,984	4,490	-	4,490	30,411	-	30,411	18,005	-	18,005	63,972
<b>Total amount paid on redemption of units</b>	(52,181)	-	(52,181)	(23,728)	-	(23,728)	(49,182)	-	(49,182)	(365,600)	-	(365,600)	(185,248)	-	(185,248)	(675,939)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net																
Total comprehensive income for the period / year	-	(168,250)	(168,250)	-	(189,212)	(189,212)	-	(121,584)	(121,584)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(898,426)
<b>Cash distribution during the period / year</b>																
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 25.0428 per unit declared on September 25, 2017	-	(81,088)	(81,088)	-	-	-	-	-	-	-	-	-	-	-	-	(81,088)
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 12.4695 per unit declared on December 21, 2017	-	-	-	-	(20,298)	(20,298)	-	-	-	-	-	-	-	-	-	(20,298)
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 14.6270 per unit declared on March 27, 2018	-	-	-	-	-	-	(12,660)	(12,660)	-	-	-	-	-	-	-	(12,660)
Net income / (loss) for the period / year less distribution	-	(249,338)	(249,338)	-	(209,510)	(209,510)	-	(134,244)	(134,244)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(1,012,472)
<b>Net assets at end of the period / year</b>	<b>2,102,073</b>	<b>473,247</b>	<b>2,575,320</b>	<b>1,368,114</b>	<b>171,826</b>	<b>1,540,040</b>	<b>1,214,319</b>	<b>188,391</b>	<b>1,402,710</b>	<b>1,673,955</b>	<b>75,432</b>	<b>1,749,387</b>	<b>2,173,796</b>	<b>(107,368)</b>	<b>2,066,428</b>	<b>9,333,885</b>
Refund / adjustment on units as element of income																
Undistributed income brought forward comprising of:																
- Realised gain / (loss)	-	324,639	324,639	-	128,161	128,161	-	98,377	98,377	-	31,708	31,708	-	28,948	28,948	611,833
- Unrealised gain	-	397,946	397,946	-	253,275	253,275	-	224,258	224,258	-	228,815	228,815	-	97,973	97,973	1,202,267
<b>Undistributed income brought forward - Net</b>	-	722,585	722,585	-	381,436	381,436	-	322,635	322,635	-	260,523	260,523	-	126,921	126,921	1,814,100
Net (loss) / income for the period / year after taxation	-	(168,250)	(168,250)	-	(189,212)	(189,212)	-	(121,584)	(121,584)	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(898,426)
<b>Accounting loss for the period available for distribution</b>																
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions during the period / year:																
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 25.0428 per unit declared on September 25, 2017																
- Cash	-	(81,088)	(81,088)	-	-	-	-	-	-	-	-	-	-	-	-	(81,088)
- Bonus	-	(438,781)	(438,781)	-	-	-	-	-	-	-	-	-	-	-	-	(438,781)
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 12.4695 per unit declared on December 21, 2017																
- Cash	-	-	-	-	(20,298)	(20,298)	-	-	-	-	-	-	-	-	-	(20,298)
- Bonus	-	-	-	-	(149,097)	(149,097)	-	-	-	-	-	-	-	-	-	(149,097)
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 14.6270 per unit declared on March 27, 2018																
- Cash	-	-	-	-	-	-	(12,660)	(12,660)	-	-	-	-	-	-	-	(12,660)
- Bonus	-	-	-	-	-	-	(164,706)	(164,706)	-	-	-	-	-	-	-	(164,706)
Undistributed income carried forward - net	-	34,466	34,466	-	22,829	22,829	-	23,685	201,051	-	75,432	75,432	-	(107,368)	(107,368)	226,410
Undistributed income carried forward - net comprising of:																
- Realised gain	-	21,921	21,921	-	16,996	16,996	-	17,686	17,686	-	(131,098)	(131,098)	-	(69,805)	(69,805)	(144,310)
- Unrealised (loss) / gain	-	12,545	12,545	-	5,843	5,843	-	5,999	5,999	-	(53,993)	(53,993)	-	(164,484)	(164,484)	(194,090)
	-	34,466	34,466	-	22,829	22,829	-	23,685	23,685	-	(185,091)	(185,091)	-	(234,289)	(234,289)	(338,400)
	(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)			
<b>Net assets value per unit at beginning of the period / year</b>	133.18			127.71			126.09			113.06			105.52			
<b>Net assets value per unit at end of the period / year</b>	100.06			101.40			101.65			103.87			95.46			

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND**

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017	For the period / year ended June 30, 2017
	AIACTAP-I	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total
(Rupees in '000)							
Net assets at beginning of the period / year	2,515,834	2,606,096	1,532,916	1,364,625	-	-	8,019,471
<b>Amount received on issue of units:</b>							
- AIACTAP-I : 8,151,493							
- AIACTAP-II : 7,541							
- AIACTAP-III : 100,404							
- AIACTAP-IV : 70,228							
- AIACTAP-V : 20,956,016							
- AIACTAP-VI : 24,821,074							
<b>Total amount received on issuance of units</b>	857,183	811	13,291	9,025	2,095,936	2,482,562	5,458,808
<b>Amount paid on redemption of units:</b>							
- AIACTAP-I : 1,855,145							
- AIACTAP-II : 2,827,570							
- AIACTAP-III : 920,757							
- AIACTAP-IV : 808,869							
- AIACTAP-V : 1,006,434							
- AIACTAP-VI : 1,816,735							
<b>Total amount paid on redemption of units</b>	(250,621)	(368,385)	(118,727)	(102,055)	(116,169)	(198,134)	(1,154,091)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	74,786	58,578	18,063	15,223	15,192	16,005	197,847
Total comprehensive income for the period / year	624,943	499,139	309,563	276,662	310,397	182,131	2,202,835
Distributions during the year / period:							
- Al-Ameen Islamic Active Allocation Plan - I @ Rs. 38.63 per unit declared on June 5, 2017:							
- Cash	(147,889)	-	-	-	-	-	(147,889)
- Bonus	(687,239)	-	-	-	-	-	(687,239)
- Cash distributions declared on June 30, 2017:							
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 0.2	-	(4,194)	-	-	-	-	(4,194)
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 1.6	-	-	(21,717)	-	-	-	(21,717)
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 1.9	-	-	-	(23,210)	-	-	(23,210)
- Al-Ameen Islamic Active Allocation Plan - V @ Rs. 2.5	-	-	-	-	(49,874)	-	(49,874)
- Al-Ameen Islamic Active Allocation Plan - VI @ Rs. 2.4	-	-	-	-	-	(55,210)	(55,210)
Net income / (loss) for the period / year less distribution	(210,185)	494,945	287,846	253,452	260,523	126,921	1,213,502
<b>Net assets at end of the year / period</b>	<b>2,986,997</b>	<b>2,792,045</b>	<b>1,733,389</b>	<b>1,540,270</b>	<b>2,255,482</b>	<b>2,427,354</b>	<b>13,735,537</b>
Refund / adjustment on units as element of income	-	-	-	-	-	-	-
Undistributed income brought forward comprising of:							
- Realised gain / (loss)	38,182	72,575	10,242	4,607	-	-	125,606
- Unrealised gain	152,799	155,065	83,348	64,576	-	-	455,788
<b>Undistributed income brought forward - Net</b>	<b>190,981</b>	<b>227,640</b>	<b>93,590</b>	<b>69,183</b>	<b>-</b>	<b>-</b>	<b>581,394</b>
Net (loss) / income for the period / year after taxation	624,943	499,139	309,563	276,662	310,397	182,131	2,202,835
Accounting loss for the period available for distribution							
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-
Distributions during the period / year:							
- Al-Ameen Islamic Active Allocation Plan - I @ Rs. 38.63 per unit declared on June 5, 2017:							
- Cash	(147,889)	-	-	-	-	-	(147,889)
- Bonus	(687,239)	-	-	-	-	-	(687,239)
- Cash distributions declared on June 30, 2017:							
- Al-Ameen Islamic Active Allocation Plan - II @ Rs. 0.2	-	(4,194)	-	-	-	-	(4,194)
- Al-Ameen Islamic Active Allocation Plan - III @ Rs. 1.6	-	-	(21,717)	-	-	-	(21,717)
- Al-Ameen Islamic Active Allocation Plan - IV @ Rs. 1.9	-	-	-	(23,210)	-	-	(23,210)
- Al-Ameen Islamic Active Allocation Plan - V @ Rs. 2.5	-	-	-	-	(49,874)	-	(49,874)
- Al-Ameen Islamic Active Allocation Plan - VI @ Rs. 2.4	-	-	-	-	-	(55,210)	(55,210)
Undistributed income carried forward - net	(19,204)	722,585	381,436	322,635	260,523	126,921	1,794,896
Undistributed income carried forward - net comprising of:							
- Realised gain	(19,877)	324,565	128,143	98,377	31,708	28,948	591,864
- Unrealised (loss) / gain	673	398,020	253,293	224,258	228,815	97,973	1,203,032
	(19,204)	722,585	381,436	322,635	260,523	126,921	1,794,896
(Rupees)							
Net asset value per unit at the beginning of the year / period	108.21	109.57	106.50	105.34			
Net asset value per unit at the end of the year / period	101.10	133.18	127.71	126.09	113.06	105.52	

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018		For the period / year ended June 30, 2018
	AICTAP-II	AICTAP-III	AICTAP-IV	AICTAP-V	AICTAP-VI	Total
------(Rupees in '000)-----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net (loss) / income for the period / year before taxation	(168,250)	(189,212)	(121,584)	(185,091)	(234,289)	(898,426)
<b>Adjustments for non-cash items:</b>						
Dividend income	-	-	-	-	-	-
Loss / (gain) on sale of investments - net	180,227	193,153	125,587	134,712	68,909	702,588
Profit on bank deposits	(649)	(127)	(590)	(1,517)	(912)	(3,795)
Reversal of Workers' Welfare Fund	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(12,545)	(5,843)	(5,999)	53,993	164,484	194,090
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-
	(1,217)	(2,029)	(2,586)	2,097	(1,808)	(5,543)
<b>Decrease / (Increase) in assets:</b>						
Investments	30,426	18,793	29,604	364,493	178,310	621,626
Other receivables	-	-	-	-	(724)	(724)
	30,426	18,793	29,604	364,493	177,586	620,902
<b>Increase / (decrease) in liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	143	(212)	59	(103)	(76)	(189)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(44)	(53)	(38)	(54)	(41)	(230)
Payable to the Securities and Exchange Commission of Pakistan	(1,693)	(727)	(369)	(82)	474	(2,397)
Accrued expenses and other liabilities	17,740	(14,822)	(16,813)	(49,750)	(54,356)	(118,001)
	16,146	(15,814)	(17,161)	(49,989)	(53,999)	(120,817)
	45,355	950	9,857	316,601	121,779	494,542
Dividend income received	-	-	-	-	-	-
Profit on bank deposits received	980	150	614	1,502	933	4,179
<b>Net cash generated from / (used in) operating activities</b>	<b>46,335</b>	<b>1,100</b>	<b>10,471</b>	<b>318,103</b>	<b>122,712</b>	<b>498,721</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts from issuance of units	84,794	39,889	45,866	44,596	58,611	273,756
Payments against redemption of units	(52,181)	(23,728)	(49,182)	(365,600)	(185,248)	(675,939)
Cash dividend paid	(81,088)	(20,298)	(12,660)	-	-	(114,046)
<b>Net cash used in financing activities</b>	<b>(48,475)</b>	<b>(4,137)</b>	<b>(15,976)</b>	<b>(321,004)</b>	<b>(126,637)</b>	<b>(516,229)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period / year</b>	<b>(2,140)</b>	<b>(3,037)</b>	<b>(5,505)</b>	<b>(2,901)</b>	<b>(3,925)</b>	<b>(17,508)</b>
Cash and cash equivalents at the beginning of the period / year	49,083	6,977	17,764	27,555	18,138	119,517
<b>Cash and cash equivalents at the end of the period / year</b>	<b>46,943</b>	<b>3,940</b>	<b>12,259</b>	<b>24,654</b>	<b>14,213</b>	<b>102,009</b>

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND**
**STATEMENT OF CASH FLOWS**
**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017	For the period / year ended June 30, 2017
	AIACTAP-I	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total
------(Rupees in '000)-----							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the period / year before taxation	624,943	499,139	309,563	276,662	310,397	182,131	2,202,835
<b>Adjustments for non-cash charges and other items:</b>							
Dividend income	-	(73,946)	(46,319)	(41,422)	(60,835)	(64,400)	(286,922)
Gain on sale of investments - net	(721,692)	(98,084)	(38,360)	(33,762)	(38,486)	(34,776)	(965,160)
Profit on bank deposits	(531)	(3,196)	(551)	(1,529)	(5,121)	(2,734)	(13,662)
Reversal of Workers' Welfare Fund	(88)	-	-	-	-	-	(88)
Provision for Sindh Workers' Welfare Fund	17,080	15,357	8,588	7,364	6,208	3,643	58,240
Amortisation of preliminary expenses and floatation costs	2,442	-	-	-	-	-	2,442
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(673)	(398,020)	(253,293)	(224,258)	(228,815)	(97,973)	(1,203,032)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	74,786	58,578	18,063	15,223	15,192	16,005	197,847
	(3,733)	(172)	(2,309)	(1,722)	(1,460)	1,896	(7,500)
<b>(Increase) / decrease in investments</b>							
Investments	201,694	290,249	59,779	41,401	(2,019,962)	(2,337,167)	(3,764,006)
Other receivables	-	-	-	-	-	-	-
	201,694	290,249	59,779	41,401	(2,019,962)	(2,337,167)	(3,764,006)
<b>Increase / (decrease) in liabilities</b>							
Payable to UBL Fund Managers Limited - Management Company	(1,038)	(1,009)	(490)	(69)	415	446	(1,745)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(30)	22	19	17	188	201	417
Payable to the Securities and Exchange Commission of Pakistan	263	787	738	907	1,512	1,183	5,390
Accrued expenses and other liabilities	27,826	(4,609)	(227)	(7,903)	7,035	8,899	31,021
	27,021	(4,809)	40	(7,048)	9,150	10,729	35,083
	224,982	285,268	57,510	32,631	(2,012,272)	(2,324,542)	(3,736,423)
Dividend income received	-	73,946	46,319	41,422	60,835	64,400	286,922
Profit on bank deposits received	661	2,785	556	1,633	5,010	2,644	13,289
<b>Net cash generated from / (used in) operating activities</b>	<b>225,643</b>	<b>361,999</b>	<b>104,385</b>	<b>75,686</b>	<b>(1,946,427)</b>	<b>(2,257,498)</b>	<b>(3,436,212)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts from issuance of units	169,944	811	13,291	9,025	2,095,936	2,482,562	4,771,569
Payments against redemption of units	(250,621)	(368,385)	(118,727)	(102,055)	(116,169)	(198,134)	(1,154,091)
Cash dividend paid	(147,889)	(521)	(2,826)	(3,123)	(5,785)	(8,792)	(168,936)
<b>Net cash (used in) / generated from financing activities</b>	<b>(228,566)</b>	<b>(368,095)</b>	<b>(108,262)</b>	<b>(96,153)</b>	<b>1,973,982</b>	<b>2,275,636</b>	<b>3,448,542</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year / period</b>	<b>(2,923)</b>	<b>(6,096)</b>	<b>(3,877)</b>	<b>(20,467)</b>	<b>27,555</b>	<b>18,138</b>	<b>12,330</b>
Cash and cash equivalents at the beginning of the year / period	9,219	55,179	10,854	38,231	-	-	113,483
<b>Cash and cash equivalents at the end of the year / period</b>	<b>6,296</b>	<b>49,083</b>	<b>6,977</b>	<b>17,764</b>	<b>27,555</b>	<b>18,138</b>	<b>125,813</b>

The annexed notes 1 to 26 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 FINANCIAL PLANNING FUND  
NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED SEPTEMBER 27, 2017, DECEMBER 22, 2017, MARCH 29, 2018 AND YEAR ENDED JUNE 30, 2018**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Al-Ameen Islamic Financial Planning 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 December 16, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2014 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from June 24, 2015.
- 1.2** 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.
- 1.3** The Fund is an open ended shariah compliant fund of fund scheme and listed on Pakistan Stock Exchange Limited. The units of the allocation plans of the Fund were initially offered to public (IPO). Subsequent to the IPO, the offer of Units of the Allocation Plans at the Initial Offer Price discontinued. The Units of the Allocation Plans could then be purchased at their Offer price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund consists of multiple plans and aims to generate return for investors in line with their risk tolerance level. The duration of the Fund is perpetual, however, the allocation plans have a standard timeframe of two years. Each Allocation Plan announces separate NAVs which rank pari passu inter se according to its number of Units. Units are offered for public subscription on a continuous basis.
- 1.4** The Fund mainly makes investments in designated authorised investments approved by the Shariah Advisory Board and offers Shariah Compliant returns to the investors. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund is categorised as a Shariah Compliant Fund of Funds.
- 1.5** The Fund has six plans out of which four have matured. The details of the commencement and maturity dates are given below:

	<b>Commencement Date</b>	<b>Maturity Date</b>
Al-Ameen Islamic Active Allocation Plan - I (AIACTAP-I)	23-Jun-15	22-Jun-17
Al-Ameen Islamic Active Allocation Plan - II (AIACTAP-II)	28-Sep-15	26-Sep-17
Al-Ameen Islamic Active Allocation Plan - III (AIACTAP-III)	23-Dec-15	21-Dec-17
Al-Ameen Islamic Active Allocation Plan - IV (AIACTAP-IV)	29-Mar-16	28-Mar-18
Al-Ameen Islamic Active Allocation Plan - V (AIACTAP-V)	15-Aug-16	14-Aug-18
Al-Ameen Islamic Active Allocation Plan - VI (AIACTAP-VI)	21-Nov-16	20-Nov-18

- 1.6** During the year, Al-Ameen Islamic Active Allocation Plan - II (AIACTAP-II), Al-Ameen Islamic Active Allocation Plan - III (AIACTAP-III) and Al-Ameen Islamic Active Allocation Plan - IV (AIACTAP-IV) matured on September 27, 2017, December 22, 2017 and March 29, 2018 respectively. Therefore, the financial information of AIACTAP-II, AIACTAP-III and AIACTAP-IV have not been prepared on a going concern basis. However, no adjustments are required in these financial statements as the assets and liabilities are stated at values at which they are expected to be realised or settled. Subsequent to the maturity, maturity proceeds have been paid by the Management Company based on net asset value as at October 03, 2017, January 01, 2018 and April 06, 2018, respectively.

Further, Al-Ameen Islamic Active Allocation Plan - V (AIACTAP-V) and Al-Ameen Islamic Active Allocation Plan - VI (AIACTAP-VI) are due to mature on August 14, 2018 and November 20, 2018 respectively, unless the Management Company decides otherwise. Management Company has assessed and concluded that AIACTAP-V and AIACTAP-VI are no longer a going concern and the financial information of the said plans is prepared on a basis other than going concern. However, no adjustments are required in these financial statements as the assets and liabilities are stated at values at which they are expected to be realized.

- 1.7** All existing Islamic allocation plans have an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic income and Islamic money market schemes. The un-invested amounts or funds, if any, shall be kept in cash and / or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

- 1.8 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.9 JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company on 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 in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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) and requirements of the Trust Deed).

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

### 2.2 Amendments to IFRS that are effective for the year ended June 30, 2018

The following amendments are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Fund's operations or do not have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses.	January 01, 2017

### 2.3 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments (except IFRS 9 'Financial Instruments') are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting periods beginning on or after:</b>
IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16 'Leases' - This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2019
IFRS 9 'Financial Instruments'.	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019

**Effective from accounting periods beginning on or after:**

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after January 01, 2018
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

## **2.4 IFRS 9 'Financial Instruments' Impact Assessment**

IFRS 9 'Financial Instruments' was issued on July 24, 2014. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018.

### **2.4.1 Key requirements of IFRS 9 are as follows;**

#### **Classification and measurement of financial assets**

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value.
- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at fair value through other comprehensive income "FVTOCI".
- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.
- In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

## **Classification and measurement of financial liabilities**

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

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

## **Impairment of financial assets**

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

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

## **Impact assessment**

Based on the analysis of Fund's financial assets and liabilities as at June 30, 2018 and also considering facts and circumstances that exists at that date, the Management Company has assessed and concluded that there will be no impact of IFRS 9, except for units of mutual funds classified as financial assets at fair value through profit or loss - held for trading as at year-end qualify for designation as fair value through profit or loss upon application of IFRS 9 with value changes continue to recognised in profit or loss.

**2.4.2** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

## **2.5 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets (notes 3.2 and 5); and
- (ii) impairment of financial assets (note 3.2.5)

## **2.6 Accounting convention**

These financial statements have been prepared under the historical cost convention except that certain financial assets are carried at fair value.

## **2.7 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented except for change in accounting policy disclosed in note 3.11.

#### 3.1 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 cost.

#### 3.2 Financial assets

##### 3.2.1 Classification

The classification of financial assets depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition.

Financial assets are classified 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

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuations in prices. These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category.

##### c) Available for sale

These are non-derivate 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 and may be sold in response to the needs for liquidity or change in price.

##### 3.2.2 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.

##### 3.2.3 Initial recognition and measurement

All financial assets are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

##### 3.2.4 Subsequent measurement

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

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:

##### - Basis of valuation of Units of Mutual Funds

The investment of the Fund in Mutual Funds is valued on the basis of closing Net Asset Value (NAV) of the underlying mutual funds at the reporting date without any deduction for estimated future selling costs.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the statement of comprehensive income until these are derecognised or impaired. At the time of impairment or derecognition, the cumulative gain or loss previously recognised in the statement of comprehensive income 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 are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

### **3.2.5 Impairment**

The Management Company assesses at each reporting date whether there is objective evidence that the financial assets or a group of fund's financial assets are impaired. 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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

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 these 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 SECP.

### **3.2.6 Derecognition**

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

### **3.3 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, cancelled or expired.

### **3.4 Offsetting of financial assets and financial 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.

### **3.5 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. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

### **3.6 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.

### **3.7 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, brokerage paid to the members of the stock exchange and other expenses. These costs are being amortised over a period of two years commencing from the date of plan, in accordance with the Trust Deed of the Fund and NBFC Regulations, 2008.

### **3.8 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 amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

### **3.9 Distributions**

Dividend distribution to the Unit Holders is recognized in the periods in which these are approved.

### **3.10 Issuance and redemption of units**

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

### **3.11 Element of income / (loss) included in prices of units issued less those in units redeemed**

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. 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.

#### **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 was recognized in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities was included in distribution statement.

Securities & Exchange Commission of Pakistan (SECP) 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" 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 reserves or unit holders' fund instead of income statement. Further, SRO requires an additional disclosure should be stated below income statement for allocation of net income for the year comprising of (a) Income already paid on units redeemed; and (b) accounting income available for distribution.

Mutual Funds Association of Pakistan (MUFAP) with the consultation of SECP has clarified that income already paid on redemption of units (element of income paid out) is determined on following basis:

- Income already paid on redemption of units (element of income) made during the year shall be on gross basis instead of element of income / loss on net basis.
- In situations where funds have remained profitable for part of the year and ended up in net profit, the income already paid on redemption of units (element of income) has been calculated from the date at which the fund was last breakeven.
- Income already paid on redemption of units (element of income) shall be calculated on FIFO method on redemption of units for identifying units redeemed with units issued.

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. Further the basis of estimation of income already paid on redemption has been established in line with the guidelines provided by MUFAP as stated above and accordingly the same has been disclosed in the additional disclosure. Since the Fund has incurred net loss during the year, therefore, element of income paid on redemption is „Nil“. Had the change in accounting policy applied retrospectively, the income of the Fund for the year ended June 30, 2017 would have been higher by Rs. 74.686 million, Rs. 58.578 million, Rs. 18.063 million, Rs. 15.223 million, Rs. 15.192 million and Rs. 16.005 million of AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been (lower) / higher by Rs. (603.153) million, Rs. (190.158) million, Rs. (202.980) million, Rs. 30.36 million and Rs. 16.585 million of AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively. However, the change in accounting policy does not have any impact on the 'statement of cash flows', the 'net assets attributable to the units holders' and 'net assets value per unit' as shown in the statement of 'assets and liabilities' and 'statement of movement of 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 statements.

### **3.12 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 each allocation plan by the number of units in issue of the respective plans at the year end.

### **3.13 Revenue recognition**

- Dividend income on units of mutual funds is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on bank deposits is recognised on accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Back end load is recognised in the income statement at the time of redemption of units.

	September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total

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

#### 4. BANK BALANCES

##### In local currency

- Profit and loss sharing accounts	4.1	46,943	3,930	12,252	24,651	13,038	100,814
- Current accounts		-	10	7	3	1,175	1,195
		<u>46,943</u>	<u>3,940</u>	<u>12,259</u>	<u>24,654</u>	<u>14,213</u>	<u>102,009</u>

June 22, 2017 -----June 30, 2017-----

	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
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Note -----(Rupees in '000)-----

##### In local currency

- Profit and loss sharing accounts	4.1	<u>6,296</u>	<u>49,083</u>	<u>6,977</u>	<u>17,764</u>	<u>27,555</u>	<u>18,138</u>	<u>125,813</u>
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4.1 Profit rates on these profit and loss sharing accounts is 6.2% (June 30, 2017 : 5.5%) per annum.

	September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		
	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total

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

#### 5. INVESTMENTS

##### At fair value through profit or loss - Held-for-trading

Unit of mutual funds	5.1	<u>2,577,152</u>	<u>1,559,268</u>	<u>1,412,034</u>	<u>1,734,065</u>	<u>2,058,213</u>	<u>9,340,732</u>
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June 22, 2017 -----June 30, 2017-----

	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	Total
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Note -----(Rupees in '000)-----

##### At fair value through profit or loss - Held-for-trading

Units of mutual funds	5.1	<u>3,043,112</u>	<u>2,775,260</u>	<u>1,765,371</u>	<u>1,561,226</u>	<u>2,287,263</u>	<u>2,469,916</u>	<u>13,902,148</u>
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## 5.1 Units of Mutual Funds

Name of Investee Funds	As at July 01, 2017	Purchased during the year	Redemptions during the year	Holding as at	Total carrying value	Total market value	Unrealised gain / loss	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)
				September 27, 2017, December 22, 2017, March 29, 2018 and June 30, 2018					
----- Number of units -----				----- (Rupees in '000) ----- % -----					
<b>Al-Ameen Islamic Active Allocation Plan - II</b>									
Al-Ameen Islamic Cash Fund	-	25,493,672	56,023	25,437,649	2,564,607	2,577,152	12,545	100.07	100.00
Al-Ameen Islamic Sovereign Fund	5,003,122	1,517,003	6,520,125	-	-	-	-	-	-
Al-Ameen Islamic Dedicated Equity Fund	16,980,232	-	16,980,232	-	-	-	-	-	-
					<b>2,564,607</b>	<b>2,577,152</b>	<b>12,545</b>	<b>100.07</b>	<b>100.00</b>
<b>Al-Ameen Islamic Active Allocation Plan - III</b>									
Al-Ameen Islamic Cash Fund	-	9,461,401	9,461,401	-	-	-	-	-	-
Al-Ameen Islamic Sovereign Fund	3,397,085	13,658,707	1,760,471	15,295,321	1,553,425	1,559,268	5,843	101.25	100.00
Al-Ameen Islamic Dedicated Equity Fund	10,639,475	766,365	11,405,840	-	-	-	-	-	-
					<b>1,553,425</b>	<b>1,559,268</b>	<b>5,843</b>	<b>101.25</b>	<b>100.00</b>
<b>Al-Ameen Islamic Active Allocation Plan - IV</b>									
Al-Ameen Islamic Cash Fund	-	15,966,735	2,363,720	13,603,015	1,406,035	1,412,034	5,999	100.66	100.00
Al-Ameen Islamic Sovereign Fund	2,864,276	10,375,970	13,240,246	-	-	-	-	-	-
Al-Ameen Islamic Dedicated Equity Fund	9,514,712	5,480	9,520,192	-	-	-	-	-	-
					<b>1,406,035</b>	<b>1,412,034</b>	<b>5,999</b>	<b>100.66</b>	<b>100.00</b>
<b>Al-Ameen Islamic Active Allocation Plan - V</b>									
Al-Ameen Islamic Cash Fund	-	1,817,696	1,817,696	-	-	-	-	-	-
Al-Ameen Islamic Sovereign Fund	4,150,716	19,994,015	15,859,938	8,284,793	852,571	860,665	8,094	49.20	49.63
Al-Ameen Islamic Dedicated Equity Fund	13,973,842	22,557,897	29,000,056	7,531,683	935,487	873,400	(62,087)	49.93	50.37
					<b>1,788,058</b>	<b>1,734,065</b>	<b>(53,993)</b>	<b>99.13</b>	<b>100.00</b>
<b>Al-Ameen Islamic Active Allocation Plan - VI</b>									
Al-Ameen Islamic Cash Fund	-	1,968,257	1,968,257	-	-	-	-	-	-
Al-Ameen Islamic Sovereign Fund	4,875,841	12,789,543	13,094,846	4,570,538	469,381	474,810	5,429	22.98	23.07
Al-Ameen Islamic Dedicated Equity Fund	14,792,824	20,520,276	21,658,769	13,654,331	1,753,316	1,583,403	(169,913)	76.63	76.93
					<b>2,222,697</b>	<b>2,058,213</b>	<b>(164,484)</b>	<b>99.61</b>	<b>100.00</b>
<b>Total investments in units of mutual funds</b>									
Al-Ameen Islamic Cash Fund	-	54,707,761	15,667,097	39,040,664	3,970,642	3,989,186	18,544	42.74	42.71
Al-Ameen Islamic Sovereign Fund	20,291,040	58,335,238	50,475,626	28,150,652	2,875,377	2,894,743	19,366	31.01	30.99
Al-Ameen Islamic Dedicated Equity Fund	65,901,085	43,850,018	88,565,089	21,186,014	2,688,803	2,456,803	(232,000)	26.32	26.30
					<b>9,534,822</b>	<b>9,340,732</b>	<b>(194,090)</b>	<b>100.07</b>	<b>100.00</b>

	September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		Total
Note	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	
	(Rupees in '000)					
6.1	-	-	-	-	1	1
	646	93	336	299	356	1,730
	11	1	9	13	13	47
	-	4	5	-	-	9
	657	98	350	312	370	1,787

**6. PAYABLE TO UBL FUND MANAGERS LIMITED  
- MANAGEMENT COMPANY**

Sales load and conversion charges  
Allocated expenses  
Shariah Advisor fee  
Other payable

	June 22, 2017	-----June 30, 2017-----					Total
Note	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	
	(Rupees in '000)						
6.1	-	-	-	5	-	1	6
	452	505	307	276	405	435	2,380
	3	9	3	10	10	10	45
	-	-	-	-	-	-	-
	455	514	310	291	415	446	2,431

- 6.1** As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, 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 amount, to the Fund.

	September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		Total
Note	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	
	(Rupees in '000)					
7.1	183	96	97	134	160	670

	June 22, 2017	-----June 30, 2017-----					Total
Note	AIACTAP- I	AIACTAP- II	AIACTAP- III	AIACTAP- IV	AIACTAP- V	AIACTAP- VI	
	(Rupees in '000)						
7.1	169	227	149	135	188	201	1,069

**7. PAYABLE TO THE CENTRAL DEPOSITORY  
COMPANY OF PAKISTAN LIMITED -  
TRUSTEE**

Trustee fee

- 7.1** The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the 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 is as follows:

On net assets:

Up to Rs.1,000 million	0.10% per annum of NAV
Over Rs. 1,000 million	Rs.1.0 million plus 0.075% p.a. of NAV

## 8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		Total	
		AICTAP- II	AICTAP- III	AICTAP- IV	AICTAP- V	AICTAP- VI		
	Note	------(Rupees in '000)-----						
Annual fee	8.1	484	580	793	1,430	1,657	4,944	
		-----June 22, 2017 ----- June 30, 2017-----						
		AICTAP- -I	AICTAP- II	AICTAP- III	AICTAP- IV	AICTAP- V	AICTAP- VI	Total
	Note	------(Rupees in '000)-----						
Annual fee	8.1	2,043	2,177	1,307	1,162	1,512	1,183	9,384

8.1 Under the provisions of the NBFC Regulations, a collective investment scheme classified as Fund of Funds scheme is required to pay annual fee to the SECP, equivalent to 0.075% of the average annual net assets of the Fund.

		September 27, 2017	December 22, 2017	March 29, 2018	-----June 30, 2018-----		Total	
		AICTAP- II	AICTAP- III	AICTAP- IV	AICTAP- V	AICTAP- VI		
	Note	------(Rupees in '000)-----						
Auditor's remuneration		98	54	76	101	101	430	
Tax deduction at source		21,818	6,884	7,310	-	-	36,012	
Provision for indirect taxes and duties	9.1	10,286	6,670	5,352	1,047	-	23,355	
Provision for Sindh Workers' Welfare Fund	9.2	15,357	8,588	7,364	6,208	3,643	41,160	
Dividend payable		-	-	-	-	-	-	
Capital gain tax payable		32	1	57	27	-	117	
Others		51	212	239	199	860	1,561	
		47,642	22,409	20,398	7,582	4,604	102,635	
		-----June 22, 2017 ----- June 30, 2017-----						
		AICTAP- I	AICTAP- -II	AICTAP-I III	AICTAP- IV	AICTAP- V	AICTAP- VI	Total
	Note	------(Rupees in '000)-----						
Auditor's remuneration		-	39	39	39	39	39	195
Tax deduction at source		32,412	444	2,262	2,465	5,121	6,298	49,002
Provision for indirect taxes and duties	9.1	10,255	10,286	6,669	5,350	1,047	-	33,607
Provision for Sindh Workers' Welfare Fund	9.2	17,080	15,357	8,588	7,364	6,208	3,643	58,240
Dividend payable		-	3,673	18,891	20,087	44,089	46,418	133,158
Capital gain tax payable		-	22	218	1,247	161	146	1,794
Others		20	81	564	659	667	2,416	4,407
		59,767	29,902	37,231	37,211	57,332	58,960	280,403

### 9.1 Provision for indirect taxes and duties

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the sales load of the Management Company was applied with effect from 13 June 2013. The Management Company is of the view that since the sales load 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.

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. 10.255 million, Rs. 10.286 million, Rs. 6.670 million, Rs. 5.352 million, Rs. 1.047 million and Rs. Nil of AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively 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. Nil, Rs. 0.40, Rs. 0.44, Rs. 0.39, Rs. 0.06 and Rs. Nil (30 June 2017: Rs. 0.35, Rs. 0.49, Rs. 0.49, Rs. 0.44, Rs. 0.05 and Rs. Nil) per unit of AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI respectively.

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, no provision for FED has not been recorded since 01 July, 2016 .

## 9.2 Provision for Sindh Workers' Welfare Fund (SWWF) and Workers' Welfare Fund (WWF)

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 and ultimately in the Supreme Court of Pakistan. 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 during financial year ended June 30, 2017. 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), MUFAP has recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI has recorded provision of Rs. Nil (June 2017: Rs. 17.080 million, Rs. 15.357 million, Rs. 8.588 million, Rs. 7.364 million, Rs. 6.208 million and Rs. 3.643 million) for the year and Rs. 17.080 million, Rs. 15.357 million, Rs. 8.588 million, Rs. 7.364 million, Rs. 6.208 million and Rs. 3.643 million (June 2017: Rs. 17.080 million, Rs. 15.357 million, Rs. 8.588 million, Rs. 7.364 million, Rs. 6.208 million and Rs. 3.643 million), respectively in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. Nil, Rs. 0.60, Rs. 0.57, Rs. 0.53, Rs. 0.37 and Rs. 0.17 per unit (30 June 2017: Rs. 0.58, Rs. 0.73, Rs. 0.63, Rs. 0.60, Rs. 0.31 and Rs. 0.16 per unit) of AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively.

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	
	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI
(Number of units)					
10. NUMBER OF UNITS IN ISSUE					
Total units in issue at the beginning of the year	20,964,506	13,572,891	12,215,775	19,949,582	23,004,340
Units issued during the period / year	838,436	354,099	388,471	394,899	568,925
Bonus	4,387,809	1,470,596	1,620,723	-	-
Units redeemed during the year / period	(452,496)	(209,164)	(425,667)	(3,502,692)	(1,926,253)
Total units in issue at the end of the year / period	25,738,255	15,188,422	13,799,302	16,841,789	21,647,012

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017
	AIACTAP-I	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI
	(Number of units)					
Total units in issue at the beginning of the year	23,248,982	23,784,535	14,393,244	12,954,416	-	-
Units issued during the year / period	1,667,898	7,541	100,404	70,228	20,956,016	24,821,075
Bonus	6,483,595	-	-	-	-	-
Units redeemed during the year / period	(1,855,145)	(2,827,570)	(920,757)	(808,869)	(1,006,434)	(1,816,735)
Total units in issue at the end of the year / period	29,545,330	20,964,506	13,572,891	12,215,775	19,949,582	23,004,340

**10.1** The par value of each unit is Rs. 100. The management of the Management Company has set a minimum investment of Rs. 10,000.

**10.2** All units carry equal rights and are entitled to dividend and share in the net asset value of the respective plans.

	For the period ended September 27, 2017	For the period ended December 22, 2017	For the period ended March 29, 2018	For the year ended June 30, 2018	For the year ended June 30, 2018	For the year / period ended June 30, 2018
	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total
	(Rupees in '000)					

#### 11. AUDITOR'S REMUNERATION

Annual audit fee	-	-	-	84	84	168
Review of interim financial information	13	13	13	10	10	59
Review of compliance with the requirements of the Code of Corporate Governance	-	-	-	8	8	16
Other certifications	-	-	-	8	8	16
Out of pocket expenses	46	36	59	-	-	141
	59	49	72	110	110	400

	For the period ended June 22, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the year ended June 30, 2017	For the period from August 15, 2016 to June 30, 2017	For the period from November 22, 2016 to June 30, 2017	For the year ended June 30, 2017
	AIACTAP-I	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI	Total
	(Rupees in '000)						
Annual audit fee	-	30	30	30	30	30	150
Review of interim financial information	11	10	10	10	10	10	61
Review of compliance with the requirements of the Code of Corporate Governance	-	3	3	3	3	3	15
Other certifications	-	3	3	3	3	3	15
Out of pocket expenses	5	9	9	9	5	5	42
	16	55	55	55	51	51	283

#### 12. TAXATION

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2018, no provision for taxation has been made in these financial statements as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

### 13. EARNINGS PER UNIT

Earnings per unit (EPU) for respective plans have not been disclosed as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

### 14. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of each plans are as follows:

	AIACTAP-II	AIACTAP-III	AIACTAP-IV	AIACTAP-V	AIACTAP-VI
Total expense ratio	0.07%	0.14%	0.22%	0.29%	0.28%
Government levy, SWWF and SECP fee	0.02%	0.04%	0.07%	0.08%	0.09%

### 15. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

	2018			2017		
	Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
------(Rupees in '000)-----						
<b>Al-Ameen Islamic Active Allocation Plan - II</b>						
<b>Financial assets</b>						
Balances with banks	46,943	-	46,943	49,083	-	49,083
Investments	-	2,577,152	2,577,152	-	2,775,260	2,775,260
Profit receivable on bank deposits	191	-	191	522	-	522
	<b>47,134</b>	<b>2,577,152</b>	<b>2,624,286</b>	<b>49,605</b>	<b>2,775,260</b>	<b>2,824,865</b>
<b>Liabilities</b>						
	2018			2017		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Liabilities at fair value through profit or loss	Other financial liabilities	Total
------(Rupees in '000)-----						
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	-	657	657	-	514	514
Payable to Central Depository Company of Pakistan Limited - Trustee	-	183	183	-	227	227
Accrued expenses and other liabilities	-	149	149	-	3,793	3,793
Net assets attributable to redeemable units	-	2,575,320	2,575,320	-	2,792,045	2,792,045
	<b>-</b>	<b>2,576,309</b>	<b>2,576,309</b>	<b>-</b>	<b>2,796,579</b>	<b>2,796,579</b>

2018			2017		
Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total

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

**Al-Ameen Islamic Active Allocation Plan - III**

**Financial assets**

Balances with banks	3,940	-	3,940	6,977	-	6,977
Investments	-	1,559,268	1,559,268	-	1,765,371	1,765,371
Profit receivable on bank deposits	15	-	15	38	-	38
	<b>3,955</b>	<b>1,559,268</b>	<b>1,563,223</b>	<b>7,015</b>	<b>1,765,371</b>	<b>1,772,386</b>

2018			2017		
Liabilities at fair value through profit or loss	Other financial liabilities	Total	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	-	98	98	-	310	310
Payable to Central Depository Company of Pakistan Limited - Trustee	-	96	96	-	149	149
Accrued expenses and other liabilities	-	267	267	-	19,494	19,494
Net assets attributable to redeemable units	-	1,540,040	1,540,040	-	1,733,389	1,733,389
	<b>-</b>	<b>1,540,501</b>	<b>1,540,501</b>	<b>-</b>	<b>1,753,342</b>	<b>1,753,342</b>

2018			2017		
Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total

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

**Al-Ameen Islamic Active Allocation Plan - IV**

**Financial assets**

Balances with banks	12,259	-	12,259	17,764	-	17,764
Investments	-	1,412,034	1,412,034	-	1,561,226	1,561,226
Profit receivable on bank deposits	55	-	55	79	-	79
	<b>12,314</b>	<b>1,412,034</b>	<b>1,424,348</b>	<b>17,843</b>	<b>1,561,226</b>	<b>1,579,069</b>

	2018			2017		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Liabilities at fair value through profit or loss	Other financial liabilities	Total
------(Rupees in '000)-----						
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	-	350	350	-	291	291
Payable to Central Depository Company of Pakistan Limited - Trustee	-	97	97	-	135	135
Accrued expenses and other liabilities	-	315	315	-	20,785	20,785
Net assets attributable to redeemable units	-	1,402,710	1,402,710	-	1,540,270	1,540,270
	-	1,403,472	1,403,472	-	1,561,481	1,561,481

	2018			2017		
	Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
------(Rupees in '000)-----						
<b>Financial assets</b>						
Balances with banks	24,654	-	24,654	27,555	-	27,555
Investments	-	1,734,065	1,734,065	-	2,287,263	2,287,263
Profit receivable on bank deposits	126	-	126	111	-	111
	24,780	1,734,065	1,758,845	27,666	2,287,263	2,314,929

#### Al-Ameen Islamic Active Allocation Plan - V

##### Financial assets

	2018			2017		
	Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
------(Rupees in '000)-----						
Balances with banks	24,654	-	24,654	27,555	-	27,555
Investments	-	1,734,065	1,734,065	-	2,287,263	2,287,263
Profit receivable on bank deposits	126	-	126	111	-	111
	24,780	1,734,065	1,758,845	27,666	2,287,263	2,314,929

	2018			2017		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Liabilities at fair value through profit or loss	Other financial liabilities	Total
------(Rupees in '000)-----						
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company	-	312	312	-	415	415
Payable to Central Depository Company of Pakistan Limited - Trustee	-	134	134	-	188	188
Accrued expenses and other liabilities	-	300	300	-	44,795	44,795
Net assets attributable to redeemable units	-	1,749,387	1,749,387	-	2,255,482	2,255,482
	-	1,750,133	1,750,133	-	2,300,880	2,300,880

2018			2017		
Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total

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

#### Al-Ameen Islamic Active Allocation Plan - VI

##### Financial assets

Balances with banks	14,213	-	14,213	18,138	-	18,138
Investments	-	2,058,213	2,058,213	-	2,469,916	2,469,916
Profit receivable on bank deposits	69	-	69	90	-	90
Other receivable	724	-	724	-	-	-
	<b>15,006</b>	<b>2,058,213</b>	<b>2,073,219</b>	<b>18,228</b>	<b>2,469,916</b>	<b>2,488,144</b>

2018			2017		
Liabilities at fair value through profit or loss	Other financial liabilities	Total	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	-	370	370	-	446	446
Payable to Central Depository Company of Pakistan Limited - Trustee	-	160	160	-	201	201
Accrued expenses and other liabilities	-	961	961	-	48,873	48,873
Net assets attributable to redeemable units	-	2,066,428	2,066,428	-	2,427,354	2,427,354
	<b>-</b>	<b>2,067,919</b>	<b>2,067,919</b>	<b>-</b>	<b>2,476,874</b>	<b>2,476,874</b>

## 16. FINANCIAL RISK MANAGEMENT

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

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the internal controls set on different activities of the Fund by the Board of Directors. These controls and 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. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Plans under the Fund primarily invest in shariah compliant equity, income and money market schemes within the prescribed limits. The investment activities expose the Fund to a variety of financial risks: market risk, credit risk and liquidity risk.

### 16.1 Market risk

Market 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 prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

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

### **16.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

### **16.1.2 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.

#### **a) Cash flow interest rate risk**

Presently, the Fund does not hold any variable rate instrument except for balances in savings accounts the interest rate of which is 6.20% (2017: 5.5%) per annum. During the year / period ended June 30, 2018, the net income would have increased by Rs. Nil million (2017: Rs. 0.06 million), Rs. 0.47 million (2017: 0.49), Rs. 0.04 million (2017: 0.07), Rs. 0.12 million (2017: 0.18), Rs. 0.25 million (2017: 0.28) and Rs. 0.14 million (2017: 0.18) in AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively, had the interest rates on savings accounts with bank increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

The Fund currently does not have any fixed rate instruments that are impacted by market interest rates.

### **16.1.3 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 rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund's exposure to price risk is limited to the fair value of the respective funds in which it invests. The Fund manages its exposure to price risk by investing in Shariah Compliant Mutual Funds as per the respective Allocation Plan in line with the risk tolerance of the investor and benchmarking the sector weighting to that of average daily return of KMI 30 index and 6m deposit rate of AA- rated (and above) Islamic Banks, based on actual proportion of investment in Equity and Income/ Money Market.

In case of 5% increase / decrease in the fair value of the Fund's investments on June 30, 2018, net income for the year would increase / decrease by Rs. Nil million (2017: Rs. 152.156 million), Rs. 128.858 million (2017: 138.763 million), Rs. 77.963 million (2017: 88.269 million), Rs. 70.602 million (2017: 78.061 million), Rs. 86.703 million (2017: 114.363 million) and Rs. 102.911 million (2017: 123.496 million) in AIACTAP-I, AIACTAP-II, AIACTAP-III, AIACTAP-IV, AIACTAP-V and AIACTAP-VI, respectively and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on the investments at fair value through profit or loss.

### **16.2 Credit risk**

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (If any) on units of mutual funds.

#### **Management of credit risk**

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protections. Further, all transactions in Fund are executed only in underlying funds, thus the risk of default is considered to be minimal. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral 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.

**16.2.1** The analysis below summarises the credit quality of the Bank with which the Fund's financial assets are kept in deposit accounts as at June 30, 2018:

**Balances with banks by rating category**

			2018					
Name of bank	Latest available published rating as at June 30, 2018	Rating agency	Al-Ameen Islamic Active Allocation Plan-II	Al-Ameen Islamic Active Allocation Plan-III	Al-Ameen Islamic Active Allocation Plan-IV	Al-Ameen Islamic Active Allocation Plan-IV	Al-Ameen Islamic Active Allocation Plan-IV	Total
------(Rupees in '000)-----								
United Bank Limited	AAA	JCR-VIS	46,943	3,930	12,252	24,651	13,038	100,814

			2017						
Name of bank	Latest available published rating as at June 30, 2017	Rating agency	Al-Ameen Islamic Active Allocation Plan-I	Al-Ameen Islamic Active Allocation Plan-II	Al-Ameen Islamic Active Allocation Plan-III	Al-Ameen Islamic Active Allocation Plan-IV	Al-Ameen Islamic Active Allocation Plan-IV	Al-Ameen Islamic Active Allocation Plan-IV	Total
------(Rupees in '000)-----									
United Bank Limited	AAA	JCR-VIS	6,296	49,083	6,977	17,764	27,555	18,138	125,813

The Fund's major bank balance is held with a single bank (related party). The management believes that the bank is a reputed institution.

**Concentration of 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.

**16.3 Liquidity risk**

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

The Fund is exposed to non-payment of redemption requests on a regular basis. Units are redeemable at the option of unit holders 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 approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with 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 net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	As at June 30, 2018	As at June 30, 2017
	Up to three months	Up to three months
----- Rupees in '000 -----		
<b>Liabilities</b>		
<b>AI-Ameen Islamic Active Allocation Plan - II</b>		
Payable to UBL Fund Managers Limited - Management Company	657	514
Payable to Central Depository Company of Pakistan Limited - Trustee	183	227
Accrued expenses and other liabilities	149	3,793
Net assets attributable to redeemable units	2,575,320	2,792,045
	<b>2,576,309</b>	<b>2,796,579</b>
<b>Liabilities</b>		
<b>AI-Ameen Islamic Active Allocation Plan - III</b>		
Payable to UBL Fund Managers Limited - Management Company	98	310
Payable to Central Depository Company of Pakistan Limited - Trustee	96	149
Accrued expenses and other liabilities	267	19,494
Net assets attributable to redeemable units	1,540,040	1,733,389
	<b>1,540,501</b>	<b>1,753,342</b>
<b>Liabilities</b>		
<b>AI-Ameen Islamic Active Allocation Plan - IV</b>		
Payable to UBL Fund Managers Limited - Management Company	350	291
Payable to Central Depository Company of Pakistan Limited - Trustee	97	135
Accrued expenses and other liabilities	315	20,785
Net assets attributable to redeemable units	1,402,710	1,540,270
	<b>1,403,472</b>	<b>1,561,481</b>
<b>Liabilities</b>		
<b>AI-Ameen Islamic Active Allocation Plan - V</b>		
Payable to UBL Fund Managers Limited - Management Company	312	415
Payable to Central Depository Company of Pakistan Limited - Trustee	134	188
Accrued expenses and other liabilities	300	44,795
Net assets attributable to redeemable units	1,749,387	2,255,482
	<b>1,750,133</b>	<b>2,300,880</b>
<b>Liabilities</b>		
<b>AI-Ameen Islamic Active Allocation Plan - VI</b>		
Payable to UBL Fund Managers Limited - Management Company	370	446
Payable to Central Depository Company of Pakistan Limited - Trustee	160	201
Accrued expenses and other liabilities	961	48,873
Net assets attributable to redeemable units	2,066,428	2,427,354
	<b>2,067,919</b>	<b>2,476,874</b>

## 17. 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. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing 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:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; 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.

## 18. 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.

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets or liabilities re-measured and carried at fair values, by valuation methods.

	As at June 30, 2018				As at June 30, 2017
	Level 1	Level 2	Level 3	Total	Total
----- Rupees in '000-----					
<b>Al-Ameen Islamic Active Allocation Plan - II</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	2,577,152	-	-	2,577,152	2,775,260
<b>Al-Ameen Islamic Active Allocation Plan - III</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	1,559,268	-	-	1,559,268	1,765,371

	As at June 30, 2018				As at June 30, 2017
	Level 1	Level 2	Level 3	Total	Total
	----- Rupees in '000 -----				
<b>Al-Ameen Islamic Active Allocation Plan - IV</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	<b>1,412,034</b>	-	-	<b>1,412,034</b>	1,561,226
<b>Al-Ameen Islamic Active Allocation Plan - V</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	<b>1,734,065</b>	-	-	<b>1,734,065</b>	2,287,263
<b>Al-Ameen Islamic Active Allocation Plan - VI</b>					
<b>Assets</b>					
Investment in mutual funds - financial assets at fair value through profit or loss - held for trading	<b>2,058,213</b>	-	-	<b>2,058,213</b>	2,469,916

There were no transfers between various levels of fair value hierarchy during the year.

## 19. 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 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	Syed Shabbir Sardar Zaidi	Fund Manager	9	M.A.S, CFA

\* Head of Risk - non voting observer

- 19.1 Mr. Shabbir Sardar Zaidi is also Fund Manager of Al-Ameen Islamic Retirement Savings Fund, Al-Ameen Dedicated Equity Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Active Allocation Plan VII, Al-Ameen Islamic Active Allocation Plan VIII, Al-Ameen Islamic Active Allocation Plan IX, Al-Ameen Islamic Active Allocation Plan X, Al-Ameen Islamic Active Principal Preservation Plan I and Al-Ameen Islamic Active Principal Preservation Plan II.

## 20. PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2018 -----			----- As at June 30, 2017 -----		
	Number of unit holders	Number of units held	Percentage of units held	Number of unit holders	Number of units held	Percentage of units held
<b>Al-Ameen Islamic Active Allocation Plan - I</b>						
Individuals	-	-	-	1,007	18,173,216	61.51
Associated companies and directors	-	-	-	1	1,407,548	4.76
Retirement funds	-	-	-	36	5,957,065	20.16
Public limited companies	-	-	-	1	-	-
Others	-	-	-	18	4,007,501	13.56
	-	-	-	1,063	29,545,330	100.00

Category	Number of unit holders	Number of units held	Percentage of units held	Number of unit holders	Number of units held	Percentage of units held		
			----- As at September 27, 2017 -----			----- As at June 30, 2017 -----		
<b>Al-Ameen Islamic Active Allocation Plan - II</b>								
Individuals	845	18,207,740	70.74	851	14,961,011	71.36		
Insurance companies	1	121,129	0.47	1	97,850	0.47		
Retirement funds	22	4,726,666	18.36	22	3,785,760	18.06		
Public limited companies	2	2,052,438	7.97	3	1,706,466	8.14		
Others	11	630,282	2.45	9	413,419	1.97		
	<b>881</b>	<b>25,738,255</b>	<b>100.00</b>	<b>886</b>	<b>20,964,506</b>	<b>100.00</b>		
			----- As at December 22, 2017 -----			----- As at June 30, 2017 -----		
<b>Al-Ameen Islamic Active Allocation Plan - III</b>								
Individuals	579	8,403,458	55.33	584	7,651,995	56.38		
Associated companies and directors	-	-	-	2	1,126,245	8.30		
Insurance companies	1	442,637	2.91	1	396,329	2.92		
Banks and DFIs	1	1,154,826	7.60	-	-	-		
Retirement funds	19	2,368,673	15.60	19	2,107,874	15.53		
Public limited companies	1	165,496	1.09	3	346,029	2.55		
Others	6	2,653,332	17.47	3	1,944,419	14.33		
	<b>607</b>	<b>15,188,422</b>	<b>100.00</b>	<b>612</b>	<b>13,572,891</b>	<b>100.00</b>		
			----- As at March 29, 2018 -----			----- As at June 30, 2017 -----		
<b>Al-Ameen Islamic Active Allocation Plan - IV</b>								
Individuals	499	9,173,818	66.48	502	8,088,221	66.21		
Associated companies and directors	-	-	-	4	1,144,311	9.37		
Insurance companies	1	56,785	0.41	1	49,300	0.40		
Banks and DFIs	1	1,181,448	8.56	-	-	-		
Retirement funds	9	1,123,903	8.14	9	968,918	7.93		
Others	6	2,263,348	16.40	6	1,965,025	16.09		
	<b>516</b>	<b>13,799,302</b>	<b>100.00</b>	<b>522</b>	<b>12,215,775</b>	<b>100.00</b>		
			----- As at June 30, 2018 -----			----- As at June 30, 2017 -----		
<b>Al-Ameen Islamic Active Allocation Plan - V</b>								
Individuals	787	11,168,286	66.31	853	12,412,250	62.22		
Associated companies and directors	1	1,022,687	6.07	4	1,043,100	5.23		
Retirement funds	19	3,103,062	18.42	18	3,027,617	15.18		
Public limited companies	-	-	-	4	2,116,401	10.61		
Others	10	1,547,754	9.19	8	1,350,214	6.77		
	<b>817</b>	<b>16,841,789</b>	<b>100.00</b>	<b>887</b>	<b>19,949,582</b>	<b>100.00</b>		
			----- As at June 30, 2018 -----			----- As at June 30, 2017 -----		
<b>Al-Ameen Islamic Active Allocation Plan - VI</b>								
Individuals	1,125	16,961,930	78.36	1,214	18,759,909	81.55		
Associated companies and directors	1	1,023,267	4.73	1	1,023,267	4.45		
Insurance companies	2	330,508	1.53	1	150,874	0.66		
Retirement funds	18	1,291,875	5.97	18	1,291,875	5.62		
Public limited companies	1	443,966	2.05	4	691,526	3.01		
Others	13	1,595,466	7.37	11	1,086,889	4.72		
	<b>1,160</b>	<b>21,647,012</b>	<b>100.00</b>	<b>1,249</b>	<b>23,004,340</b>	<b>100.00</b>		

## 21. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

- 21.1 Transactions with the connected persons are in the normal course of business, at agreed / contracted rates.
- 21.2 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 21.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 21.4 Details of transactions with related parties / connected persons and balances held with them including transactions and balances involving related parties at the year / period end are as follows:

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
<b>Al-Ameen Islamic Active Allocation Plan - II</b>						
<b>Transactions during the period</b>						
-----For the period ended September 27, 2017 -----						
----- (Units in '000) -----						
Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-
----- (Rupees in '000) -----						
Profit on savings accounts	-	649	-	-	-	-
Bank charges	-	1	-	-	-	-
Allocated expenses	646	-	-	-	-	-
Shariah advisor fee	11	-	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	2,722,939	-	-
Investment in mutual funds - redemption of units	-	-	-	2,753,388	-	-
Remuneration	-	-	616	-	-	-
Listing fee	-	5	-	-	-	-
<b>Balances held - unsecured</b>						
----- As at September 27, 2017 -----						
----- (Units in '000) -----						
Units held	-	-	-	-	-	-
----- (Rupees in '000) -----						
Value of units held	-	-	-	-	-	-
Bank balances	-	46,943	-	-	-	-
Investment in mutual funds - Units held	-	-	-	2,577,152	-	-
Profit receivable	-	191	-	-	-	-
Remuneration payable	-	-	183	-	-	-
Allocated expense payable	646	-	-	-	-	-
Shariah Advisor fee payable	11	-	-	-	-	-
----- Year ended June 30, 2017 -----						
----- (Units in '000) -----						
Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-
----- (Rupees in '000) -----						
Profit on savings accounts	-	3,196	-	-	-	-
Bank charges	-	4	-	-	-	-
Allocated expenses	2,902	-	-	-	-	-
Shariah advisor fee	62	-	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	-	-	-
Investment in mutual funds - redemption of units	-	-	-	-	-	-
Remuneration	-	-	2,742	-	-	-
Dividend received	-	-	-	73,946	-	-
Dividend paid	-	-	-	-	-	585

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
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**Al-Ameen Islamic Active Allocation Plan - II**

**Balances held - unsecured**

	-----As at June 30, 2017-----					
	----- (Units in '000) -----					
Units held	-	-	-	-	-	2,913
	----- (Rupees in '000) -----					
Value of units held	-	-	-	-	-	387,953
Bank balances	-	49,083	-	-	-	-
Investment in mutual funds - Units held	-	-	-	2,775,260	-	-
Remuneration payable	-	-	227	-	-	-
Allocated expenses payable	505	-	-	-	-	-
Shariah Advisor fee payable	9	-	-	-	-	-
Profit receivable	-	522	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - III**

**Transactions during the period**

	-----Period ended December 22, 2017-----					
	----- (Units in '000) -----					
Units issued	-	13	-	-	-	16
Units redeemed	-	-	-	-	-	9
	----- (Rupees in '000) -----					
Profit on savings accounts	-	127	-	-	-	-
Bank charges	-	51	-	-	-	-
Allocated expenses	774	-	-	-	-	-
Shariah advisor fee	38	-	-	-	-	-
Investment in mutual funds - purchase of units	-	1,625	-	4,000,174	-	2,058
Investment in mutual funds - redemption of units	-	-	-	4,019,005	-	927
Remuneration	-	-	791	-	-	-
Listing fee	-	5	-	-	-	-

**Balances held - unsecured**

	-----As at December 22, 2017-----					
	----- (Units in '000) -----					
Units held	-	1,155	-	-	-	1,660
	----- (Rupees in '000) -----					
Value of units held	-	117,117	-	-	-	168,324
Bank balances	-	3,940	-	-	-	-
Investment in mutual funds - Units held	-	-	-	1,559,268	-	-
Profit receivable	-	15	-	-	-	-
Remuneration payable	-	-	96	-	-	-
Allocated expense payable	93	-	-	-	-	-
Shariah Advisor fee payable	1	-	-	-	-	-
Other payable	4	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
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**Al-Ameen Islamic Active Allocation Plan - III**

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-----Year ended June 30, 2017-----

----- (Units in '000) -----

**Transactions during the year**

Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-

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

Profit on savings accounts	-	551	-	-	-	-
Bank charges	-	2	-	-	-	-
Allocated expenses	1,742	-	-	-	-	-
Shariah advisor fee	56	-	-	-	-	-
Investment in mutual funds - purchase of units	-	22	-	-	-	-
Investment in mutual funds - redemption of units	-	-	-	-	-	-
Remuneration	-	-	1,759	-	-	-
Dividend received	-	-	-	46,319	-	-
Dividend paid	-	1,780	-	-	-	2,368

**Balances held - unsecured**

-----As at June 30, 2017-----

----- (Units in '000) -----

Units held	-	1,112	-	-	-	1,470
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----- (Rupees in '000) -----

Value of units held	-	142,013	-	-	-	187,733
Bank balances	-	6,977	-	-	-	-
Investment in mutual funds - Units held	-	-	-	1,765,371	-	-
Remuneration payable	-	-	149	-	-	-
Allocated expenses payable	307	-	-	-	-	-
Shariah Advisor fee payable	3	-	-	-	-	-
Profit receivable	-	38	-	-	-	-

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**Al-Ameen Islamic Active Allocation Plan - IV**

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-----Period ended March 29, 2018-----

----- (Units in '000) -----

**Transactions during the period**

Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-

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

Profit on savings accounts	-	590	-	-	-	-
Bank charges	-	51	-	-	-	-
Allocated expenses	1,057	-	-	-	-	-
Shariah advisor fee	64	-	-	-	-	-
Investment in mutual funds - purchase of units	-	1,933	-	2,701,781	2	2,483
Investment in mutual funds - redemption of units	-	-	-	2,731,395	1	1,092
Remuneration	-	-	1,074	-	-	-
Listing fee	-	5	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
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**Al-Ameen Islamic Active Allocation Plan - IV**

**Balances held - unsecured**

	-----As at March 29, 2018-----					
	----- (Units in '000) -----					
Units held	-	1,181	-	-	1	1,720
	----- (Rupees in '000) -----					
Value of units held	-	120,049	-	-	102	174,838
Bank balances	-	12,259	-	-	-	-
Investment in mutual funds - Units held	-	-	-	1,412,034	-	-
Profit receivable	-	55	-	-	-	-
Remuneration payable	-	-	97	-	-	-
Allocated expense payable	336	-	-	-	-	-
Shariah Advisor fee payable	9	-	-	-	-	-
Other payable	5	-	-	-	-	-

-----Year ended June 30, 2017-----

----- (Units in '000) -----

**Transactions during the year**

Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	15	-
	----- (Rupees in '000) -----					
Profit on savings accounts	-	1,529	-	-	-	-
Bank charges	-	3	-	-	-	-
Allocated expenses	1,550	-	-	-	-	-
Shariah advisor fee	64	-	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	-	-	-
Investment in mutual funds - redemption of units	-	-	-	-	1,821	-
Remuneration	-	-	1,596	-	-	-
Dividend received	-	-	-	41,422	-	-
Dividend paid	-	1,933	-	-	241	2,838

**Balances held - unsecured**

	-----As at June 30, 2017-----					
	----- (Units in '000) -----					
Units held	-	1,017	-	-	127	1,494
	----- (Rupees in '000) -----					
Value of units held	-	128,232	-	-	16,013	188,376
Bank balances	-	17,764	-	-	-	-
Investment in mutual funds - Units held	-	-	-	1,561,226	-	-
Remuneration payable	-	-	135	-	-	-
Allocated expenses payable	276	-	-	-	-	-
Shariah Advisor fee payable	10	-	-	-	-	-
Profit receivable	-	79	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
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**Al-Ameen Islamic Active Allocation Plan - V**

**Transactions during the period**

	-----Year ended June 30, 2018 -----					
	----- (Units in '000) -----					
Units issued	-	22	-	-	-	-
Units redeemed	-	-	-	-	-	-
	----- (Rupees in '000) -----					
Profit on savings accounts	-	1,517	-	-	-	-
Bank charges	-	17	-	-	-	-
Allocated expenses	1,906	-	-	-	-	-
Shariah advisor fees	105	-	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	3,235,485	-	-
Investment in mutual funds - redemption of units	-	-	-	3,599,978	-	-
Remuneration	-	-	1,830	-	-	-
Listing fee	-	5	-	-	-	-

**Balances held - unsecured**

	----- As at June 30, 2018 -----					
	----- (Units in '000) -----					
Units held	-	1,023	-	-	-	-
	----- (Rupees in '000) -----					
Value of units held	-	106,259	-	-	-	-
Bank balances	-	24,654	-	-	-	-
Investment in mutual funds - Units held	-	-	-	1,734,065	-	-
Profit receivable	-	126	-	-	-	-
Remuneration payable	-	-	134	-	-	-
Allocated expense payable	299	-	-	-	-	-
Shariah Advisor fee payable	13	-	-	-	-	-

**Transactions during the year**

	-----Year ended June 30, 2017 -----					
	----- (Units in '000) -----					
Units issued	-	1,001	-	-	43	2,915
Units redeemed	-	-	-	-	-	-
	----- (Rupees in '000) -----					
Profit on savings accounts	-	5,121	-	-	-	-
Bank charges	-	6	-	-	-	-
Allocated expenses	2,015	-	-	-	-	-
Shariah advisor fees	57	-	-	-	-	-
Investment in mutual funds - purchase of units	-	100,056	-	-	122	100,098
Investment in mutual funds - redemption of units	-	-	-	-	-	-
Remuneration	-	-	1,956	-	-	-
Dividend received	-	-	-	60,835	-	-
Dividend paid	-	2,501	-	-	106	7,287

**Balances held - unsecured**

	-----As at June 30, 2017 -----					
	----- (Units in '000) -----					
Units held	-	1,001	-	-	43	976
	----- (Rupees in '000) -----					
Value of units held	-	113,172	-	-	4,862	110,346
Bank balances	-	27,555	-	-	-	-
Investment in mutual funds - Units held	-	-	-	2,287,263	-	-
Remuneration payable	-	-	188	-	-	-
Allocated expenses payable	405	-	-	-	-	-
Shariah Advisor fee payable	10	-	-	-	-	-
Profit receivable	-	111	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other connected persons/ related parties***
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**Al-Ameen Islamic Active Allocation Plan - VI**

**Transactions during the period**

	-----Year ended June 30, 2018-----					
	----- (Units in '000) -----					
Units issued	-	23	-	-	-	-
Units redeemed	-	-	-	-	-	-
	----- (Rupees in '000) -----					
Profit on savings accounts	-	2,210	-	-	-	-
Bank charges	-	26	-	-	-	-
Allocated expenses	2,210	-	-	-	-	-
Shariah advisor fees	106	-	-	-	-	-
Investment in mutual funds - purchase of units	-	-	-	2,174,749	-	-
Investment in mutual funds - redemption of units	-	-	-	(2,352,951)	-	-
Remuneration	-	-	2,096	-	-	-
Listing fee	-	6	-	-	-	-

**Balances held - unsecured**

	-----As at June 30, 2018-----					
	----- (Units in '000) -----					
Units held	-	1,023	-	-	-	-
	----- (Rupees in '000) -----					
Value of units held	-	97,656	-	-	-	-
Bank balances	-	14,213	-	-	-	-
Investment in mutual funds - Units held	-	-	-	2,058,213	-	-
Profit receivable	-	69	-	-	-	-
Remuneration payable	-	-	160	-	-	-
Allocated expense payable	356	-	-	-	-	-
Shariah Advisor fee payable	13	-	-	-	-	-
Other payable	1	-	-	-	-	-

**Transactions during the year**

	-----Year ended June 30, 2017-----					
	----- (Units in '000) -----					
Units issued	-	1,001	-	-	-	591
Units redeemed	-	-	-	-	-	-
	----- (Rupees in '000) -----					
Profit on savings accounts	-	2,734	-	-	-	-
Bank charges	-	-	-	-	-	-
Allocated expenses	1,578	-	-	-	-	-
Shariah advisor fees	40	-	-	-	-	-
Investment in mutual funds - purchase of units	-	100,051	-	-	-	60,115
Investment in mutual funds - redemption of units	-	-	-	-	-	-
Remuneration	-	-	1,508	-	-	-
Dividend received	-	-	-	64,400	-	-
Dividend paid	-	2,401	-	-	-	1,419

**Balances held - unsecured**

	-----As at June 30, 2017-----					
	----- (Units in '000) -----					
Units held	-	1,001	-	-	-	591
	----- (Rupees in '000) -----					
Value of units held	-	105,623	-	-	-	62,361
Bank balances	-	18,138	-	-	-	-
Investment in mutual funds - Units held	-	-	-	2,469,916	-	-
Remuneration payable	-	-	201	-	-	-
Allocated expenses payable	446	-	-	-	-	-
Shariah Advisor fee payable	10	-	-	-	-	-
Profit receivable	-	90	-	-	-	-
Other payable	-	-	-	-	-	-

\* This represents parent (including the related subsidiaries of the parent) of the Management Company, associated companies / undertakings of the Management Company.

\*\* These includes transactions and balance in relation to those directors and key executives that existed as at year end. However, it does not include the transaction and balances whereby director and key executive has resigned from the management company during the year

\*\*\* This represents the person having 10% or more holding in each year.

## 22. 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:

	August 23, 2017	September 25, 2017	October 27, 2017	December 06, 2017	February 16, 2018	April 26, 2018	May 02, 2018	Total meetings attended
<b>Directors:</b>								
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
Zulfiqar Alavi ***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
<b>Key Executives:</b>								
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. 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.

## 23. CONTINGENCIES AND COMMITMENTS

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

## 24. COMMITTED CREDIT LINES

The Securities and Exchange Commission of Pakistan vide Direction No. 2 of 2017 dated January 13, 2017, has directed all Asset Management Companies to arrange committed credit lines from banks / DFIs for the equity funds and fund of funds equivalent to 10% of its net assets and to review it at least on quarterly basis against net assets of the funds. Accordingly, the Fund has obtained committed credit lines of PKR 2,164 million which represents 15.75% of net asset of the Fund as at June 30, 2017 at a rate of 3 months KIBOR plus 2%. However, SECP through vide Direction No. 37 of 2017 dated December 29, 2017 has withdrawn the requirement for asset management to arrange aforesaid committed credit lines

## 25. GENERAL

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

## 26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on Aug 28, 2018 by the Board of Directors of the Management Company.

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

# AIFPF-II

**Al-Ameen Islamic Financial Planning Fund**  
Al-Ameen Islamic Active Allocation Plan - VII - X  
Al-Ameen Islamic Conservative Allocation Plan  
Al-Ameen Islamic Active Principal Preservation Plan-I

## INVESTMENT OBJECTIVE

AIFPF-II is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	BDO Ebrahim & Co
<b>Bankers</b>	United Bank Limited Allied Bank Limited Faysal Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-VII (AIActAP-VII)

i) **Description of the Collective Investment Scheme category and type**

Shariah Compliant Fund of Funds Scheme/ Open-end

i) **Statement of Collective Investment Scheme's investment objective**

AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

ii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**

The fund achieved its stated objective.

iii) **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan

iv) **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
AIActAP-VII	-0.32%	-7.46%	1.02%	-3.63%	0.42%	0.43%	5.21%	-1.95%	3.48%	0.41%	-2.97%	-2.44%	-8.10%
Benchmark	1.86%	-8.83%	1.97%	-4.18%	1.03%	0.68%	6.75%	-1.44%	4.19%	0.28%	-3.72%	-1.88%	-4.16%

v) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 21-Feb-17. During FY18, AIActAP-VII generated a return of -8.10%. In line with the equity strategy, the Fund Manager maintained exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'18 stood at 75%. The remaining funds of 24% were invested in Al-Ameen Islamic Sovereign Fund and 1% in Cash. The net assets of the Fund were PKR 1,651 million as at June 30, 2018 representing the net asset value of PKR 90.1436 per unit.

**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
Equity Funds	51%	75%
Money Market Funds	0%	0%
Income Funds	48%	24%
Others	0%	0%

Cash	2%	1%
Leverage	Nil	Nil

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

FY'18 Return:	-8.10%
Standard Deviation (12m trailing):	12.57%
Sharpe Ratio (12m trailing):	(1.13)

vii) **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		
01-Jul-17	30-Jun-18	Change	01-Jul-17	30-Jun-18	Change
Rupees (000)		%	Rupees		%
2,250,469	1,651,162	(26.63)	98.0880	90.1436	(8.10)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIACTAP-VII are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

**ix) Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

**x) 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 state of affairs of the scheme.

**xi) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIActAP-VII
0.0001 - 9,999.9999	865
10,000.0000 - 49,999.9999	226
50,000.0000 - 99,999.9999	48
100,000.0000 - 499,999.9999	27
500,000.0000 & Above	2
<b>Total</b>	<b>1168</b>

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

There were no unit splits during the period.

**xiii) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

**xiv) 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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-VIII (AIActAP-VIII)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-VIII	0.63%	-6.89%	0.70%	-3.75%	0.47%	0.49%	5.27%	-1.96%	3.52%	0.40%	-3.07%	-2.43%	-6.99%
Benchmark	1.29%	-8.29%	1.95%	-4.26%	1.03%	0.71%	6.82%	-1.45%	4.22%	0.26%	-3.84%	-1.89%	-4.26%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 30-May-17. During FY18, AIActAP-VIII generated a return of -6.99% against the benchmark return of -4.26%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'18 stood at 76%. The remaining funds of 24% were invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 4,326 million as at June 30, 2018 representing the net asset value of PKR 90.0985 per unit.

**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
Equity Funds	35%	76%
Money Market Funds	0%	0%

Income Funds	64%	24%
Others	0%	0%
Cash	0%	0%
Leverage	Nil	Nil

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

FY'18 Return:	-6.99%
Standard Deviation (12m trailing):	11.94%
Sharpe Ratio (12m trailing):	(1.10)

viii) **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		
01-Jul-17	30-Jun-18	Change	01-Jul-17	30-Jun-18	Change
Rupees (000)			Rupees		
%			%		
4,994,943	4,325,796	(13.40)	96.8685	90.0985	(6.99)

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AI ACTAP-VIII are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

**x) Disclosure on distribution (if any), comprising:-**

During the year no distribution has been made.

**xi) 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 state of affairs of the scheme.

**xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIActAP-VIII
0.0001 - 9,999.9999	1773
10,000.0000 - 49,999.9999	644
50,000.0000 - 99,999.9999	102
100,000.0000 - 499,999.9999	66
500,000.0000 & Above	4
<b>Total</b>	<b>2589</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-IX (AIActAP-IX)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-IX	-	-0.28%	0.11%	-2.63%	0.30%	0.54%	4.78%	-1.74%	3.31%	0.31%	-2.93%	-2.37%	-0.89%
Benchmark	-	-0.06%	0.82%	-3.01%	0.69%	0.68%	6.28%	-1.29%	3.91%	0.16%	-3.76%	-1.86%	2.15%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**  
The Fund was launched on 31-Aug-17. During FY18, AIActAP-IX generated a return of -0.89%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'18 stood at 75%. The remaining 25% funds were invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 3,610 million as at June 30, 2018 representing the net asset value of PKR 99.1053 per unit.

**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
Equity Funds	0%	75%
Money Market Funds	0%	0%
Income Funds	0%	25%
Others	0%	0%
Cash	0%	0%
Leverage	Nil	Nil

vii) **Analysis of the Collective Investment Scheme’s performance**

FY’18 Return: -0.89%  
Standard Deviation (12m trailing): n/a  
Sharpe Ratio (12m trailing): n/a

viii) **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		
31-Dec-17	30-Jun-18	Change	31-Dec-17	30-Jun-18	Change
Rupees (000)		%	Rupees		%
3,903,608	3,610,270	(7.51)	99.7214	99.1053	(0.62)

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

The fund is an Islamic Allocation Plan under the “Al-Ameen Islamic Financial Planning Fund-II” that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager’s outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIACTAP-IX are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

**x) Disclosure on distribution (if any), comprising:-**

During the period no distribution has been made.

**xi) 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 state of affairs of the scheme.

**xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIActAP-IX
0.0001 - 9,999.9999	1448
10,000.0000 - 49,999.9999	563
50,000.0000 - 99,999.9999	70
100,000.0000 - 499,999.9999	37
500,000.0000 & Above	4
<b>Total</b>	<b>2122</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Allocation Plan-X (AIActAP-X)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the active allocation plan
- 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
AIActAP-X	-	-	-	-	-	1.51%	3.91%	-1.50%	2.77%	0.23%	-2.84%	-2.23%	1.66%
Benchmark	-	-	-	-	-	2.08%	5.24%	-1.04%	3.43%	0.01%	-3.64%	-1.79%	4.07%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 15-Dec-17. Since inception, AIActAP-X generated a return of 1.66%. In line with the equity strategy, the Fund's exposure to equity related funds (through Al-Ameen Islamic Dedicated Equity Fund) as at June'18 stood at 72% while 23% was invested in Al-Ameen Islamic Sovereign Fund (Shariah Compliant Income fund). The net assets of the Fund were PKR 1,719 million as at June 30, 2018 representing the net asset value of PKR 101.6568 per unit.

**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
Equity Funds	0%	72%
Money Market Funds	0%	4%
Income Funds	0%	23%

Others	0%	0%
Cash	0%	0%
Leverage	Nil	Nil

vii) **Analysis of the Collective Investment Scheme’s performance**

FY'18 Return:	1.66%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

viii) **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		
15-Dec-17	30-Jun-18	Change	15-Dec-17	30-Jun-18	Change
Rupees (000)		%	Rupees		%
1,719,307	1,718,622	(0.04)	100.1097	101.6568	1.55

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

The fund is an Islamic Allocation Plan under the “Al-Ameen Islamic Financial Planning Fund-II” that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager’s outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIACTAP-X are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

- x) **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

Distribution			Per unit		
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
Rupees (000)			----- Rupees -----		
02-Jul-18	-	697	0.0368	101.6568	101.6200

- xi) **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 state of affairs of the scheme.
- xii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIActAP-X
0.0001 - 9,999.9999	811
10,000.0000 - 49,999.9999	218
50,000.0000 - 99,999.9999	42
100,000.0000 - 499,999.9999	22
500,000.0000 & Above	2
<b>Total</b>	<b>1095</b>

- xiii) **Disclosure on unit split (if any), comprising:-**  
 There were no unit splits during the period.
- xiv) **Disclosure of circumstances that materially affect any interests of unit holders**  
 Investment are subject to credit and market risk.
- xv) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the 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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Conservative Allocation Plan – (AICONAP)

i) **Description of the Collective Investment Scheme category and type**

Shariah Compliant Fund of Funds Scheme/ Open-end

ii) **Statement of Collective Investment Scheme's investment objective**

The "Al-Ameen Islamic Conservative Allocation Plan" is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund - II". AIFPF II is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**

The fund achieved its stated objective.

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP and 6M PKISRV rates on basis of actual investment by the active allocation plan

i) **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
AICONAP	-	-	-	-	4.30%	4.24%	4.71%	4.94%	4.90%	5.32%	5.02%	5.19%	4.84%
Benchmark	-	-	-	-	2.59%	2.58%	2.58%	2.58%	2.59%	2.60%	2.60%	2.61%	2.59%

ii) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 9-Nov-17. Since inception, AICONAP generated a return of 4.84%. For June'18 the Fund Managers maintained 100% exposure in Al-Ameen Islamic Money market (through Al-Ameen Islamic Cash Fund). The fund matured on 29 Jun 2018. The net assets of the Fund were PKR 180mn as at June 29, 2018 representing the net asset value of PKR 100.1018 per unit.

**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
Money Market Funds	0%	100%
Income Funds	0%	0%
Others	0%	0%
Cash	0%	0%
Leverage	Nil	Nil

iii) **Analysis of the Collective Investment Scheme’s performance**

FY’18 Return: 4.84%  
 Standard Deviation (12m trailing): n/a  
 Sharpe Ratio (12m trailing): n/a

iv) **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	09-NOV-17	Change	30-Jun-18	09-NOV-17	Change
Rupees (000)		%	Rupees		%
0	5,001	(100)	0	100.0118	(100)

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

The fund is an Islamic Conservative Allocation Plan under the “Al-Ameen Islamic Financial Planning Fund-II” that actively invests in Islamic Money Market/ Income based on the Fund Manager’s outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AICONAP is fixed income CIS and the market reviews are as follows:

**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.

- vi) **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

Distribution			Per unit		
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
Rupees (000)			----- Rupees -----		
December 28, 2017	389	-	0.598	100.5890	100
January 26, 2018	183	-	0.3320	100.3320	100
February 28, 2018	343	-	0.4305	100.4305	100
March 29, 2018	486	-	0.4035	100.4035	100
April 27, 2018	1,168	-	0.3868	100.3869	100.0001
April 27, 2018	-	0.2784	0.0001	100.0001	100
May 30, 2018	1,520	-	0.4428	100.4558	100.0130
May 30, 2018	-	47	0.0130	100.0130	100
June 24, 2018	1,153	-	0.3137	100.3151	100.0014
June 24, 2018	-	5	0.0014	100.0014	100

- vii) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AICONAP
0.0001 - 9,999.9999	0
10,000.0000 - 49,999.9999	0
50,000.0000 - 99,999.9999	0
100,000.0000 - 499,999.9999	0
500,000.0000 & Above	0
<b>Total</b>	<b>0</b>

- ix) **Disclosure on unit split (if any), comprising:-**  
There were no unit splits during the period.
  
- x) **Disclosure of circumstances that materially affect any interests of unit holders**  
Investment are subject to credit and market risk.
  
- xi) **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.

## Fund Manager's Report – Al-Ameen Islamic Financial Planning Fund – II

### Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I)

- i) **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Fund of Funds Scheme/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**  
AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.
- iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**  
The fund achieved its stated objective.
- iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan
- 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
AIAPPP-I	-	-	-	-	-	-	-	-	0.67%	0.33%	-0.42%	-0.13%	0.44%
Benchmark	-	-	-	-	-	-	-	-	0.61%	0.15%	-0.76%	-0.24%	-0.25%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

The Fund was launched on 20-Mar-18. Since inception, AIAPPP-I generated a return of 0.44%. The plan's exposure to local equities (through Al-Ameen Islamic Dedicated Equity Fund) as at June18 stood at 9% while the remaining 91% was invested in Al-Ameen Islamic Money market (through Al-Ameen Islamic Cash Fund). The net assets of the Fund were PKR 2,150 million as at June 30, 2018 representing the net asset value of PKR 100.4416 per unit.

**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
Equity Funds	0%	9%
Money Market Funds	0%	91%
Income Funds	0%	0%
Others	0%	0%

Cash	0%	0%
Leverage	Nil	Nil

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

FY'18 Return:	0.44%
Standard Deviation (12m trailing):	n/a
Sharpe Ratio (12m trailing):	n/a

**viii) 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		
20-Mar-18	30-Jun-18	Change	20-Mar-18	30-Jun-18	Change
Rupees (000)		%	Rupees		%
2,156,048	2,149,930	(0.28)	100.2326	100.4416	0.21

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-II" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-II-AIAPP-I are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

**x) Disclosure on distribution (if any), comprising:-**

During the period no distribution has been made.

**xi) 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 state of affairs of the scheme.

**xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	AIAPPP-I
0.0001 - 9,999.9999	735
10,000.0000 - 49,999.9999	257
50,000.0000 - 99,999.9999	41
100,000.0000 - 499,999.9999	29
500,000.0000 & Above	2
<b>Total</b>	<b>1064</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

### Al-Ameen Islamic Active Allocation Plan-VII

	2018	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>1,651,162</b>	2,250,469
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>90.1436</b>	98.0880
- Redemption	<b>86.5379</b>	94.1645
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(8.10)</b>	(1.91)
Capital Growth (per unit)	<b>(8.10)</b>	(1.91)
Date of Income Distribution	-	30-Jun-17
Income Distribution	-	-
<b>AVERAGE ANNUAL RETURN - %</b>		
Since Launch/ One Year	<b>(8.10)</b>	(1.91)
Second Year	<b>(5.01)</b>	(1.91)
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>99.4569</b>	106.5100
Highest price per unit - Class A units - Redemption	<b>99.4569</b>	106.5100
Lowest price per unit - Class A units - Offer	<b>85.0438</b>	100.0000
Lowest price per unit - Class A units - Redemption	<b>81.6420</b>	96.0000

\* Contingent load @ 4% is applicable

### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances	<b>1</b>	1
Income funds	<b>24.00</b>	48.00
Equity Funds	<b>75.00</b>	51.00

### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
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Note:

- The Launch date of Fund is 21 Feb 2017.

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-VIII

	<b>2018</b>	2017
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>4,325,796</b>	4,994,943
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>		
Class A units - Offer	<b>90.0985</b>	96.8685
- Redemption	<b>86.4946</b>	92.9938
<b>RETURN OF THE FUND - %</b>		
Total Return of the Fund	<b>(6.99)</b>	(3.13)
Capital Growth (per unit)	<b>(6.99)</b>	(3.13)
Date of Income Distribution	-	30-Jun-17
Income Distribution	-	-
<b>AVERAGE ANNUAL RETURN - %</b>		
Since Launch/ One Year	<b>(6.99)</b>	(3.13)
Second Year	<b>(5.06)</b>	(3.13)
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>		
Highest price per unit - Class A units - Offer	<b>99.0232</b>	100.5239
Highest price per unit - Class A units - Redemption	<b>95.0623</b>	96.5029
Lowest price per unit - Class A units - Offer	<b>84.9751</b>	95.4487
Lowest price per unit - Class A units - Redemption	<b>81.5761</b>	91.6308

\* Contingent load @ 4% is applicable

### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances	-	1.00
Income funds	<b>24.00</b>	64.00
Equity Funds	<b>76.00</b>	35.00

### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>	100
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Note:

- The Launch date of Fund is 30th May 2017.

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al-Ameen Islamic Active Allocation Plan-IX

	<b>2018</b>
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>3,610,270</b>
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>	
Class A units - Offer	<b>99.1053</b>
- Redemption	<b>95.1411</b>
<b>RETURN OF THE FUND - %</b>	
Total Return of the Fund	<b>(0.89)</b>
Capital Growth (per unit)	<b>(0.89)</b>
Date of Income Distribution	-
Income Distribution	-
Date of Income Distribution	-
Income Distribution	-
<b>AVERAGE ANNUAL RETURN - %</b>	
One Year	<b>(0.89)</b>
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>	
Highest price per unit - Class A units - Offer	<b>106.2887</b>
Highest price per unit - Class A units - Redemption	<b>102.0372</b>
Lowest price per unit - Class A units - Offer	<b>94.1822</b>
Lowest price per unit - Class A units - Redemption	<b>90.4149</b>

\* Contingent load @ 4% is applicable

#### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

#### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds	<b>75</b>
Income Funds	<b>25</b>

#### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100.00</b>
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Note:

- The Launch date of Fund is 31 August 2017

#### **DISCLAIMER**

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

## **PERFORMANCE TABLE**

Al-Ameen Islamic Active Allocation Plan-X

**2018**

**NET ASSETS AS AT 30 JUNE - Rupees in '000** **1,718,622**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer **101.6568**  
- Redemption **97.5905**

**RETURN OF THE FUND - %**

Total Return of the Fund **1.66**  
Capital Growth (per unit) **1.66**  
Date of Income Distribution -  
Income Distribution -

**AVERAGE ANNUAL RETURN - %**

One Year **1.66**

**OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer **108.6891**  
Highest price per unit - Class A units - Redemption **104.3415**

Lowest price per unit - Class A units - Offer **99.1413**  
Lowest price per unit - Class A units - Redemption **95.1756**

\* Contingent load @ 4% is applicable

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Bank balances **1**  
Equity Funds **72**  
Money Market Funds **4**  
Income Funds **23**

**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds **100**

Note:

- The Launch date of Fund is 15th December 2017

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

Al Ameen Islamic Conservative Allocation Plan

**2018**

**NET ASSETS AS AT 30 JUNE - Rupees in '000** **0**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer	100.28
- Redemption	100.00

**RETURN OF THE FUND - %**

Total Return of the Fund	<b>4.53</b>
Capital Growth (per unit)	<b>4.53</b>
Date of Income Distribution	-
Income Distribution	-

**AVERAGE ANNUAL RETURN - %**

One Year	<b>4.53</b>
Second Year	<b>4.53</b>
Third Year	<b>4.53</b>
Since inception	<b>4.53</b>

**OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer	100.88
Highest price per unit - Class A units - Redemption	100.60
Lowest price per unit - Class A units - Offer	100.28
Lowest price per unit - Class A units - Redemption	100.00

\* Front-end load @ 2.5% is applicable

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Money Market Funds	100.00
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**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100.00</b>
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Note:

- The Launch date of Fund is 9th November 2017

## **DISCLAIMER**

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

## **PERFORMANCE TABLE**

### Al Ameen Islamic Active Principal Preservation Plan - I

	<b>2018</b>
<b>NET ASSETS AS AT 30 JUNE - Rupees in '000</b>	<b>2,149,930</b>
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *</b>	
Class A units - Offer	<b>100.4416</b>
- Redemption	<b>96.4239</b>
<b>RETURN OF THE FUND - %</b>	
Total Return of the Fund	<b>0.44</b>
Capital Growth (per unit)	<b>0.44</b>
Date of Income Distribution	-
Income Distribution	-
Income Distribution	-
<b>AVERAGE ANNUAL RETURN - %</b>	
One Year	<b>0.44</b>
<b>OFFER / REPURCHASE DURING THE YEAR- Rupees *</b>	
Highest price per unit - Class A units - Offer	<b>101.2026</b>
Highest price per unit - Class A units - Redemption	<b>97.1545</b>
Lowest price per unit - Class A units - Offer	<b>100.0000</b>
Lowest price per unit - Class A units - Redemption	<b>96.0000</b>

\* Contingent load @ 4% is applicable

#### **PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

#### **PORTFOLIO COMPOSITION BY CATEGORY - %**

Equity Funds	<b>9</b>
Money Market Funds	<b>91</b>

#### **PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds	<b>100</b>
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Note:

- The Launch date of Fund is 20th March 2018

## **DISCLAIMER**

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

**Head Office:**  
CDC House, 99-B, Block 'B',  
S.M.C.H.S., Main Shakra-e-Faisal,  
Karachi - 74400, Pakistan.  
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Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - II

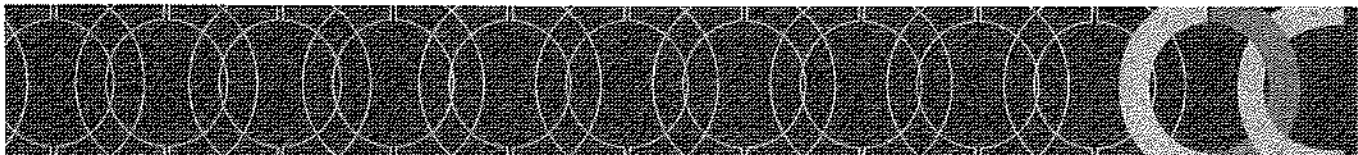
#### Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Financial Planning Fund - II (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 25, 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 AIFPF-II- AIActAP-VII in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIActAP-VII 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 AIFPF-II- AIActAP-VII for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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**

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 AIFPF-II- AIActAP-VIII in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIActAP-VIII 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 AIFPF-II- AIActAP-VIII for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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**

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:

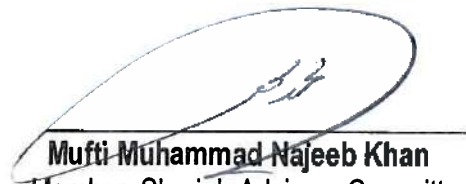
- i. We have reviewed and approved the modes of investments of AIFPF-II- AIActAP-IX in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIActAP-IX by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.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

During the year, PKR Nil amount 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**

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:

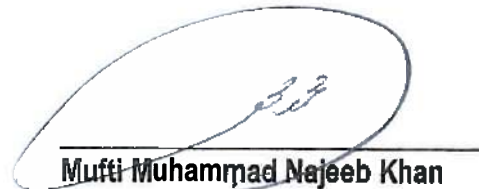
- i. We have reviewed and approved the modes of investments of AIFPF-II- AIActAP-X in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIActAP-X by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.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

During the year, PKR Nil amount 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**

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 AIFPF II - AICONAP in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF II - AICONAP 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 AIFPF II - AICONAP for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount has been recognized as charity.

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



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**Mufti Muhammad Hassaan Kaleem**  
Member, Shariah Advisory Committee



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**Mufti Muhammad Najeeb Khan**  
Member, Shariah Advisory Committee

**KARACHI:**  
**DATE: 08 August 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:

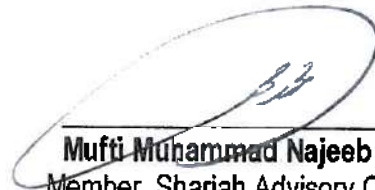
- i. We have reviewed and approved the modes of investments of AIFPF-II- AIAPPP-I in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-II- AIAPPP-I by UBL Fund Managers are Shariah compliant and in accordance with the criteria established.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

During the year, PKR 1,884 amount 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 FINANCIAL PLANNING FUND – II**

**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 Financial Planning Fund – II (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.



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 FINANCIAL PLANNING FUND - II 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 Financial Planning Fund - II (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 Financial Planning Fund - II (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 Financial Planning Fund il ("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 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.

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"><li>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</li></ul>

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 4.10 to the financial statements of the Fund)</p>	<p>loss and bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed".</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

S.NO	Key audit matter(s)	How the matter was addressed in our audit
2.	<p><b>Existence and valuation of investments</b></p> <p>As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2018, the investments held by the Fund comprised of investments in mutual funds managed by the Asset Management Company of the Fund which represent 99.79 % of the total assets in each plan of the Fund as at the year end.</p> <p>As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund.</p> <p>In view of the significance of such investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We tested controls over acquisition, disposals and periodic valuation of the said investments and performed substantive audit procedures on year-end balance of portfolio including review of unitholders' statement and re-performance of valuation of mutual funds units on the basis of net assets value per unit of the investee funds at year end.</li> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and constitutive documents in relation to the investments in units of prescribed mutual funds and exposure limits prescribed in such Regulations and documents and the adequacy of disclosures as may be applicable in situations of non-compliance.</li> <li>• We evaluated the adequacy of the overall disclosures in the financial statements in respect of investments in mutual funds in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of such investments are compliant with the relevant accounting standards.</li> </ul>

**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 year 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 FINANCIAL PLANNING FUND - II  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2018

		June 30, 2018						
		AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	Total
Note		(Rupees in '000)						
<b>ASSETS</b>								
	5	10,508	4,920	300	510	6,012	316	22,566
	6	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686
	7	54	23	23	-	29	64	193
	8	761	-	-	-	-	-	761
	9	1,380	-	-	-	-	-	1,380
<b>TOTAL ASSETS</b>		<b>1,652,982</b>	<b>4,330,318</b>	<b>3,613,663</b>	<b>510</b>	<b>1,719,831</b>	<b>2,151,282</b>	<b>13,468,586</b>
<b>LIABILITIES</b>								
	10	288	749	624	46	298	706	2,711
	11	120	315	263	24	125	154	1,001
	12	1,368	3,417	2,389	91	726	456	8,447
	13	44	41	117	349	60	36	647
<b>TOTAL LIABILITIES</b>		<b>1,820</b>	<b>4,522</b>	<b>3,393</b>	<b>510</b>	<b>1,209</b>	<b>1,352</b>	<b>12,806</b>
<b>NET ASSETS</b>		<b>1,651,162</b>	<b>4,325,796</b>	<b>3,610,270</b>	<b>-</b>	<b>1,718,622</b>	<b>2,149,930</b>	<b>13,455,780</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,651,162</b>	<b>4,325,796</b>	<b>3,610,270</b>	<b>-</b>	<b>1,718,622</b>	<b>2,149,930</b>	<b>13,455,780</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		(Number of Units)						
<b>NUMBER OF UNITS IN ISSUE</b>		<b>18,317,023</b>	<b>48,011,863</b>	<b>36,428,630</b>	<b>-</b>	<b>16,906,117</b>	<b>21,404,780</b>	
<b>NET ASSETS VALUE PER UNIT</b>		<b>90.1436</b>	<b>90.0985</b>	<b>99.1053</b>	<b>-</b>	<b>101.6568</b>	<b>100.4416</b>	

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND - II  
STATEMENT OF ASSETS AND LIABILITIES (Continued)  
AS AT JUNE 30, 2018**

	Note	June 30, 2017		Total
		AIACTAP-VII	AIACTAP-VIII	
		(Rupees in '000)		
<b>ASSETS</b>				
Bank balances	5	39,968	10,471	50,439
Investments	6	2,233,114	5,000,993	7,234,107
Mark-up / interest receivable	7	177	354	531
Prepayments and other receivables	8	473	1,043	1,516
Preliminary expenses and floatation costs	9	3,523	-	3,523
<b>TOTAL ASSETS</b>		<u>2,277,255</u>	<u>5,012,861</u>	<u>7,290,116</u>
<b>LIABILITIES</b>				
Payable to UBL Fund Managers Limited - Management Company	10	4,995	11,043	16,038
Payable to Central Depository Company of Pakistan Limited - Trustee	11	184	376	560
Payable to Securities and Exchange Commission of Pakistan	12	624	334	958
Accrued expenses and other liabilities	13	20,983	6,165	27,148
<b>TOTAL LIABILITIES</b>		<u>26,786</u>	<u>17,918</u>	<u>44,704</u>
<b>NET ASSETS</b>		<u>2,250,469</u>	<u>4,994,943</u>	<u>7,245,412</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>2,250,469</u>	<u>4,994,943</u>	<u>7,245,412</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				
----- (Number of Units) -----				
<b>NUMBER OF UNITS IN ISSUE</b>	15	<u>22,943,367</u>	<u>51,564,187</u>	<u>74,507,554</u>
----- (Rupees) -----				
<b>NET ASSETS VALUE PER UNIT</b>		<u>98.0880</u>	<u>96.8685</u>	

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND - II  
INCOME STATEMENT  
FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018

	For the year ended June 30, 2018	For the year ended June 30, 2018	For the period from August 31, 2017 to June 30, 2018	For the period from November 9, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018	For the period from February 20, 2017 to June 30, 2018	TOTAL
Note	AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIConAP	AIACTAP-X	AIAPPP-I	
(Rupees in '000)							
<b>INCOME</b>							
Profit on bank balances	990	746	3,043	-	1,815	139	6,733
Capital (loss) / gain on sale of investments - net	(65,415)	(75,365)	11,455	6,394	14,246	(3,521)	(112,206)
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - held for trading - net	(118,304)	(270,695)	(51,938)	-	15,025	13,791	(412,121)
Dividend Income	-	-	-	-	-	-	-
Other income	15,898	12,834	12,236	4	1,479	676	43,127
<b>Total (loss) / income</b>	<b>(166,831)</b>	<b>(332,480)</b>	<b>(25,204)</b>	<b>6,398</b>	<b>32,565</b>	<b>11,085</b>	<b>(474,467)</b>
<b>EXPENSES</b>							
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,727	4,067	2,851	109	873	528	10,155
Annual fee of Securities and Exchange Commission of Pakistan	1,368	3,417	2,389	91	726	456	8,447
Amortisation of preliminary expenses and floatation costs	2,143	-	-	-	-	-	2,143
Auditors' remuneration	109	55	42	42	42	29	319
Listing fee	39	14	-	-	-	-	53
Bank charges	19	15	11	8	5	-	58
Legal and professional charges	76	65	26	12	22	2	203
Allocated expenses	1,824	4,556	3,185	41	969	609	11,184
Shariah advisory fee	84	84	70	42	35	18	333
Other expenses	263	2	-	-	-	-	265
<b>Total operating expenses</b>	<b>7,652</b>	<b>12,275</b>	<b>8,574</b>	<b>345</b>	<b>2,672</b>	<b>1,642</b>	<b>33,160</b>
<b>Net (loss) / income from operating activities</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed - net Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-
<b>Net (loss) / income for the year / period before taxation</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
Taxation	-	-	-	-	-	-	-
<b>Net (loss) / income for the year / period after taxation</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>6,053</b>	<b>29,893</b>	<b>9,443</b>	<b>(507,627)</b>
<b>Allocation of net loss / income for the year / period</b>							
Income already paid on units redeemed	-	-	-	(6,020)	(2)	(52)	(6,074)
<b>Net (loss) / income for the year / period available for distribution</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>33</b>	<b>29,891</b>	<b>9,391</b>	<b>(513,701)</b>
<b>Net (loss) / income for the year / period available for distribution</b>							
Relating to capital gains	-	-	-	-	29,269	10,218	39,487
Excluding capital gains	-	-	-	33	622	(827)	(172)
	-	-	-	33	29,891	9,391	39,315

Earnings per unit

18

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND - II**  
**INCOME STATEMENT (Continued)**  
**FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018**

		<b>For the period from February 21, 2017 to June 30, 2017 AIACTAP-VII</b>	<b>For the period from May 30, 2017 to June 30, 2017 AIACTAP-VIII</b>	<b>TOTAL</b>
	<b>Note</b>	<b>(Rupees in '000)</b>		
<b>INCOME</b>				
Profit on bank balances		273	1,990	2,263
Capital loss on sale of investments - net		(2,545)	(35,222)	(37,767)
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - held for trading - net		(76,216)	(185,111)	(261,327)
Dividend income		37,478	57,662	95,140
Other income		681	382	1,063
<b>Total loss</b>		<b>(40,329)</b>	<b>(160,299)</b>	<b>(200,628)</b>
<b>EXPENSES</b>				
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	806	402	1,208
Annual fee of Securities and Exchange Commission of Pakistan	12.1	624	334	958
Amortisation of preliminary expenses and floatation costs		763	-	763
Auditors' remuneration	16	84	84	168
Listing fee		36	-	36
Bank charges		-	-	-
Legal and professional charges		40	40	80
Allocated expenses	10.3	832	445	1,277
Shariah advisory fee	10.2	113	28	141
Other expenses		93	-	93
<b>Total operating expenses</b>		<b>3,391</b>	<b>1,333</b>	<b>4,724</b>
<b>Net loss from operating activities</b>		<b>(43,720)</b>	<b>(161,632)</b>	<b>(205,352)</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(148)	156	8
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-
<b>Net loss for the period before taxation</b>		<b>(43,868)</b>	<b>(161,476)</b>	<b>(205,344)</b>
Taxation	17	-	-	-
<b>Net loss for the period after taxation</b>		<b>(43,868)</b>	<b>(161,476)</b>	<b>(205,344)</b>
<b>Allocation of net loss for the period</b>				
Income already paid on units redeemed		-	-	-
<b>Net loss for the period available for distribution</b>		<b>(43,868)</b>	<b>(161,476)</b>	<b>(205,344)</b>
Relating to capital gains		-	-	-
Excluding capital gains		-	-	-
Earnings per unit	18			

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND- II  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018

For the year ended June 30, 2018 AIACTAP-VII	For the year ended June 30, 2018 AIACTAP-VIII	For the period		For the period from December 15, 2017 to June 30, 2018 AIACTAP-X	For the period from February 20, 2017 to June 30, 2018 AIAPPP-I	TOTAL	
		For the period from August 31, 2017 to June 30, 2018 AIACTAP-IX	from November 9, 2017 to June 30, 2018 AIConAP				
(Rupees in '000)							
Net (loss) / income for the year / period after taxation	(174,483)	(344,755)	(33,778)	6,053	29,893	9,443	(517,070)
Other comprehensive income							
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that may not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year / period	<u>(174,483)</u>	<u>(344,755)</u>	<u>(33,778)</u>	<u>6,053</u>	<u>29,893</u>	<u>9,443</u>	<u>(517,070)</u>

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND- II  
STATEMENT OF COMPREHENSIVE INCOME (Continued)  
FOR THE PERIOD ENDED JUNE 30, 2018**

	For the period from February 21, 2017 to June 30,	For the period from May 30, 2017 to June 30, 2017	For the period ended June 30, 2017
	Al-Ameen Islamic Active Allocation Plan-VII	Al-Ameen Islamic Active Allocation Plan-VIII	Total
	----- (Rupees in '000) -----		
Net loss for the period	(43,868)	(161,476)	(205,344)
Other comprehensive income			
Items that may be reclassified subsequently to income statement	-	-	-
Items that may not be reclassified subsequently to income statement	-	-	-
Total comprehensive loss for the period	<u>(43,868)</u>	<u>(161,476)</u>	<u>(205,344)</u>

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND- II  
STATEMENT OF CASH FLOWS  
FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018

	For the year ended June 30, 2018	For the year ended June 30, 2018	For the period from August 31, 2017 to June 30, 2018	For the period from November 9, 2017 to June 30, 2018	For the period from December 15, 2017 to June 30, 2018	For the period from February 20, 2017 to June 30, 2018	TOTAL
	AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIConAP	AIACTAP-X	AIAPPP-I	
	----- (Rupees in '000) -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net (loss) / income for the year / period before taxation	(174,483)	(344,755)	(33,778)	6,053	29,893	9,443	(507,627)
<b>Adjustments for:</b>							
Capital loss / (gain) on sale of investments - net	65,415	75,365	(11,455)	(6,394)	(14,246)	3,521	112,206
Profit on bank balances	(990)	(746)	(3,043)	-	(1,815)	(139)	(6,733)
Amortisation of preliminary expenses and floatation cost	2,143	-	-	-	-	-	2,143
Unrealised loss / (gain) on re-measurement of investments	-	-	-	-	-	-	-
classified as financial assets at fair value through profit or loss - held for trading - net	118,304	270,695	51,938	-	(15,025)	(13,791)	412,121
	184,872	345,314	37,440	(6,394)	(31,086)	(10,409)	519,737
<b>Cash generated from / (used in) operations before working capital changes</b>	10,389	559	3,662	(341)	(1,193)	(966)	12,110
<b>Working capital changes</b>							
<b>Decrease / (increase) in assets</b>							
Investments-net	409,116	329,558	(3,653,823)	6,394	(1,684,519)	(2,140,632)	(6,733,906)
Other receivable	(288)	1,043	-	-	-	-	755
	408,828	330,601	(3,653,823)	6,394	(1,684,519)	(2,140,632)	(6,733,151)
<b>(Decrease) / increase in liabilities</b>							
Payable to UBL Fund Managers Limited - Management Company	(4,707)	(10,294)	624	46	298	706	(13,327)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(64)	(61)	263	24	125	154	441
Payable to the Securities and Exchange Commission of Pakistan	744	3,083	2,389	91	726	456	7,489
Accrued expenses and other liabilities	(20,939)	(6,124)	117	349	60	36	(26,501)
	(24,966)	(13,396)	3,393	510	1,209	1,352	(31,898)
Profit received on bank balances	1,113	1,077	3,020	-	1,786	75	7,071
Net cash generated from / (used in) operating activities	395,364	318,841	(3,643,748)	6,563	(1,682,717)	(2,140,171)	(6,745,868)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts from issuance of units	24,367	13,287	4,196,281	524,516	1,764,227	2,161,661	8,684,339
Payments against redemption of units	(449,191)	(337,679)	(552,233)	(525,273)	(75,498)	(21,174)	(1,961,048)
Distributions during the year / period	-	-	-	(5,296)	-	-	(5,296)
Net cash (used in) / generated from financing activities	(424,824)	(324,392)	3,644,048	(6,053)	1,688,729	2,140,487	6,717,995
Net (decrease) / increase in cash and cash equivalents	(29,460)	(5,551)	300	510	6,012	316	(27,873)
Cash and cash equivalents at the beginning of the year / period	39,968	10,471	-	-	-	-	50,439
Cash and cash equivalents at the end of the year / period	10,508	4,920	300	510	6,012	316	22,566

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND- II**  
**CASH FLOW STATEMENT (Continued)**  
**FOR THE PERIOD ENDED JUNE 30, 2018**

	For the period from February 21, 2017 To June 30, 2017	For the period from May 30, 2017 To June 30, 2017	For the period ended June 30, 2017
	Al-Ameen Islamic Active Allocation Plan-VII	Al-Ameen Islamic Active Allocation Plan-VIII	Total
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the period before taxation	(43,868)	(161,476)	(205,344)
Adjustments			
Capital loss on sale of investments - net	2,545	35,222	37,767
Profit on bank balances	(273)	(1,990)	(2,263)
Amortisation of preliminary expenses and floatation cost	763	-	763
Unrealized loss on remeasurement of investments classified as financial assets at fair value through profit or loss - held for trading - net	76,216	185,111	261,327
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	148	(156)	(8)
	79,399	218,187	297,586
<b>Increase in assets:</b>			
Investments	(2,311,875)	(5,221,326)	(7,533,201)
Preliminary expenses and floatation costs	(4,286)	-	(4,286)
Other receivable	(473)	(1,043)	(1,516)
	(2,316,634)	(5,222,369)	(7,539,003)
<b>Increase in liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	4,995	11,043	16,038
Payable to Central Depository Company of Pakistan Limited - Trustee	184	376	560
Payable to Securities and Exchange Commission of Pakistan	624	334	958
Accrued expenses and other liabilities	20,983	6,165	27,148
	26,786	17,918	44,704
	(2,254,317)	(5,147,740)	(7,402,057)
Profit received on bank balances	96	1,636	1,732
Net cash used in operating activities	(2,254,221)	(5,146,104)	(7,400,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units	2,319,939	5,198,631	7,518,570
Payments against redemption of units	(25,750)	(42,056)	(67,806)
Net cash generated from financing activities	2,294,189	5,156,575	7,450,764
Net increase in cash and cash equivalents	39,968	10,471	50,439
Cash and cash equivalents at the beginning of the period	-	-	-
Cash and cash equivalents at the end of the period	39,968	10,471	50,439

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

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

SD  


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**CHIEF EXECUTIVE OFFICER**

SD  


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**CHIEF FINANCIAL OFFICER**

SD  


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**DIRECTOR**

AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND-II  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS  
FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018

	AIACAP-VII			AIACAP-VIII			AIACAP-IX			AICoNAP			AIACAP-X			AIAPP-I			For the year / period ended June 30, 2018
	Capital value	Undistributed loss	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			Total
Net assets at the beginning of the year	2,294,337	(43,868)	2,250,469	5,156,419	(161,476)	4,994,943	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of 248,702, 137,953, 41,962,936, 5,244,871, 17,640,411 and 21,615,996 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value of units	24,395	-	24,395	13,363	-	13,363	4,196,294	-	4,196,294	524,487	-	524,487	1,764,041	-	1,764,041	2,161,600	-	2,161,600	8,684,180
- Element of income / (loss) during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Due to net (loss incurred) / income earned	(28)	-	(28)	(76)	-	(76)	(13)	-	(13)	29	-	29	186	-	186	61	-	61	159
<b>Total proceeds on issuance of units</b>	<b>24,367</b>	<b>-</b>	<b>24,367</b>	<b>13,287</b>	<b>-</b>	<b>13,287</b>	<b>4,196,281</b>	<b>-</b>	<b>4,196,281</b>	<b>524,516</b>	<b>-</b>	<b>524,516</b>	<b>1,764,227</b>	<b>-</b>	<b>1,764,227</b>	<b>2,161,661</b>	<b>-</b>	<b>2,161,661</b>	<b>8,684,339</b>
Redemption of 4,875,048, 3,690,277, 5,534,306, 5,244,871, 734,294 and 211,216 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value of units	(478,184)	-	(478,184)	(357,472)	-	(357,472)	(553,431)	-	(553,431)	(524,487)	-	(524,487)	(73,429)	-	(73,429)	(21,122)	-	(21,122)	(2,008,125)
- Element of (income) / loss during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Due to net (income earned) / loss incurred	28,993	-	28,993	19,792	-	19,792	1,198	-	1,198	5,234	(6,020)	(786)	(2,067)	(2)	(2,069)	(52)	-	(52)	47,077
<b>Total payments on redemption of units</b>	<b>(449,191)</b>	<b>-</b>	<b>(449,191)</b>	<b>(337,679)</b>	<b>-</b>	<b>(337,679)</b>	<b>(552,233)</b>	<b>-</b>	<b>(552,233)</b>	<b>(519,253)</b>	<b>(6,020)</b>	<b>(525,273)</b>	<b>(75,498)</b>	<b>(2)</b>	<b>(75,498)</b>	<b>(21,174)</b>	<b>(52)</b>	<b>(21,174)</b>	<b>(1,961,048)</b>
Total comprehensive (loss) / income for the year / period	-	(174,483)	(174,483)	(344,755)	(344,755)	-	(33,778)	(33,778)	-	6,053	6,053	-	29,893	29,893	-	9,443	9,443	(507,627)	
Distribution during the year / period	-	-	-	-	-	-	-	-	-	(389)	(389)	-	-	-	-	-	-	-	(389)
Re. 0.598 per unit declared on December 28, 2017 as bonus dividend	-	-	-	-	-	-	-	-	-	(183)	(183)	-	-	-	-	-	-	-	(183)
Re. 0.3320 per unit declared on January 26, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(343)	(343)	-	-	-	-	-	-	-	(343)
Re. 0.4305 per unit declared on February 28, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(486)	(486)	-	-	-	-	-	-	-	(486)
Re. 0.4035 per unit declared on March 29, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(1,169)	(1,169)	-	-	-	-	-	-	-	(1,169)
Re. 0.3868 and 0.0001 per unit declared on April 27, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,567)	(1,567)	-	-	-	-	-	-	-	(1,567)
Re. 0.4428 and 0.0130 per unit declared on May 30, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)	-	-	-	-	-	-	-	(1,159)
Re. 0.3137 and 0.0014 per unit declared on June 24, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the year / period less distribution</b>	<b>-</b>	<b>(174,483)</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(344,755)</b>	<b>-</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>-</b>	<b>757</b>	<b>757</b>	<b>-</b>	<b>29,893</b>	<b>29,893</b>	<b>-</b>	<b>9,443</b>	<b>9,443</b>	<b>(512,923)</b>	
<b>Net assets at the end of the year / period</b>	<b>1,869,513</b>	<b>(218,351)</b>	<b>1,651,162</b>	<b>4,832,027</b>	<b>(506,231)</b>	<b>4,325,796</b>	<b>3,644,048</b>	<b>(33,778)</b>	<b>3,610,270</b>	<b>5,263</b>	<b>(5,263)</b>	<b>-</b>	<b>1,688,729</b>	<b>29,891</b>	<b>1,718,622</b>	<b>2,140,487</b>	<b>9,391</b>	<b>2,149,930</b>	<b>6,210,368</b>
Undistributed (loss) / income brought forward comprises of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realised gain	-	32,348	32,348	-	23,635	23,635	-	-	-	-	-	-	-	-	-	-	-	-	55,983
Unrealised loss	-	(76,216)	(76,216)	-	(185,111)	(185,111)	-	-	-	-	-	-	-	-	-	-	-	-	(261,327)
Total undistributed loss brought forward	-	(43,868)	(43,868)	-	(161,476)	(161,476)	-	-	-	-	-	-	-	-	-	-	-	-	(205,344)
<b>(Loss) / income available for distribution:</b>	<b>(174,483)</b>	<b>(174,483)</b>	<b>(174,483)</b>	<b>(344,755)</b>	<b>(344,755)</b>	<b>(344,755)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>29,891</b>	<b>29,891</b>	<b>29,891</b>	<b>9,391</b>	<b>9,391</b>	<b>(513,701)</b>	
Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	29,269	29,269	29,269	10,218	10,218	39,487	
Excluding capital gains	-	-	-	-	-	-	-	-	-	33	33	33	622	622	622	(827)	(827)	(172)	
Distribution during the year / period	-	-	-	-	-	-	-	-	-	(389)	(389)	-	-	-	-	-	-	-	(389)
Re. 0.598 per unit declared on December 28, 2017 as bonus dividend	-	-	-	-	-	-	-	-	-	(183)	(183)	-	-	-	-	-	-	-	(183)
Re. 0.3320 per unit declared on January 26, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(343)	(343)	-	-	-	-	-	-	-	(343)
Re. 0.4305 per unit declared on February 28, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(486)	(486)	-	-	-	-	-	-	-	(486)
Re. 0.4035 per unit declared on March 29, 2018 as bonus dividend	-	-	-	-	-	-	-	-	-	(1,169)	(1,169)	-	-	-	-	-	-	-	(1,169)
Re. 0.3868 and 0.0001 per unit declared on April 27, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,567)	(1,567)	-	-	-	-	-	-	-	(1,567)
Re. 0.4428 and 0.0130 per unit declared on May 30, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)	-	-	-	-	-	-	-	(1,159)
Re. 0.3137 and 0.0014 per unit declared on June 24, 2018 as bonus and cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Undistributed (loss) / income carried forward</b>	<b>(218,351)</b>	<b>(218,351)</b>	<b>(218,351)</b>	<b>(506,231)</b>	<b>(506,231)</b>	<b>(506,231)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>(5,263)</b>	<b>(5,263)</b>	<b>(5,263)</b>	<b>29,891</b>	<b>29,891</b>	<b>29,891</b>	<b>9,391</b>	<b>9,391</b>	<b>(724,341)</b>	
Undistributed (loss) / income carried forward comprises of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realised (loss) / gain	(100,047)	(100,047)	(100,047)	(235,536)	(235,536)	(235,536)	18,160	18,160	18,160	(5,263)	(5,263)	(5,263)	14,866	14,866	14,866	(4,400)	(4,400)	(312,220)	
Unrealised (loss) / gain	(118,304)	(118,304)	(118,304)	(270,695)	(270,695)	(270,695)	(51,938)	(51,938)	(51,938)	-	-	-	15,025	15,025	15,025	13,791	13,791	(412,121)	
<b>Total undistributed (loss) / income carried forward</b>	<b>(218,351)</b>	<b>(218,351)</b>	<b>(218,351)</b>	<b>(506,231)</b>	<b>(506,231)</b>	<b>(506,231)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>(33,778)</b>	<b>(5,263)</b>	<b>(5,263)</b>	<b>(5,263)</b>	<b>29,891</b>	<b>29,891</b>	<b>29,891</b>	<b>9,391</b>	<b>9,391</b>	<b>(724,341)</b>	
Net assets value per unit at the beginning of the year / period	<b>(Rupees) 98.0880</b>			<b>(Rupees) 96.8685</b>			<b>(Rupees) 96.8685</b>			<b>(Rupees) 96.8685</b>			<b>(Rupees) 96.8685</b>			<b>(Rupees) 96.8685</b>			<b>(Rupees) 96.8685</b>
Net assets value per unit at end of the year / period	<b>(Rupees) 90.1436</b>			<b>(Rupees) 90.0985</b>			<b>(Rupees) 90.0985</b>			<b>(Rupees) 90.0985</b>			<b>(Rupees) 90.0985</b>			<b>(Rupees) 90.0985</b>			<b>(Rupees) 90.0985</b>

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND - II**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (Continued)**  
**FOR THE PERIOD ENDED JUNE 30, 2018**

	For the period from February 21, 2017 To June 30, 2017	For the period from May 30, 2017 To June 30, 2017	For the period ended June 30, 2017
	Al-Ameen Islamic Active Allocation Plan- VII	Al-Ameen Islamic Active Allocation Plan-VIII	Total
	----- (Rupees in '000) -----		
Net assets at beginning of the period	-	-	-
Issuance of 23,199,385 and 51,986,312 units	2,319,939	5,198,631	7,518,570
Redemption of 256,018 units and 422,125 units	(25,750)	(42,056)	(67,806)
	2,294,189	5,156,575	7,450,764
	2,294,189	5,156,575	7,450,764
Element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed - net	148	(156)	(8)
Capital loss on sale of investments - net	(2,545)	(35,222)	(37,767)
Unrealized loss on revaluation of investments - classified as 'at fair value through profit or loss' - net	(76,216)	(185,111)	(261,327)
Other income for the period	34,893	58,857	93,750
	(43,868)	(161,476)	(205,344)
Net assets at end of the period	2,250,469	4,994,943	7,245,412
	<b>(Rupees)</b>	<b>(Rupees)</b>	
Net assets value per unit at the beginning of the period	-	-	
Net assets value per unit at end of the period	98.0880	96.8685	

The annexed notes from 1 to 29 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 FINANCIAL PLANNING FUND- II**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENT**  
**FOR THE YEAR AND PERIOD ENDED JUNE 30, 2018**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Al Ameen Islamic Financial Planning Fund - II (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated August 29, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an open ended shariah compliant fund of fund scheme and is listed on the Pakistan Stock Exchange Limited. The units of Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Conservative Allocation Plan and Al-Ameen Islamic Principal Preservation Plan-I of the Fund were initially offered to public on February 14, 2017, May 19, 2017, August 25, 2017, December 8, 2017, November 8, 2017 and March 19, 2018 respectively. Subsequent to the Initial Public Offering, the offer of Units of the Allocation Plans at the Initial Offer Price is discontinued. The Units of the Allocation Plans could then be purchased at their Offer price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund consists of multiple plans and aims to generate return for investors in line with their risk tolerance level. The duration of the Fund is perpetual however the allocation plans have a standard time frame of two years/two and half years. Each Allocation Plan announces separate NAVs which rank pari passu inter se according to its number of Units. Units are offered for public subscription on a continuous basis.
- 1.4 The Fund mainly makes investments in designated authorised investments approved by the Shariah Advisory Board and offers Shariah Compliant returns to the investors. Under Circular 07 dated March 6, 2009 issued by the SECP, the Fund is categorised as a Shariah Compliant Fund of Funds.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

Currently, Six plans (i.e. Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Conservative Allocation Plan and Al-Ameen Islamic Principal Preservation Plan-I) have been introduced. The brief description of the plans is as follows:

### **Al-Ameen Islamic Active Allocation Plan - VII (AIACTAP-VII)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic Income and Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

### **Al-Ameen Islamic Active Allocation Plan - VIII (AIACTAP-VIII)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 100% in Islamic Equity, Islamic Income and Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

### **Al-Ameen Islamic Active Allocation Plan - IX (AIACTAP-IX)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 95% in Islamic Equity, 95% in Islamic Income and 5% to 100% in Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

### **Al-Ameen Islamic Active Allocation Plan - X (AIACTAP-X)**

An Islamic allocation plan with an objective to earn potentially high returns through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 95% in Islamic Equity, 95% in Islamic Income and 5% to 100% in Islamic Money Market schemes. The un-invested amounts or funds, if any, shall be kept in cash and/ or near cash instruments where near cash instruments include cash in Islamic Bank and/ or Islamic Banking windows of conventional bank account (excluding TDRs) with rating not lower than AA- (AA minus) or any other rating allowed by the SECP from time to time.

### **Al-Ameen Islamic Conservative Allocation Plan (AIConAP)**

An Islamic Conservative allocation plan with an objective to generate stable returns while maintaining high liquidity by investing in Islamic Money Market and Income scheme(s). The Management Company actively manages the allocations, from time to time, based on the outlook for the asset-classes and may invest up to 80% to 100% in Islamic Money Market, 0% to 20% in Islamic Income schemes and 0% to 10% in cash in Islamic Bank/Islamic Windows Account.

### **Al-Ameen Islamic Principal Preservation Plan-I (AIAPPP)**

An Islamic Principal Preservation plan with an objective to earn a potentially high return through dynamic asset allocation between Islamic Equity, Islamic Sovereign Income and Islamic Money Market based collective investment schemes, while providing principal preservation of the initial investment value including front end load at completion of twenty four months and beyond till maturity of the plan. Investment segment of the Plan may invest upto 50% in Islamic Equity Scheme(s) category, 100% in Islamic Money Marker/Sovereign Income Scheme(s) and 10% in Cash in Islamic Windows Account.

- 1.6 JCR-VIS credit rating company has upgraded manager quality rating from AM2++ to AM1 (stable outlook) of the Management Company on 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 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) and requirements of the Trust Deed. Where provisions of and directives issued under the Companies Act, 2017, part VIIIA 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 VIIIA 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 by following accrual basis of accounting except for cash flows information.

## **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 20 to these financial statements.

### **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 4.10 to these financial statements.

### **Provision for taxation**

For details please refer notes 4.7 and 17 to these financial statements.

### **Sindh Workers' Welfare Fund**

For details please refer note 13.1 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 Standards or interpretations 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:

	<b>Effective date (annual periods beginning on or after)</b>
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:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 12 Disclosure of Interests in Other Entities	January 01, 2017
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#### **3.2 Amendments not yet effective**

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

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

		<b>Effective date (annual periods beginning on or after)</b>
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
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 exception	Applies when IFRS 9 is applied
IAS 40	Investment Property - Amendments to clarify transfers or property to, or from, investment property	January 01, 2018

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

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):

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 statement are set 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, financial assets 'at fair value through profit or loss' and investments classified as 'available for sale' are valued as follows:

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 recognised in unitholders' fund through other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in unitholders' 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.

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 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.

#### **4.8 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.

#### **4.9 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.

#### **4.10 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 loss of AIACTAP-VII and AIACTAP-VIII would have been lower by Rs 28.97 million and Rs 19.60 million, respectively. 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.

#### **4.11 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.

#### **4.12 Revenue recognition**

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

#### 4.13 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.

#### 4.14 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.

#### 4.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, brokerage paid to the members of the stock exchange and other expenses. These costs are being amortised over a period of two years commencing from the date of plan, in accordance with the Trust Deed of the Fund and NBFC Regulations.

### 5 BANK BALANCES

	AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIconAP	AIACTAP-X	AIAPPP-I	Total	
<b>June 30, 2018</b>								
----- (Rupees in '000)								
Cash at bank								
PLS accounts	5.1	10,457	4,610	122	510	6,002	316	22,017
Current accounts		51	310	178	-	10	-	549
		10,508	4,920	300	510	6,012	316	22,566
<b>June 30, 2017</b>								
----- (Rupees in '000)								
Cash at bank								
PLS accounts	5.1	39,968	10,471	-	-	-	-	50,439

5.1 Profit rate on these PLS accounts range between 5.5% to 6.2% per annum (June 30, 2017: 5.5% per annum). This includes an amount held by a related party (United Bank Limited).

## 6 INVESTMENTS

### 6.1 At fair value through profit or loss - Held for trading

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
<b>June 30, 2018</b>						
----- <b>(Rupees in '000)</b> -----						

Units of mutual funds

6.2	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686
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AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
<b>June 30, 2017</b>						
----- <b>(Rupees in '000)</b> -----						

Units of mutual funds

6.2	2,233,114	5,000,993	-	-	-	7,234,107
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6.2 Units of mutual funds

Name of investee funds	At the beginning of the year / period	Purchased during the year / period	Sold during the year / period	At the end of the year / period	Cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised Gain/(Loss)	Market value as at June 30, 2017	Market value as Percentage of Net Assets	Market value as Percentage of Investment
	No. of holdings				Rupees in '000					
<b>Al Ameen Islamic Active Allocation Plan - VII</b>										
Al Ameen Islamic Sovereign Fund	10,727,002	6,210,511	13,106,880	3,830,633	393,455	397,945	4,490	1,081,942	24%	24%
Al Ameen Islamic Cash Fund	-	1,927,037	1,927,037	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	8,608,673	8,954,803	6,850,324	10,713,152	1,365,128	1,242,334	(122,794)	1,151,172	76%	76%
<b>Total</b>	<b>19,335,675</b>	<b>17,092,351</b>	<b>21,884,241</b>	<b>14,543,785</b>	<b>1,758,583</b>	<b>1,640,279</b>	<b>(118,304)</b>	<b>2,233,114</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - VIII</b>										
Al Ameen Islamic Sovereign Fund	32,022,603	22,268,169	44,268,628	10,022,144	1,031,693	1,041,150	9,457	3,229,848	24%	24%
Al Ameen Islamic Cash Fund	-	24,736,785	24,736,785	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	13,244,942	28,118,484	13,042,208	28,321,218	3,564,377	3,284,225	(280,152)	1,771,145	76%	76%
<b>Total</b>	<b>45,267,545</b>	<b>75,123,438</b>	<b>82,047,621</b>	<b>38,343,362</b>	<b>4,596,070</b>	<b>4,325,375</b>	<b>(270,695)</b>	<b>5,000,993</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - IX</b>										
Al Ameen Islamic Sovereign Fund	-	23,285,768	14,645,261	8,640,507	887,905	897,619	9,714	-	25%	25%
Al Ameen Islamic Cash Fund	-	19,533,837	19,533,837	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	-	32,874,938	9,456,166	23,418,772	2,777,373	2,715,721	(61,652)	-	75%	75%
<b>Total</b>	<b>-</b>	<b>75,694,543</b>	<b>43,635,264</b>	<b>32,059,279</b>	<b>3,665,278</b>	<b>3,613,340</b>	<b>(51,938)</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - X</b>										
Al Ameen Islamic Sovereign Fund	-	33,710,979	29,873,661	3,837,318	394,883	398,640	3,757	-	23%	23%
Al Ameen Islamic Cash Fund	-	31,725,318	31,056,737	668,581	69,875	70,365	490	-	4%	4%
Al Ameen Islamic Dedicated Equity Fund	-	15,104,337	4,370,043	10,734,294	1,234,007	1,244,785	10,778	-	72%	73%
<b>Total</b>	<b>-</b>	<b>80,540,634</b>	<b>65,300,441</b>	<b>15,240,193</b>	<b>1,698,765</b>	<b>1,713,790</b>	<b>15,025</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Conservative Allocation Plan</b>										
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	0%	0%
Al Ameen Islamic Cash Fund	-	5,075,825	5,075,825	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	-	-	-	-	-	-	-	-	0%	0%
<b>Total</b>	<b>-</b>	<b>5,075,825</b>	<b>5,075,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Al Ameen Islamic Active Principal Preservation Plan-I</b>										
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	0%	0%
Al Ameen Islamic Cash Fund	-	53,366,936	34,779,275	18,587,661	1,940,837	1,956,257	15,420	-	91%	91%
Al Ameen Islamic Dedicated Equity Fund	-	20,224,023	18,545,514	1,678,509	196,274	194,645	(1,629)	-	9%	9%
<b>Total</b>	<b>-</b>	<b>73,590,959</b>	<b>53,324,789</b>	<b>20,266,170</b>	<b>2,137,111</b>	<b>2,150,902</b>	<b>13,791</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Total investments in units of mutual funds</b>										
Al Ameen Islamic Sovereign Fund	42,749,605	85,475,427	101,894,430	26,330,602	2,707,936	2,735,354	27,418	4,311,789	20%	20%
Al Ameen Islamic Cash Fund	-	136,365,738	117,109,496	19,256,242	2,010,712	2,026,622	15,910	-	15%	15%
Al Ameen Islamic Dedicated Equity Fund	21,853,615	105,276,585	52,264,255	74,865,945	9,137,159	8,681,710	(455,449)	2,922,318	65%	65%
<b>Total</b>	<b>64,603,220</b>	<b>327,117,750</b>	<b>271,268,181</b>	<b>120,452,789</b>	<b>13,855,807</b>	<b>13,443,686</b>	<b>(412,121)</b>	<b>7,234,107</b>	<b>100%</b>	<b>100%</b>

**7 MARK-UP / INTEREST RECEIVABLE**

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>						
----- <b>(Rupees in '000)</b> -----						

Interest receivable  
on profit and loss  
sharing account

54	23	23	-	29	64	193
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AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>						
----- <b>(Rupees in '000)</b> -----						

Profit receivable on  
profit and loss  
sharing accounts

177	354	-	-	-	-	531
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**8 PREPAYMENTS AND OTHER RECEIVABLES**

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>						
----- <b>(Rupees in '000)</b> -----						

Prepayments  
Other receivables

186	-	-	-	-	-	186
575	-	-	-	-	-	575
761	-	-	-	-	-	761

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>						
----- <b>(Rupees in '000)</b> -----						

Prepayments  
Other receivables

473	-	-	-	-	-	473
-	1,043	-	-	-	-	1,043
473	1,043	-	-	-	-	1,516

**9 PRELIMINARY EXPENSES AND FLOATATION COSTS**

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>						
----- <b>(Rupees in '000)</b> -----						

Preliminary expenses  
and floatation costs  
Amortisation during  
the period  
Balance as at  
June 30, 2018

3,523	-	-	-	-	-	3,523
(2,143)	-	-	-	-	-	(2,143)
1,380	-	-	-	-	-	1,380

AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIConAP	AIACTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>						

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

Preliminary expenses and floatation costs	4,286	-	-	-	-	-	4,286
Amortisation during the period	(763)	-	-	-	-	-	(763)
Balance as at June 30, 2017	<u>3,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,523</u>

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of two years commencing from February 21, 2017 as per the requirements set out in the Trust Deed.

#### 10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

AIACTAP-VII	AIACTAP-VIII	AIACTAP-IX	AIConAP	AIACTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>						

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

Remuneration payable	10.1	-	-	-	-	-	-
Sales load payable to UBL		-	-	-	-	341	341
Shariah Advisor fee payable	10.2	4	4	4	4	4	24
Conversion charges payable		-	2	1	-	-	3
Allocated expenses payable	10.3	284	743	619	42	294	2,343
		<u>288</u>	<u>749</u>	<u>624</u>	<u>46</u>	<u>298</u>	<u>2,711</u>

		AIACTAP- VII	AIACTAP- VIII	AIACTAP- IX	AIConAP	AIACTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>								
------(Rupees in '000)-----								
Remuneration payable	10.1	-	-	-	-	-	-	-
Formation cost payable		4,286	-	-	-	-	-	4,286
Sales load payable		288	10,568	-	-	-	-	10,856
Shariah Advisor fee payable	10.2	28	28	-	-	-	-	56
Conversion charges payable		-	2	-	-	-	-	2
Allocated expenses payable	10.3	393	445	-	-	-	-	838
		4,995	11,043	-	-	-	-	16,038

- 10.1 As per the requirements of the NBFC Regulations, the Management Company shall not charge any fee if the fund makes investment in the CIS managed by the same Management Company. During the year, the Fund has invested in the units of the CIS managed by the same Management Company and, accordingly, it has not charged any amount on account of remuneration to Management Company.
- 10.2 As per NBFC Regulations, the Management Company is entitled to charge Shariah Advisory fee from the Fund. Accordingly, the Management Company has charged Rs. 0.333 million as Shariah Advisory fee and has allocated the same to Al-Ameen Islamic Active Allocation Plan - VII and Al-Ameen Islamic Active Allocation Plan - VIII, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Conservative Allocation Plan, Al-Ameen Islamic Active Allocation Plan - X and Al-Ameen Islamic Active Principal Preservation Plan - I respectively under a contract signed with the Shariah Advisors.
- 10.3 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 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
June 30, 2018						
----- (Rupees in '000) -----						

Trustee fee payable (including sindh sales tax)	11.1 & 11.2	120	315	263	24	125	154	1,001
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AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
June 30, 2017						
----- (Rupees in '000) -----						

Trustee fee payable (including sindh sales tax)	11.1 & 11.2	184	376	-	-	-	-	560
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- 11.1 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	0.10% p.a. of Net Assets
Over Rs. 1,000 million	Rs. 1.0 million plus 0.075% p.a. of Net Assets exceeding Rs. 1,000 million

- 11.2 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.

## 12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
June 30, 2018						
----- (Rupees in '000) -----						

Annual fee payable	12.1	1,368	3,417	2,389	91	726	456	8,447
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AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
June 30, 2017						
----- (Rupees in '000) -----						

Annual fee payable	12.1	624	334	-	-	-	-	958
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- 12.1 Under the provisions of NBFC Regulations, a collective investment scheme classified as fund of funds scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Fund.

### 13 ACCRUED EXPENSES AND OTHER LIABILITIES

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
<b>June 30, 2018</b>						

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

Auditors remuneration payable		29	29	29	29	29	29	174
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
Other payables		15	12	88	320	31	7	473
		<u>44</u>	<u>41</u>	<u>117</u>	<u>349</u>	<u>60</u>	<u>36</u>	<u>647</u>

AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPP-I	Total
<b>June 30, 2017</b>						

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

Auditors remuneration payable		84	84	-	-	-	-	168
Sales load payable to Standard Chartered Bank Limited		20,899	5,038	-	-	-	-	25,937
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
Other payables		-	1,043	-	-	-	-	1,043
		<u>20,983</u>	<u>6,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,148</u>

#### 13.1 Provision for Sindh 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 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.

Since the fund has incurred net lose during the year / period, therefore no provision against SWWF has been made.

## 14 CONTINGENCIES AND COMMITMENTS

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

## 15 NUMBER OF UNITS IN ISSUE

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>							
Total units in issue at the beginning of the year / period	22,943,367	51,564,187	-	-	-	-	74,507,554
Add: Units issued	248,704	137,953	41,962,936	5,187,653	17,640,411	21,615,996	86,793,653
Bonus issued	-	-	-	57,218	-	-	57,218
Less: Units redeemed	(4,875,048)	(3,690,277)	(5,534,306)	(5,244,871)	(734,294)	(211,216)	(20,290,012)
Total units in issue at the end of the year / period	18,317,023	48,011,863	36,428,630	-	16,906,117	21,404,780	141,068,413

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>							
Total units in issue at the beginning of the period	-	-	-	-	-	-	-
Add: Units issued	23,199,385	51,986,312	-	-	-	-	75,185,697
Less: Units redeemed	(256,018)	(422,125)	-	-	-	-	(678,143)
Total units in issue at the end of the period	22,943,367	51,564,187	-	-	-	-	74,507,554

## 16 AUDITORS' REMUNERATION

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2018</b>							
----- (Rupees in '000) -----							
Annual audit fee	22	22	22	22	22	22	132
Half yearly review fee	10	10	10	10	10	-	50
Fee for review of compliance with the requirement of the Code of Corporate Governance	3	3	3	3	3	4	19
Fee for other certifications / services	3	3	3	3	3	3	18
Out of pocket expenses and sales tax	71	17	4	4	4	-	100
	109	55	42	42	42	29	319

	AICTAP-VII	AICTAP-VIII	AICTAP-IX	AIConAP	AICTAP-X	AIAPPP-I	Total
<b>June 30, 2017</b>							
----- <b>(Rupees in '000)</b> -----							
Annual audit fee	63	63	-	-	-	-	125
Code of Corporate Governance	8	8	-	-	-	-	15
Fee for other certifications / services	8	8	-	-	-	-	15
Out of pocket expenses and sales tax	7	7	-	-	-	-	13
	<b>84</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168</b>

## 17 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 to the unit holders in cash. 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. During the period, the Fund has incurred net loss, therefore Management Company is not required to distribute cash dividend.

## 18 EARNINGS PER UNIT

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

## 19 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 as on June 30, 2018 of AICTAP-VII, AICTAP-VIII, AICTAP-IX, AICTAP-X, AIConAP and AIAPPP-I is 0.42%, 0.27%, 0.22%, 0.15%, 0.25% and 0.08% respectively and this includes 0.09%, 0.09%, 0.07%, 0.05%, 0.05% and 0.02%, respectively representing Government levy, Workers' Welfare Fund and SECP fee.

## 20 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 financial assets at fair value through profit or loss and available for sale. 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'.

### Al-Ameen Islamic Active Allocation Plan - VII

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	10,508	-	-	10,508
Investments	-	1,640,279	-	1,640,279
Mark-up / interest receivable	54	-	-	54
Other receivable	575	-	-	575
	<u>11,137</u>	<u>1,640,279</u>	<u>-</u>	<u>1,651,416</u>

Particulars	As at June 30, 2018		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
----- Rupees in '000 -----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	288	288
Payable to Central Depository Company of Pakistan Limited - Trustee	-	106	106
Accrued expenses and other liabilities	-	44	44
	<u>-</u>	<u>438</u>	<u>438</u>

Particulars	As at June 30, 2017			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	39,968	-	-	39,968
Investments	-	2,233,114	-	2,233,114
Profit receivable	177	-	-	177
	<u>40,145</u>	<u>2,233,114</u>	<u>-</u>	<u>2,273,259</u>

Particulars	As at June 30, 2017		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
----- Rupees in '000 -----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	4,995	4,995
Payable to Central Depository Company of Pakistan Limited - Trustee	-	163	163
Accrued expenses and other liabilities	-	20,983	20,983
	<u>-</u>	<u>26,141</u>	<u>26,141</u>

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	4,920	-	-	4,920
Investments	-	4,325,375	-	4,325,375
Mark-up / interest receivable	23	-	-	23
	<u>4,943</u>	<u>4,325,375</u>	<u>-</u>	<u>4,330,318</u>

Particulars	As at June 30, 2018		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
----- Rupees in '000 -----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	749	749
Payable to Central Depository Company of Pakistan Limited - Trustee	-	279	279
Accrued expenses and other liabilities	-	41	41
	<u>-</u>	<u>1,069</u>	<u>1,069</u>

Particulars	As at June 30, 2017			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	10,471	-	-	10,471
Investments	-	5,000,993	-	5,000,993
Profit receivable	354	-	-	354
Other receivables	1,043	-	-	1,043
	<u>11,868</u>	<u>5,000,993</u>	<u>-</u>	<u>5,012,861</u>

Particulars	As at June 30, 2017		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
----- Rupees in '000 -----			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	11,043	11,043
Payable to Central Depository Company of Pakistan Limited - Trustee	-	333	333
Accrued expenses and other liabilities	-	6,165	6,165
	<u>-</u>	<u>17,541</u>	<u>17,541</u>

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	300	-	-	300
Investments	-	3,613,340	-	3,613,340
Mark-up / interest receivable	23	-	-	23
	<u>323</u>	<u>3,613,340</u>	<u>-</u>	<u>3,613,663</u>

Particulars	As at June 30, 2018			Total
	Financial liabilities 'at fair value through	Other financial liabilities		
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	-	624		624
Payable to Central Depository Company of Pakistan Limited - Trustee	-	233		233
Accrued expenses and other liabilities	-	117		117
	<u>-</u>	<u>974</u>		<u>974</u>

**Al-Ameen Islamic Conservative Allocation Plan**

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
----- Rupees in '000 -----				
<b>Financial assets</b>				
Bank balances	510	-	-	510
Investments	-	-	-	-
	<u>510</u>	<u>-</u>	<u>-</u>	<u>510</u>

Particulars	As at June 30, 2018			Total
	Financial liabilities 'at fair value through	Other financial liabilities		
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	-	46		46
Payable to Central Depository Company of Pakistan Limited - Trustee	-	21		21
Accrued expenses and other liabilities	-	349		349
	<u>-</u>	<u>416</u>		<u>416</u>

**Al-Ameen Islamic Active Allocation Plan - X**

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
Rupees in '000				
<b>Financial assets</b>				
Bank balances	6,012	-	-	6,012
Investments	-	1,713,790	-	1,713,790
Mark-up / interest receivable	29	-	-	29
	<u>6,041</u>	<u>1,713,790</u>	<u>-</u>	<u>1,719,831</u>

Particulars	As at June 30, 2018		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	298	298
Payable to Central Depository Company of Pakistan Limited - Trustee	-	111	111
Accrued expenses and other liabilities	-	60	60
	<u>-</u>	<u>469</u>	<u>469</u>

**Al-Ameen Islamic Active Principal Preservation Plan-I**

Particulars	As at June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or	Financial assets 'available for sale'	
Rupees in '000				
<b>Financial assets</b>				
Bank balances	316	-	-	316
Investments	-	2,150,902	-	2,150,902
Mark-up / interest receivable	64	-	-	64
	<u>380</u>	<u>2,150,902</u>	<u>-</u>	<u>2,151,282</u>

Particulars	As at June 30, 2018		Total
	Financial liabilities 'at fair value through	Other financial liabilities	
Rupees in '000			
<b>Financial liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	-	706	706
Payable to Central Depository Company of Pakistan Limited - Trustee	-	136	136
Accrued expenses and other liabilities	-	36	36
	<u>-</u>	<u>878</u>	<u>878</u>

## 21 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 the Management Company), entities under common management or directorships, Central Depository company of Pakistan Limited (Trustee) and the Directors and Officers of Management Company.

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. 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 period 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) -----						
<b><u>Al Ameen Islamic Active Allocation Plan - VII</u></b>						
<b>Transactions during the year ended June 30, 2018</b>						
Profit on PLS accounts	-	990	-	-	-	-
Bank charges	-	19	-	-	-	-
Listing Fee	-	39	-	-	-	-
Allocated expenses	1,824	-	-	-	-	-
Purchase of securities	-	-	-	1,937,369	-	-
Sale of securities	-	-	-	2,346,485	-	-
Shariah advisory fees paid	80	-	-	-	-	-
Remuneration of Trustee	-	-	1,727	-	-	-
<b>Transactions during the period ended June 30, 2017</b>						
Profit on PLS account	-	273	-	-	-	-
Units issued	-	3,500	-	-	-	50,000
Purchase of securities	-	-	-	5,975,152	-	-
Sale of securities	-	-	-	3,663,333	-	-
Dividend received	-	-	-	37,478	-	-
Shariah advisory fees paid	85	-	-	-	-	-
Sales load paid	36,007	-	-	-	-	-
Remuneration	-	-	806	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - VIII</u></b>						
<b>Transactions during the year ended June 30, 2018</b>						
Units purchased	-	-	-	-	1	116
Profit on PLS accounts	-	746	-	-	-	-
Bank charges	-	15	-	-	-	-
Listing Fee	-	14	-	-	-	-
Allocated expenses	4,556	-	-	-	-	-
Purchase of securities	-	-	-	8,220,175	-	-
Sale of securities	-	-	-	8,549,733	-	-
Shariah advisory fees paid	80	-	-	-	-	-
Remuneration of Trustee	-	-	4,067	-	-	-
<b>Transactions during the period ended June 30, 2017</b>						
Profit on PLS account	-	1,990	-	-	-	-
Units issued	-	-	-	-	9,756	-
Purchase of securities	-	-	-	14,544,373	-	-
Sale of securities	-	-	-	9,323,162	-	-
Dividend received	-	-	-	57,662	-	-
Sales load paid	29,049	107,126	-	-	-	-
Remuneration	-	-	402	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - IX</u></b>						
<b>Transactions during the period from August 31, 2017 to June 30, 2018</b>						
Units purchased	-	-	-	-	-	40,015
Profit on PLS accounts	-	3,043	-	-	-	-
Bank charges	-	11	-	-	-	-
Allocated expenses	3,185	-	-	-	-	-
Purchase of securities	-	-	-	8,254,891	-	-
Sale of securities	-	-	-	4,601,068	-	-
Shariah advisory fees paid	66	-	-	-	-	-
Remuneration of Trustee	-	-	2,851	-	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
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----- (Rupees in '000) -----

**Al Ameen Islamic Active Allocation Plan - X**

**Transactions during the period from December 15, 2017 to June 30, 2018**

Profit on PLS accounts	-	1,815	-	-	-
Bank charges	-	5	-	-	-
Allocated expenses	969	-	-	-	-
Purchase of securities	-	-	8,428,780	-	-
Sale of securities	-	-	6,744,261	-	-
Shariah advisory fees paid	31	-	-	-	-
Remuneration of Trustee	-	-	873	-	-

**Al Ameen Islamic Conservative Allocation Plan**

**Transactions during the period from November 09, 2017 to June 30, 2018**

Units purchased	95,268	-	-	-	-
Units redeemed	95,376	-	-	-	-
Profit on PLS accounts	-	-	-	-	-
Bank charges	-	8	-	-	-
Allocated expenses	41	-	-	-	-
Purchase of securities	-	-	524,606	-	-
Sale of securities	-	-	531,000	-	-
Shariah advisory fees paid	38	-	-	-	-
Remuneration of Trustee	-	-	109	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

**Transactions during the period from March 20, 2018 to June 30, 2018**

Units purchased	-	-	-	502	346,522
Profit on PLS accounts	-	139	-	-	-
Allocated expenses	609	-	-	-	-
Purchase of securities	-	-	7,935,989	-	-
Sale of securities	-	-	5,795,357	-	-
Shariah advisory fees paid	14	-	-	-	-
Remuneration of Trustee	-	-	528	-	-

**Al Ameen Islamic Active Allocation Plan - VII**

**Balances held as at June 30, 2018**

Investment	-	-	-	1,640,279	-
Bank balances	-	10,508	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	120	-	-
Allocated expenses payable	284	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-
Profit receivable	-	54	-	-	-

**Balances held as at June 30, 2017**

Units held (in Units '000)	-	35	-	-	492
Units held (in Rupees '000)	-	3,433	-	-	48,229
Bank balances	-	39,968	-	-	-
Remuneration payable	-	-	184	-	-
Other payables	4,995	-	-	-	-
Profit receivable	-	177	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b><u>Al Ameen Islamic Active Allocation Plan - VIII</u></b>						
<b>Balances held as at June 30, 2018</b>						
Units held (in Units '000)	-	-	-	-	98	893
Units held (in Rupees '000)	-	-	-	-	8,830	80,458
Investment	-	-	-	4,325,375	-	-
Bank balances	-	4,920	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	315	-	-	-
Allocated expenses payable	743	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Conversion charges payable	2	-	-	-	-	-
Profit receivable	-	23	-	-	-	-
<b>Balances held as at June 30, 2017</b>						
Units held (in Units '000)	-	-	-	-	98	-
Units held (in Rupees '000)	-	-	-	-	9,451	-
Bank balances	-	10,471	-	-	-	-
Remuneration payable	-	-	376	-	-	-
Other payables	11,043	-	-	-	-	-
Profit receivable	-	354	-	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - IX</u></b>						
<b>Balances held as at June 30, 2018</b>						
Units held (in Units '000)	-	-	-	-	-	387
Units held (in Rupees '000)	-	-	-	-	-	38,354
Investment	-	-	-	3,613,340	-	-
Bank balances	-	300	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	263	-	-	-
Allocated expenses payable	619	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Conversion charges payable	1	-	-	-	-	-
Profit receivable	-	23	-	-	-	-
<b><u>Al Ameen Islamic Active Allocation Plan - X</u></b>						
<b>Balances held as at June 30, 2018</b>						
Investment	-	-	-	1,713,790	-	-
Bank balances	-	6,012	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	125	-	-	-
Allocated expenses payable	294	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Profit receivable	-	29	-	-	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
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----- (Rupees in '000) -----

**Al Ameen Islamic Conservative Allocation Plan**

**Balances held as at June 30, 2018**

Investment	-	-	-	-	-
Bank balances	-	434	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	24	-	-
Allocated expenses payable	42	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

**Balances held as at June 30, 2018**

Units held (in Units '000)	-	-	-	-	5	3,449
Units held (in Rupees '000)	-	-	-	-	502	346,423
Investment	-	-	-	2,150,902	-	-
Bank balances	-	316	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	154	-	-	-
Allocated expenses payable	361	-	-	-	-	-
Shariah Advisor fee payable	4	-	-	-	-	-
Sales load payable	341	-	-	-	-	-
Profit receivable	-	64	-	-	-	-

**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:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Experience in years</b>	<b>Qualification</b>
1	Yasir Qadri	Chief Executive Officer	22.1	MBA
2	Syed Suleman Akhter	Chief Investment Officer	16.85	MBA, CFA
3	Farhan Bashir Khan	Head of Research	11.6	MBA
4	Shabbir Sardar Zaidi	Fund Manager	9.02	CFA
5	Hadi Hassan Muki	Acting Head of Risk & Compliance *	18	B-Com

\* Head of Risk - non voting observer

Shabbir Sardar Zaidi is the Fund Manager of the Fund. He is also the Fund Manager of Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Dedicated Equity Fund, Al-Ameen Islamic Financial Planning Fund, Al-Ameen Islamic Financial Planning Fund - III and Al-Ameen Islamic Retirement Savings Fund.

## 23 PATTERN OF UNIT HOLDING

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,124	14,065,094	76.79%
Retirement Funds	27	2,812,888	15.36%
Others	17	1,439,041	7.86%
	1,168	18,317,023	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2017		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,249	16,251,965	70.84%
Associated Companies and Directors	1	35,000	0.15%
Retirement Funds	26	2,793,176	12.17%
Public Limited Companies	5	1,529,522	6.67%
Others	16	2,333,704	10.17%
	1,297	22,943,367	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,542	42,618,992	88.77%
Associated Company and Key Executives	1	97,574	0.20%
Insurance Companies	1	60,275	0.13%
Retirement Funds	18	1,528,709	3.18%
Public Limited Companies	5	1,166,600	2.43%
Others	22	2,539,713	5.29%
	2,589	48,011,863	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2017		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,715	44,707,678	86.70%
Associated Companies and Directors	1	97,562	0.19%
Insurance Companies	1	60,000	0.12%
Retirement Funds	17	1,309,155	2.54%
Public Limited Companies	20	5,077,153	9.85%
Others	10	312,639	0.61%
	2,764	51,564,187	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - IX		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,078	30,937,294	84.93%
Retirement Funds	22	2,391,426	6.56%
Public Limited Companies	2	660,960	1.81%
Others	20	2,438,950	6.70%
	2,122	36,428,630	100.00%

Category	Al-Ameen Islamic Conservative Allocation Plan		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	-	-	0.00%
Others	-	-	0.00%
	-	-	0.00%

Category	Al-Ameen Islamic Active Allocation Plan - X		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,067	13,695,906	81.01%
Insurance Companies	1	97,448	0.58%
Retirement Funds	18	1,621,687	9.59%
Public Limited Companies	2	1,081,967	6.40%
Others	7	409,110	2.42%
	1,095	16,906,117	100.00%

Category	Al-Ameen Islamic Active Principal Preservation Plan-I		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,023	18,901,045	88.30%
Associated Company and Key Executives	1	4,852	0.02%
Retirement Funds	23	1,433,097	6.70%
Public Limited Companies	2	149,325	0.70%
Others	15	916,461	4.28%
	1,064	21,404,780	100.00%

## 24 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
<b>Name of Directors:</b>								
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 Zaem	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas	✓	✓	✓	✓	x	✓	✓	6
<b>Name of Key Executives:</b>								
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. 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

## 25 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.

### 25.1 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 market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

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

### **25.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2018, as the fund has no financial assets or liabilities denominated in foreign currencies.

### **25.1.2 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 banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### **a) Sensitivity analysis for variable rate instruments**

The Fund's cash flow interest rate risk arises from balances in saving accounts. The net income or loss for the year / period would have higher or lower by Rs. 0.1046 million, Rs. 0.0461 million, Rs. 0.0012 million, Rs. 0.0600 million 0.0032 million and 0.0051 million in Al-Ameen Islamic Active Allocation Plan - VII, Al-Ameen Islamic Active Allocation Plan - VIII, respectively, Al-Ameen Islamic Active Allocation Plan - IX, Al-Ameen Islamic Active Allocation Plan - X, Al-Ameen Islamic Active Principal Preservation Plan-I and Al-Ameen Islamic Conservative Allocation plan, respectively had the interest rates on savings accounts with bank increased / (decreased) by 100 basis points.

#### **b) Sensitivity analysis for fixed rate instruments**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

**Al-Ameen Islamic Active Allocation Plan - VII**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	------(Rupees in '000)-----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	10,508	10,508	-	-	-
Investments		1,640,279	-	-	-	1,640,279
Mark-up / interest receivable		54	-	-	-	54
Other receivable		575	-	-	-	761
<b>Sub total</b>		1,651,416	10,508	-	-	1,641,094
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		288	-	-	-	288
Payable to Central Depository Company of Pakistan Limited - Trustee		106	-	-	-	106
Accrued expenses and other liabilities		44	-	-	-	44
<b>Sub total</b>		438	-	-	-	438
<b>On-balance sheet gap (a)</b>		1,650,978	10,508	-	-	1,640,656
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		1,650,978	10,508	-	-	1,640,656
<b>Cumulative interest rate sensitivity gap</b>		-	10,508	-	-	-

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	------(Rupees in '000)-----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	4,920	4,920	-	-	-
Investments		4,325,375	-	-	-	4,325,375
Mark-up / interest receivable		23	-	-	-	23
<b>Sub total</b>		4,330,318	4,920	-	-	4,325,398
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		749	-	-	-	749
Payable to Central Depository Company of Pakistan Limited - Trustee		279	-	-	-	279
Accrued expenses and other liabilities		41	-	-	-	41
<b>Sub total</b>		1,069	-	-	-	1,069
<b>On-balance sheet gap (a)</b>		4,329,249	4,920	-	-	4,324,329
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		4,329,249	4,920	-	-	4,324,329
<b>Cumulative interest rate sensitivity gap</b>		-	4,920	-	-	-

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	------(Rupees in '000)-----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	300	300	-	-	-
Investments		3,613,340	-	-	-	3,613,340
Mark-up / interest receivable		23	-	-	-	23
<b>Sub total</b>		3,613,663	300	-	-	3,613,363
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		624	-	-	-	624
Payable to Central Depository Company of Pakistan Limited - Trustee		233	-	-	-	233
Accrued expenses and other liabilities		117	-	-	-	117
<b>Sub total</b>		974	-	-	-	974
<b>On-balance sheet gap (a)</b>		3,612,689	300	-	-	3,612,389
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		3,612,689	300	-	-	3,612,389
<b>Cumulative interest rate sensitivity gap</b>		-	300	-	-	-

**Al-Ameen Islamic Active Allocation Plan - AIconAP**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	510	510	-	-	-
Investments		-	-	-	-	-
Mark-up / interest receivable		-	-	-	-	-
<b>Sub total</b>		510	510	-	-	-
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		46	-	-	-	46
Payable to Central Depository Company of Pakistan Limited - Trustee		21	-	-	-	21
Accrued expenses and other liabilities		349	-	-	-	349
<b>Sub total</b>		416	-	-	-	416
<b>On-balance sheet gap (a)</b>		94	510	-	-	(416)
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		94	510	-	-	(416)
<b>Cumulative interest rate sensitivity gap</b>		510	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - X**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	6,012	6,012	-	-	-
Investments		1,713,790	-	-	-	1,713,790
Mark-up / interest receivable		29	-	-	-	29
<b>Sub total</b>		1,719,831	6,012	-	-	1,713,819
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		298	-	-	-	298
Payable to Central Depository Company of Pakistan Limited - Trustee		111	-	-	-	111
Accrued expenses and other liabilities		60	-	-	-	60
<b>Sub total</b>		469	-	-	-	469
<b>On-balance sheet gap (a)</b>		1,719,362	6,012	-	-	1,713,350
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		1,719,362	6,012	-	-	1,713,350
<b>Cumulative interest rate sensitivity gap</b>		6,012	-	-	-	-

**Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I)**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	316	316	-	-	-
Investments		2,150,902	-	-	-	2,150,902
Mark-up / interest receivable		64	-	-	-	64
<b>Sub total</b>		2,151,282	316	-	-	2,150,966
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		706	-	-	-	706
Payable to Central Depository Company of Pakistan Limited - Trustee		136	-	-	-	136
Accrued expenses and other liabilities		36	-	-	-	36
<b>Sub total</b>		878	-	-	-	878
<b>On-balance sheet gap (a)</b>		2,150,404	316	-	-	2,150,088
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		2,150,404	316	-	-	2,150,088
<b>Cumulative interest rate sensitivity gap</b>		316	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - VII**

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) -----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5	39,968	39,968	-	-	-
Investments		2,233,114	-	-	-	2,233,114
Profit receivable		177	-	-	-	177
<b>Sub total</b>		2,273,259	39,968	-	-	2,233,291
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		4,995	-	-	-	4,995
Payable to Central Depository Company of Pakistan Limited - Trustee		163	-	-	-	163
Accrued expenses and other liabilities		20,983	-	-	-	20,983
<b>Sub total</b>		26,141	-	-	-	26,141
<b>On-balance sheet gap (a)</b>		2,247,118	39,968	-	-	2,207,150
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		2,247,118	39,968	-	-	2,207,150
<b>Cumulative interest rate sensitivity gap</b>		39,968	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - VIII**

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) -----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5	10,471	10,471	-	-	-
Investments		5,000,993	-	-	-	5,000,993
Profit receivable		354	-	-	-	354
Other receivable		1,043	-	-	-	1,043
<b>Sub total</b>		5,012,861	10,471	-	-	5,002,390
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		11,043	-	-	-	11,043
Payable to Central Depository Company of Pakistan Limited - Trustee		333	-	-	-	333
Accrued expenses and other liabilities		6,165	-	-	-	6,165
<b>Sub total</b>		17,541	-	-	-	17,541
<b>On-balance sheet gap (a)</b>		4,995,320	10,471	-	-	4,984,849
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		4,995,320	10,471	-	-	4,984,849
<b>Cumulative interest rate sensitivity gap</b>		10,471	-	-	-	-

### **25.1.3 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 rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund's exposure to price risk is limited to the fair value of the respective funds in which it invests. The Fund manages its exposure to price risk by investing in Shariah Compliant Mutual Funds as per the respective Allocation Plan in line with the risk tolerance of the investor and benchmarking the sector weighting to that of average daily return of KMI 30 index and 6 months deposit rate of AA-rated (and above) Islamic Banks, based on actual proportion of investment in Equity and Income/Money Market.

## **25.2 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.

### **25.2.1 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 / period.

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.

**Al-Ameen Islamic Active Allocation Plan - VII**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	288	-	-	288
Payable to Central Depository Company of Pakistan Limited - Trustee	106	-	-	106
Accrued expenses and other liabilities	44	-	-	44
<b>Total liabilities</b>	<b>438</b>	<b>-</b>	<b>-</b>	<b>438</b>

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	749	-	-	749
Payable to Central Depository Company of Pakistan Limited - Trustee	279	-	-	279
Accrued expenses and other liabilities	41	-	-	41
<b>Total liabilities</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>1,069</b>

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	624	-	-	624
Payable to Central Depository Company of Pakistan Limited - Trustee	233	-	-	233
Accrued expenses and other liabilities	117	-	-	117
<b>Total liabilities</b>	<b>974</b>	<b>-</b>	<b>-</b>	<b>974</b>

**Al-Ameen Islamic Conservative Allocation Plan-AIConAP**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees in '000 -----				
<b>Financial liabilities</b>				
Payable to UBL Fund Managers Limited - Management Company	46	-	-	46
Payable to Central Depository Company of Pakistan Limited - Trustee	21	-	-	21
Accrued expenses and other liabilities	349	-	-	349
<b>Total liabilities</b>	<b>416</b>	<b>-</b>	<b>-</b>	<b>416</b>

**Al-Ameen Islamic Active Allocation Plan - X**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total

----- Rupees in '000 -----

**Financial liabilities**

Payable to UBL Fund Managers Limited - Management Company	298	-	-	298
Payable to Central Depository Company of Pakistan Limited - Trustee	111	-	-	111
Accrued expenses and other liabilities	60	-	-	60
<b>Total liabilities</b>	<b>469</b>	<b>-</b>	<b>-</b>	<b>469</b>

**Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I)**

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total

----- Rupees in '000 -----

**Financial liabilities**

Payable to UBL Fund Managers Limited - Management Company	706	-	-	706
Payable to Central Depository Company of Pakistan Limited - Trustee	136	-	-	136
Accrued expenses and other liabilities	36	-	-	36
<b>Total liabilities</b>	<b>878</b>	<b>-</b>	<b>-</b>	<b>878</b>

**Al-Ameen Islamic Active Allocation Plan - VII**

Particulars	June 30, 2017			
	Upto three months	More than three months and upto one year	Over one year	Total

----- Rupees in '000 -----

**Financial liabilities**

Payable to UBL Fund Managers Limited - Management Company	4,995	-	-	4,995
Payable to Central Depository Company of Pakistan Limited - Trustee	163	-	-	163
Accrued expenses and other liabilities	20,983	-	-	20,983
<b>Total liabilities</b>	<b>26,141</b>	<b>-</b>	<b>-</b>	<b>26,141</b>

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	June 30, 2017			
	Upto three months	More than three months and upto one year	Over one year	Total

----- Rupees in '000 -----

**Financial liabilities**

Payable to UBL Fund Managers Limited - Management Company	11,043	-	-	11,043
Payable to Central Depository Company of Pakistan Limited - Trustee	333	-	-	333
Accrued expenses and other liabilities	6,165	-	-	6,165
<b>Total liabilities</b>	<b>17,541</b>	<b>-</b>	<b>-</b>	<b>17,541</b>

## 25.3 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable on units of mutual funds.

### Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. Further, all transactions in the Fund are executed only in underlying funds, thus the risk of default is considered to be minimal. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations and the guidelines given by the SECP from time to time.

25.3.1 The maximum exposure to credit risk as at June 30, 2018 is tabulated below:

Financial Asset	Al-Ameen Islamic Active Allocation Plan - VII	Al-Ameen Islamic Active Allocation Plan - VIII	Al-Ameen Islamic Active Allocation Plan - IX	Al-Ameen Islamic Active Conservative Plan - AIconAP	Al-Ameen Islamic Active Allocation Plan - X	Al-Ameen Islamic Active Principal Preservation Plan-I	Total
<b>June 30, 2018</b>							
.....Rupees in '000'.....							
Balances with banks	10,508	4,920	300	510	6,012	316	22,566
Investments	1,640,279	4,325,375	3,613,340	-	1,713,790	2,150,902	13,443,686
Profit receivable	54	23	23	-	29	64	193
Other receivable	575	-	-	-	-	-	575
	<u>1,651,416</u>	<u>4,330,318</u>	<u>3,613,663</u>	<u>510</u>	<u>1,719,831</u>	<u>2,151,282</u>	<u>13,467,020</u>

Financial Asset	Al-Ameen Islamic Active Allocation Plan - VII	Al-Ameen Islamic Active Allocation Plan - VIII	Al-Ameen Islamic Active Allocation Plan - IX	Al-Ameen Islamic Active Conservative Plan - AIconAP	Al-Ameen Islamic Active Allocation Plan - X	Al-Ameen Islamic Active Principal Preservation Plan-I	Total
<b>June 30, 2017</b>							
.....Rupees in '000'.....							
Balances with banks	39,968	10,471	-	-	-	-	50,439
Investments	2,233,114	5,000,993	-	-	-	-	7,234,107
Profit receivable	177	354	-	-	-	-	531
Other receivable	-	1,043	-	-	-	-	1,043
	<u>2,273,259</u>	<u>5,012,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,286,120</u>

25.3.2 The analysis below summarises the credit quality of the bank with which the Fund's financial assets are kept in profit and loss sharing accounts as at June 30, 2018:

Particulars	Rating agency	Al Ameen Islamic Active Allocation Plan - VII	Al Ameen Islamic Active Allocation Plan - VIII	Al Ameen Islamic Active Allocation Plan - IX	Al Ameen Islamic Active Conservative Plan -AIconAP	Al Ameen Islamic Active Allocation Plan - X	Al Ameen Islamic Active Principal Preservation Plan I- AIAPPP-I	Latest available published rating as at June 30, 2018
<b>June 30, 2018</b>								
<b>Rupees in '000'</b>								
United Bank Limited	JCR-VIS	10,508	4,920	300	434	6,012	316	AAA
Faisal Bank Limited	JCR-VIS	-	-	-	1	-	-	AA
Allied Bank Limited	PACRA	-	-	-	75	-	-	AAA
		<u>10,508</u>	<u>4,920</u>	<u>300</u>	<u>510</u>	<u>6,012</u>	<u>316</u>	

Particulars	Rating agency	Al Ameen Islamic Active Allocation Plan - VII	Al Ameen Islamic Active Allocation Plan - VIII	Al Ameen Islamic Active Allocation Plan - IX	Al Ameen Islamic Active Conservative Plan -AIconAP	Al Ameen Islamic Active Allocation Plan - X	Al Ameen Islamic Active Principal Preservation Plan I- AIAPPP-I	Latest available published rating as at June 30, 2017
<b>June 30, 2017</b>								
<b>Rupees in '000'</b>								
United Bank Limited	JCR-VIS	40,145	10,825	-	-	-	-	AAA
		<u>40,145</u>	<u>10,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

### 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 bank balances are held with a single bank (related party). The management believes that the bank is a reputed institution.

## 26 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 / period.

## **27 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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 IFRS 7 (Financial Instruments: Disclosures), 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)

6.2 Units of mutual funds

Name of investee funds	At the beginning of the year / period	Purchased during the year / period	Sold during the year / period	At the end of the year / period	Cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised Gain/(Loss)	Market value as at June 30, 2017	Market value as Percentage of Net Assets	Market value as Percentage of Investment
	No. of holdings				Rupees in '000					
<b>Al Ameen Islamic Active Allocation Plan - VII</b>										
Al Ameen Islamic Sovereign Fund	10,727,002	6,210,511	13,106,880	3,830,633	393,455	397,945	4,490	1,081,942	24%	24%
Al Ameen Islamic Cash Fund	-	1,927,037	1,927,037	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	8,608,673	8,954,803	6,850,324	10,713,152	1,365,128	1,242,334	(122,794)	1,151,172	76%	76%
<b>Total</b>	<b>19,335,675</b>	<b>17,092,351</b>	<b>21,884,241</b>	<b>14,543,785</b>	<b>1,758,583</b>	<b>1,640,279</b>	<b>(118,304)</b>	<b>2,233,114</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - VIII</b>										
Al Ameen Islamic Sovereign Fund	32,022,603	22,268,169	44,268,628	10,022,144	1,031,693	1,041,150	9,457	3,229,848	24%	24%
Al Ameen Islamic Cash Fund	-	24,736,785	24,736,785	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	13,244,942	28,118,484	13,042,208	28,321,218	3,564,377	3,284,225	(280,152)	1,771,145	76%	76%
<b>Total</b>	<b>45,267,545</b>	<b>75,123,438</b>	<b>82,047,621</b>	<b>38,343,362</b>	<b>4,596,070</b>	<b>4,325,375</b>	<b>(270,695)</b>	<b>5,000,993</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - IX</b>										
Al Ameen Islamic Sovereign Fund	-	23,285,768	14,645,261	8,640,507	887,905	897,619	9,714	-	25%	25%
Al Ameen Islamic Cash Fund	-	19,533,837	19,533,837	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	-	32,874,938	9,456,166	23,418,772	2,777,373	2,715,721	(61,652)	-	75%	75%
<b>Total</b>	<b>-</b>	<b>75,694,543</b>	<b>43,635,264</b>	<b>32,059,279</b>	<b>3,665,278</b>	<b>3,613,340</b>	<b>(51,938)</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Active Allocation Plan - X</b>										
Al Ameen Islamic Sovereign Fund	-	33,710,979	29,873,661	3,837,318	394,883	398,640	3,757	-	23%	23%
Al Ameen Islamic Cash Fund	-	31,725,318	31,056,737	668,581	69,875	70,365	490	-	4%	4%
Al Ameen Islamic Dedicated Equity Fund	-	15,104,337	4,370,043	10,734,294	1,234,007	1,244,785	10,778	-	72%	73%
<b>Total</b>	<b>-</b>	<b>80,540,634</b>	<b>65,300,441</b>	<b>15,240,193</b>	<b>1,698,765</b>	<b>1,713,790</b>	<b>15,025</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Al Ameen Islamic Conservative Allocation Plan</b>										
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	0%	0%
Al Ameen Islamic Cash Fund	-	5,075,825	5,075,825	-	-	-	-	-	0%	0%
Al Ameen Islamic Dedicated Equity Fund	-	-	-	-	-	-	-	-	0%	0%
<b>Total</b>	<b>-</b>	<b>5,075,825</b>	<b>5,075,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Al Ameen Islamic Active Principal Preservation Plan-I</b>										
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	0%	0%
Al Ameen Islamic Cash Fund	-	53,366,936	34,779,275	18,587,661	1,940,837	1,956,257	15,420	-	91%	91%
Al Ameen Islamic Dedicated Equity Fund	-	20,224,023	18,545,514	1,678,509	196,274	194,645	(1,629)	-	9%	9%
<b>Total</b>	<b>-</b>	<b>73,590,959</b>	<b>53,324,789</b>	<b>20,266,170</b>	<b>2,137,111</b>	<b>2,150,902</b>	<b>13,791</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Total investments in units of mutual funds</b>										
Al Ameen Islamic Sovereign Fund	42,749,605	85,475,427	101,894,430	26,330,602	2,707,936	2,735,354	27,418	4,311,789	20%	20%
Al Ameen Islamic Cash Fund	-	136,365,738	117,109,496	19,256,242	2,010,712	2,026,622	15,910	-	15%	15%
Al Ameen Islamic Dedicated Equity Fund	21,853,615	105,276,585	52,264,255	74,865,945	9,137,159	8,681,710	(455,449)	2,922,318	65%	65%
<b>Total</b>	<b>64,603,220</b>	<b>327,117,750</b>	<b>271,268,181</b>	<b>120,452,789</b>	<b>13,855,807</b>	<b>13,443,686</b>	<b>(412,121)</b>	<b>7,234,107</b>	<b>100%</b>	<b>100%</b>

## 23 PATTERN OF UNIT HOLDING

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,124	14,065,094	76.79%
Retirement Funds	27	2,812,888	15.36%
Others	17	1,439,041	7.86%
	1,168	18,317,023	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VII		
	June 30, 2017		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,249	16,251,965	70.84%
Associated Companies and Directors	1	35,000	0.15%
Retirement Funds	26	2,793,176	12.17%
Public Limited Companies	5	1,529,522	6.67%
Others	16	2,333,704	10.17%
	1,297	22,943,367	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,542	42,618,992	88.77%
Associated Company and Key Executives	1	97,574	0.20%
Insurance Companies	1	60,275	0.13%
Retirement Funds	18	1,528,709	3.18%
Public Limited Companies	5	1,166,600	2.43%
Others	22	2,539,713	5.29%
	2,589	48,011,863	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - VIII		
	June 30, 2017		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,715	44,707,678	86.70%
Associated Companies and Directors	1	97,562	0.19%
Insurance Companies	1	60,000	0.12%
Retirement Funds	17	1,309,155	2.54%
Public Limited Companies	20	5,077,153	9.85%
Others	10	312,639	0.61%
	2,764	51,564,187	100.00%

Category	Al-Ameen Islamic Active Allocation Plan - IX		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	2,078	30,937,294	84.93%
Retirement Funds	22	2,391,426	6.56%
Public Limited Companies	2	660,960	1.81%
Others	20	2,438,950	6.70%
	2,122	36,428,630	100.00%

Category	Al-Ameen Islamic Conservative Allocation Plan		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	-	-	0.00%
Others	-	-	0.00%
	-	-	0.00%

Category	Al-Ameen Islamic Active Allocation Plan - X		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,067	13,695,906	81.01%
Insurance Companies	1	97,448	0.58%
Retirement Funds	18	1,621,687	9.59%
Public Limited Companies	2	1,081,967	6.40%
Others	7	409,110	2.42%
	1,095	16,906,117	100.00%

Category	Al-Ameen Islamic Active Principal Preservation Plan-I		
	June 30, 2018		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	1,023	18,901,045	88.30%
Associated Company and Key Executives	1	4,852	0.02%
Retirement Funds	23	1,433,097	6.70%
Public Limited Companies	2	149,325	0.70%
Others	15	916,461	4.28%
	1,064	21,404,780	100.00%

**Al-Ameen Islamic Active Allocation Plan - VII**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	-----	-----	-----	-----	-----
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	10,508	10,508	-	-	-
Investments		1,640,279	-	-	-	1,640,279
Mark-up / interest receivable		54	-	-	-	54
Other receivable		575	-	-	-	761
<b>Sub total</b>		1,651,416	10,508	-	-	1,641,094
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		288	-	-	-	288
Payable to Central Depository Company of Pakistan Limited - Trustee		106	-	-	-	106
Accrued expenses and other liabilities		44	-	-	-	44
<b>Sub total</b>		438	-	-	-	438
<b>On-balance sheet gap (a)</b>		1,650,978	10,508	-	-	1,640,656
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		1,650,978	10,508	-	-	1,640,656
<b>Cumulative interest rate sensitivity gap</b>		-----	-----	-----	-----	-----

**Al-Ameen Islamic Active Allocation Plan - VIII**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	-----	-----	-----	-----	-----
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	4,920	4,920	-	-	-
Investments		4,325,375	-	-	-	4,325,375
Mark-up / interest receivable		23	-	-	-	23
<b>Sub total</b>		4,330,318	4,920	-	-	4,325,398
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		749	-	-	-	749
Payable to Central Depository Company of Pakistan Limited - Trustee		279	-	-	-	279
Accrued expenses and other liabilities		41	-	-	-	41
<b>Sub total</b>		1,069	-	-	-	1,069
<b>On-balance sheet gap (a)</b>		4,329,249	4,920	-	-	4,324,329
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		4,329,249	4,920	-	-	4,324,329
<b>Cumulative interest rate sensitivity gap</b>		-----	-----	-----	-----	-----

**Al-Ameen Islamic Active Allocation Plan - IX**

Particulars	June 30, 2018					Not exposed to interest rate risk
	Effective yield / interest rate	Total	Exposed to interest rate risk			
			Upto three months	More than three months and upto one year	More than one year	
	%	-----	-----	-----	-----	-----
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	300	300	-	-	-
Investments		3,613,340	-	-	-	3,613,340
Mark-up / interest receivable		23	-	-	-	23
<b>Sub total</b>		3,613,663	300	-	-	3,613,363
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		624	-	-	-	624
Payable to Central Depository Company of Pakistan Limited - Trustee		233	-	-	-	233
Accrued expenses and other liabilities		117	-	-	-	117
<b>Sub total</b>		974	-	-	-	974
<b>On-balance sheet gap (a)</b>		3,612,689	300	-	-	3,612,389
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		3,612,689	300	-	-	3,612,389
<b>Cumulative interest rate sensitivity gap</b>		-----	-----	-----	-----	-----

**Al-Ameen Islamic Active Allocation Plan - AIconAP**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	510	510	-	-	-
Investments		-	-	-	-	-
Mark-up / interest receivable		-	-	-	-	-
<b>Sub total</b>		510	510	-	-	-
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		46	-	-	-	46
Payable to Central Depository Company of Pakistan Limited - Trustee		21	-	-	-	21
Accrued expenses and other liabilities		349	-	-	-	349
<b>Sub total</b>		416	-	-	-	416
<b>On-balance sheet gap (a)</b>		94	510	-	-	(416)
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		94	510	-	-	(416)
<b>Cumulative interest rate sensitivity gap</b>		510	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - X**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	6,012	6,012	-	-	-
Investments		1,713,790	-	-	-	1,713,790
Mark-up / interest receivable		29	-	-	-	29
<b>Sub total</b>		1,719,831	6,012	-	-	1,713,819
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		298	-	-	-	298
Payable to Central Depository Company of Pakistan Limited - Trustee		111	-	-	-	111
Accrued expenses and other liabilities		60	-	-	-	60
<b>Sub total</b>		469	-	-	-	469
<b>On-balance sheet gap (a)</b>		1,719,362	6,012	-	-	1,713,350
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		1,719,362	6,012	-	-	1,713,350
<b>Cumulative interest rate sensitivity gap</b>		6,012	-	-	-	-

**Al-Ameen Islamic Active Principal Preservation Plan-I (AIAPPP-I)**

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	
	%	-----	-----	-----	-----	-----
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5 - 6.2	316	316	-	-	-
Investments		2,150,902	-	-	-	2,150,902
Mark-up / interest receivable		64	-	-	-	64
<b>Sub total</b>		2,151,282	316	-	-	2,150,966
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		706	-	-	-	706
Payable to Central Depository Company of Pakistan Limited - Trustee		136	-	-	-	136
Accrued expenses and other liabilities		36	-	-	-	36
<b>Sub total</b>		878	-	-	-	878
<b>On-balance sheet gap (a)</b>		2,150,404	316	-	-	2,150,088
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		2,150,404	316	-	-	2,150,088
<b>Cumulative interest rate sensitivity gap</b>		316	-	-	-	-

**Al-Ameen Islamic Active Allocation Plan - VII**

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) -----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5	39,968	39,968	-	-	-
Investments		2,233,114	-	-	-	2,233,114
Profit receivable		177	-	-	-	177
<b>Sub total</b>		2,273,259	39,968	-	-	2,233,291
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		4,995	-	-	-	4,995
Payable to Central Depository Company of Pakistan Limited - Trustee		163	-	-	-	163
Accrued expenses and other liabilities		20,983	-	-	-	20,983
<b>Sub total</b>		26,141	-	-	-	26,141
<b>On-balance sheet gap (a)</b>		2,247,118	39,968	-	-	2,207,150
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		2,247,118	39,968	-	-	2,207,150
<b>Cumulative interest rate sensitivity gap</b>		-	39,968	-	-	-

**Al-Ameen Islamic Active Allocation Plan - VIII**

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) -----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.5	10,471	10,471	-	-	-
Investments		5,000,993	-	-	-	5,000,993
Profit receivable		354	-	-	-	354
Other receivable		1,043	-	-	-	1,043
<b>Sub total</b>		5,012,861	10,471	-	-	5,002,390
<b>Financial liabilities</b>						
Payable to UBL Fund Managers Limited - Management Company		11,043	-	-	-	11,043
Payable to Central Depository Company of Pakistan Limited - Trustee		333	-	-	-	333
Accrued expenses and other liabilities		6,165	-	-	-	6,165
<b>Sub total</b>		17,541	-	-	-	17,541
<b>On-balance sheet gap (a)</b>		4,995,320	10,471	-	-	4,984,849
<b>Off-balance sheet financial instrument</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		4,995,320	10,471	-	-	4,984,849
<b>Cumulative interest rate sensitivity gap</b>		-	10,471	-	-	-

**Al Ameen Islamic Active Allocation - VII**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

1,640,279	-	-
1,640,279	-	-

Fair value

----- As at June 30, 2017 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

2,233,114	-	-
2,233,114	-	-

**Al Ameen Islamic Active Allocation - VIII**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

4,325,375	-	-
4,325,375	-	-

Fair value

----- As at June 30, 2017 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

5,000,993	-	-
5,000,993	-	-

**Al Ameen Islamic Active Allocation - IX**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

3,613,340	-	-
3,613,340	-	-

**Al Ameen Islamic Active Conservative Allocation Plan**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

-	-	-
-	-	-

**Al Ameen Islamic Active Allocation - X**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

1,713,790	-	-
1,713,790	-	-

**Al Ameen Islamic Active Principal Preservation Plan-I**

Fair value

----- As at June 30, 2018 -----

Level 1	Level 2	Level 3
---------	---------	---------

----- Rupees in '000-----

**Financial assets measured at fair value**

Investment in mutual funds - financial assets  
At fair value through profit and loss - held for trading

2,150,902	-	-
2,150,902	-	-

**Transfers during the year / period**

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 financial instruments.

**28 DATE OF AUTHORIZATION FOR ISSUE**

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

**29 GENERAL**

29.1 These figures has been rounded off to the nearest thousand rupees unless otherwise stated.

29.2 The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Re. 0.0368 per unit on the face value of Rs. 100 each (i.e. 0.04%) in AIACTAP-X amounting to Rs. 0.622 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.

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

SD  
**CHIEF EXECUTIVE OFFICER**

SD  
**CHIEF FINANCIAL OFFICER**

SD  
**DIRECTOR**

# AIFPF-III

**Al-Ameen Islamic Financial Planning Fund**  
Al-Ameen Islamic Active Principal Preservation Plan-II

## INVESTMENT OBJECTIVE

AIFPF-III is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	KPMG Taseer Hadi and Co., Chartered Accountants
<b>Bankers</b>	United Bank Limited
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

## Fund Manager’s Report – Al-Ameen Islamic Financial Planning Fund – III

### Al-Ameen Islamic Active Principal Preservation Plan-II (AIAPPP-II)

i) **Description of the Collective Investment Scheme category and type**

Shariah Compliant Fund of Funds Scheme/ Open-end

ii) **Statement of Collective Investment Scheme’s investment objective**

The “Al-Ameen Islamic Active Principal Preservation Plan-III” is an Islamic Allocation Plan under the “Al-Ameen Islamic Financial Planning Fund - II”. AIFPF is an Open-end Shariah Compliant Fund of funds that aims to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the Investor.

iii) **Explanation as to whether the Collective Investment Scheme achieved its stated objective**

The fund achieved its stated objective.

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted Avg. of 3M average deposit rates of 3 AA rated islamic banks/windows as selected by MUFAP, 6M PKISRV rates and KMI-30 Index on basis of actual investment by the plan

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
AIAPPP-II	-	-	-	-	-	-	-	-	-	-	0.24%	0.39%	0.64%
Benchmark	-	-	-	-	-	-	-	-	-	-	0.29%	0.07%	0.36%

vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**

The Fund was launched on 28-May-18. Since inception, AIAPPP-I generated a return of 0.64%. The plan’s exposure to local equities (through Al-Ameen Islamic Dedicated Equity Fund) as at June18 stood at 8% while the remaining 92% was invested in Al-Ameen Islamic Money market (through Al-Ameen Islamic Cash Fund). The net assets of the Fund were PKR 762 mn as at June 30, 2018 representing the net asset value of PKR 100.6354 per unit.

**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
Equity Funds	0%	8%
Money Market Funds	0%	92%
Income Funds	0%	0%
Others	0%	0%

Cash	0%	0%
Leverage	Nil	Nil

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

FY'18 Return: 0.64%  
Standard Deviation (12m trailing): n/a  
Sharpe Ratio (12m trailing):

**viii) 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		
28-May-18	30-Jun-18	Change	28-May-18	30-Jun-18	Change
Rupees (000)		%	Rupees		%
755,992	791,974	4.76	100.0214	100.6354	0.61

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

The fund is an Islamic Allocation Plan under the "Al-Ameen Islamic Financial Planning Fund-III" that actively invests between Islamic Equities and Islamic Money Market/ Income based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of AIFPF-III-AIAPPP-II are equity and money-market CIS and the market reviews are as follows:

**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 co-operation 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 entry into the IMF program 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.

- x) **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

No distribution has been made during the period.

- xi) **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 state of affairs of the scheme.

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

Range of Units	Number of Investors
	AIPPF-III
0.0001 - 9,999.9999	503
10,000.0000 - 49,999.9999	136
50,000.0000 - 99,999.9999	26
100,000.0000 - 499,999.9999	5
500,000.0000 & Above	-
<b>Total</b>	<b>670</b>

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

### Al Ameen Islamic Active Principal Preservation Plan - II

**2018**

**NET ASSETS AS AT 30 JUNE - Rupees in '000**

**761,974**

**NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees \***

Class A units - Offer

100.6354

- Redemption

96.6100

**RETURN OF THE FUND - %**

Total Return of the Fund

**0.64**

Capital Growth (per unit)

**0.64**

Date of Income Distribution

-

Income Distribution

-

Date of Income Distribution

-

Income Distribution

-

**AVERAGE ANNUAL RETURN - %**

One Year

**0.64**

Second Year

**0.64**

Third Year

**0.64**

Since inception

**0.64**

**OFFER / REPURCHASE DURING THE YEAR- Rupees \***

Highest price per unit - Class A units - Offer

100.6510

Highest price per unit - Class A units - Redemption

96.6250

Lowest price per unit - Class A units - Offer

100.0214

Lowest price per unit - Class A units - Redemption

96.0205

\* Front-end load @ 3% is applicable

\* Contingent load @ 4% is applicable

**PORTFOLIO COMPOSITION - %**

Percentage of Net Assets as at 30 June

**PORTFOLIO COMPOSITION BY CATEGORY - %**

Al Ameen Islamic Dedicated Equity Fund

9

Al Ameen Islamic Cash Fund

91

**PORTFOLIO COMPOSITION BY MARKET - %**

Mutual Funds

**100.00**

Note:

- The Launch date of Fund is 28 May 2018

## **DISCLAIMER**

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

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Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### AL-AMEEN ISLAMIC FINANCIAL PLANNING FUND - III

#### 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 Financial Planning Fund - III (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 period from May 28, 2018 to 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 25, 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 AIFPF-III- AIAPPP-II in light of the shariah guidelines.
- ii. All the provisions of the Scheme and investments made on account of AIFPF-III- AIAPPP-II 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 AIFPF-III- AIAPPP-II for the year ended 30 June 2018 have been in compliance with the Shariah principles.

During the year, PKR Nil amount 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 Najeem 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 FINANCIAL PLANNING FUND – III  
**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 Financial Planning Fund – III (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 Furrugh 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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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  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

**To the Unit Holders of Al-Ameen Islamic Financial Planning Fund - III**

**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.

*Taseer Hadi*

**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 FINANCIAL PLANNING FUND III**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Al - Ameen Islamic Financial Planning Fund III ("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 period then ended from 28 May 2018 to 30 June 2018, 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 period then ended from 28 May 2018 to 30 June 2018 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 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.



KPMG Taseer Hadi & Co.

Following is the key audit matter:

<b>S. No.</b>	<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
1	<p><b>Valuation of Investments</b></p> <p>Refer note 4.1.1 and 5 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 investments in open end funds of Rs.775 million representing almost 100% 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"><li>• Obtaining an understanding of and testing the design and operating effectiveness of the key controls for the valuation of investments; and</li><li>• Assessing, on a sample basis, whether investments in open end Funds were valued at fair values based on the rates quoted by Mutual Fund Association of Pakistan (MUFAP).</li></ul>

### 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.



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### **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 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.



KPMG Taseer Hadi & Co.

- 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.
- 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.



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**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.

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

**Date: 28 August 2018**

**Karachi**

*Mazhar Saleem*  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

# AI - Ameen Islamic Financial Planning Fund - III

## Statement of Assets and Liabilities

As at 30 June 2018

	30 June 2018 ---AIAPPP-II---	
	(Rupees in '000)	Note
<b>Assets</b>		
Investments	775,300	5
Deferred formation cost	1,111	6
<b>Total assets</b>	<b>776,411</b>	
<b>Liabilities</b>		
Payable to the Management Company	4,631	7
Payable to Central Depository Company of Pakistan Limited - Trustee	70	8
Payable to Securities and Exchange Commission of Pakistan	53	9
Accrued expenses and other payables	9,683	10
<b>Total liabilities</b>	<b>14,437</b>	
<b>Net assets</b>	<b>761,974</b>	
<b>Unit holders' fund</b> (as per the statement attached)	<b>761,974</b>	
<b>Contingency</b>		14
	(Number of units)	
<b>Number of units in issue</b> (face value of units is Rs. 100 each)	<b>7,571,633</b>	
	(Rupees)	
<b>Net asset value per unit</b>	<b>100.6354</b>	4.9

The annexed notes from 1 to 22 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 Financial Planning Fund - III

## Income Statement

For the period from 28 May 2018 to 30 June 2018

	For the period from 28 May 2018 to 30 June 2018 ---AIAPPP-II---	
	(Rupees in '000)	Note
<b>Income</b>		
Net capital gain on sale of investments	2,595	
Net unrealised gain on revaluation of investments classified as 'designated at fair value through profit or loss'	2,836	5.2
Other income	29	
<b>Total income</b>	<b>5,460</b>	
<b>Expenses</b>		
Allocation of expenses relating to the Fund	71	7.2
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	80	8
Annual fee of Securities and Exchange Commission of Pakistan	53	9
Auditors' remuneration	259	11
Shariah advisory fee	50	
Formation cost	44	
<b>Total operating expenses</b>	<b>557</b>	
<b>Net income from operating activities</b>	<b>4,903</b>	
Provision for Sindh Workers' Welfare Fund	(96)	10.1
<b>Net income for the period before taxation</b>	<b>4,807</b>	
Taxation	-	12
<b>Net income for the period after taxation</b>	<b>4,807</b>	
<b>Allocation of net income for the period after taxation</b>		
Net income for the period after taxation	4,807	
Income already paid on units redeemed	-	
Accounting income available for distribution	4,807	
<b>Accounting income available for distribution</b>		
- Relating to capital gains	4,807	
- Excluding capital gains	-	
	<b>4,807</b>	

The annexed notes from 1 to 22 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 Financial Planning Fund - III

## Statement of Comprehensive Income

For the period from 28 May 2018 to 30 June 2018

For the period from  
28 May 2018 to 30  
June 2018  
---AIAPPP-II---  
(Rupees in '000)

<b>Net income for the period after taxation</b>	<b>4,807</b>
Other comprehensive income for the period	-
<b>Total comprehensive income for the period</b>	<b><u>4,807</u></b>

The annexed notes from 1 to 22 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 Financial Planning Fund - III

## Statement of Movement in Unit Holders' Fund

For the period from 28 May 2018 to 30 June 2018

For the period from 28 May 2018 to  
30 June 2018

-----AIAPPP-II-----

	Capital value	Undistributed income	Total
----- (Rupees in '000) -----			
<b>Issuance of 7,671,136 units</b>			
- Capital value	767,113	-	767,113
- Element of income	6	-	6
Total proceeds on issuance of units	767,119	-	767,119
<b>Redemption of 99,503 units</b>			
- Capital value	(9,950)	-	(9,950)
- Element of loss	(2)	-	(2)
Total payments on redemption of units	(9,952)	-	(9,952)
Total comprehensive income for the period	-	4,807	4,807
Interim distribution for the period ended 30 June 2018: Nil	-	-	-
Net income for the period less distribution	-	4,807	4,807
<b>Net assets at end of the period</b>	<b>757,167</b>	<b>4,807</b>	<b>761,974</b>

### Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

4,807
-
4,807

Interim distribution for the period ended 30 June 2018: Nil

### Undistributed income carried forward

-
4,807

### Undistributed income carried forward comprises of:

- Realised income
- Unrealised income

1,971
2,836
4,807

(Rupees)

### Net assets value per unit at end of the period

100.6354

The annexed notes from 1 to 22 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 Financial Planning Fund - III

## Cash Flow Statement

For the period from 28 May 2018 to 30 June 2018

For the period  
from 28 May  
2018 to 30 June  
2018  
---AIAPPP-II---  
Note (Rupees in '000)

### CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 4,807

#### Adjustments for non-cash and other items:

Net capital gain on sale of investments (2,595)

Net unrealised gain on revaluation of investments classified as  
'designated at fair value through profit or loss' 5.2 (2,836)

(5,431)

**Net cash used in operations before working capital changes (624)**

#### Working capital changes

*Movement in working capital*

Investments (769,869)

Deferred formation cost (1,111)

Payable to the Management Company 4,631

Payable to Central Depository Company of Pakistan Limited - Trustee 70

Payable to Securities and Exchange Commission of Pakistan 53

Accrued expenses and other payables 9,683

(756,543)

**Net cash used in operating activities (757,167)**

### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of units 15 767,119

Payments on redemption of units (9,952)

**Net cash flows generated from financing activities 757,167**

**Cash and cash equivalents at end of the period -**

The annexed notes from 1 to 22 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 Financial Planning Fund - III

## Notes to the Financial Statements

For the period from 28 May 2018 to 30 June 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Al-Ameen Islamic Financial Planning Fund - III (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 3 January 2018, and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 22 January 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 28 May 2018.

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. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

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.

1.2 The Fund is an Open-end Shariah Compliant Fund of funds Scheme that aims to generate returns on Investment as per the respective Allocation Plan by investing via underlying mutual funds. These comprises the following:

#### 1.2.1 Al-Ameen Islamic Active Principal Preservation Plan – II

AIAPPP-II is an Islamic Principal Preservation Plan under “Al-Ameen Islamic Financial Planning Fund - III” with an objective to earn potentially high return through dynamic asset allocation between Islamic Dedicated Equity, Islamic Sovereign Income and Islamic Money Market based Collective Investment Schemes, PLS and term deposit receipts while providing principal preservation of the Initial Investment Value including Front end load at completion of twenty four months and beyond till maturity of the plan.

#### 1.2.2 Al-Ameen Islamic Active Asset Allocation Plan

AIAAP is an Islamic Asset Allocation Plan under “Al-Ameen Islamic Financial Planning Fund - III” with an objective to earn potentially high returns through active asset allocation between Islamic Dedicated Equity scheme(s), Islamic Sovereign Income scheme(s), Islamic Aggressive Income scheme(s) and Islamic Money Market Scheme(s) based on actual proportion of investment in the Plan as per Fund Manager’s outlook on the asset classes.

### 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 Impairment of financial instruments and other assets

### 3.4 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 Fund'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 Fund'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 Fund'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 amendments are not likely to have an impact on Fund'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 amendments are not likely to have an impact on Fund'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 amendments are not likely to have an impact on Fund'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 amendments are not likely to have an impact on Fund'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 Fund'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 amendments are not likely to have an impact on Fund'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 Fund's financial statements.

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

The management has adopted the following significant policies for the preparation of these financial statements:

##### **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 the investments in the units of open end funds are re-measured at fair value with reference to redemption prices and the resultant gain or loss on remeasurement of value of investment is recognised in the income statement.

#### **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 Deferred formation cost**

This represents expenses incurred on the formation of the Fund. As permitted in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, these expenses are being amortised to the income statement over a period of two years (effective from 28 May 2018). Refer note 6 also.

#### **4.6 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.

#### **4.7 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.

#### **4.8 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.

#### **4.9 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 end of the period.

#### **4.10 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 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.

#### 4.11 Revenue recognition

- Capital gains / (losses) arising on redemption and sale of units are included in the Income Statement on the date at which the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of units classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on saving accounts is recognised using effective yield method.

#### 4.12 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.

#### 4.13 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.

#### 4.14 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.

#### 4.15 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.

### 5 INVESTMENTS

**30 June  
2018  
---AIAPP - II---  
(Rupees in '000)**

**Designated at fair value through profit or loss - held for trading**  
Units of Mutual Funds - Open Ended

5.1

**775,300**

## 5.1 Units of Mutual Funds - Open Ended

	Acquired during the period	Sold / matured during the period	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Percentage of total investments	Percentage of net assets
	----- (No. of holdings) -----			----- (Rupees in '000) -----		----- % -----	
Investments in:							
Al-Ameen Islamic Cash Fund	14,748,670	7,954,456	6,794,214	711,902	715,056	92%	94%
Al-Ameen Islamic Dedicated Equity Fund	6,780,412	6,260,904	519,508	60,562	60,244	8%	8%
<b>Investments as at 30 June 2018</b>				<b>772,464</b>	<b>775,300</b>	<b>100%</b>	<b>102%</b>

5.1.1 The Plan AIAPPP-II will be primarily investing in the above funds and Al-Ameen Islamic sovereign Fund Collective Investment Schemes.

## 5.2 Net unrealized gain on revaluation of investments classified as 'designated at fair value through profit or loss'

	Note	30 June 2018 ---AIAPPP-II--- (Rupees in '000)
Market value of investments	5.1	775,300
Less: Cost / carrying value of investments	5.1	(772,464)
		<u>2,836</u>

## 6 DEFERRED FORMATION COST

Deferred formation cost		1,155
Amortization during the period	6.1	(44)
Unamortised formation cost at end of the period		<u>1,111</u>

6.1 As per the offering documents all preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred for announcing the Fund and other expenses during and up to the Initial Offering Period (IOP), shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Such formation cost shall be amortized over a period of not less than two years effective from 28 May 2018. Deferred formation cost shall be borne by the fund and amortised within the maturity of fund which is 30 months.

## 7 PAYABLE TO THE MANAGEMENT COMPANY

Payable to management company against formation cost		1,155
Payable against allocation of expenses relating to the Fund	7.2	71
Shariah advisory fee		25
Sales load payable		3,380
		<u>4,631</u>

7.1 Under the provision of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company is entitled to a remuneration for services rendered to the Fund up to a maximum of 1% per annum based on the average monthly net assets of the allocation baskets / plans under the Fund on the daily basis during the year. However, no management fee will be charged on the portion which is invested in schemes managed by UBL Fund Managers.

7.2 The Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(s) has been introduced allowing the Management Company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.075% of average annual net assets of the Scheme or actual whichever is less" Accordingly, the management company has charged 0.075% per annum of the average annual net assets, being lower.

## 8 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 period ended from 28 May 2018 to 30 June 2018 is as follows:

Net assets:	Tariff per annum
- Up to Rs.1 billion	0.10% per annum of net asset value
- Over Rs.1 billion	Rs. 1 million plus 0.075% per annum of net asset value exceeding Rs. 1 billion

## 9 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.

	<i>Note</i>	<b>30 June 2018</b> <b>---AIAPPP-II---</b> <b>(Rupees in '000)</b>
<b>10 ACCRUED EXPENSES AND OTHER PAYABLES</b>		
Provision against Sindh Workers' Welfare Fund	<i>10.1</i>	<b>96</b>
Auditors' remuneration payable	<i>11</i>	<b>259</b>
Sales load payable		<b>8,597</b>
Other payables		<b>731</b>
		<b>9,683</b>

- 10.1** Provision for Sindh Workers Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) going forward letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 and hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management has recorded SWWF. Had the provision not been made, Net Asset Value per unit of the Fund as at 30 June 2018 would have been higher by Rs. 0.013 per unit.

	<b>30 June 2018</b> <b>---AIAPPP-II---</b> <b>(Rupees in '000)</b>
<b>11 AUDITORS' REMUNERATION</b>	
Annual audit fee	<b>108</b>
Fee for certifications and other services	<b>151</b>
	<b>259</b>

## 12 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 in to 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. Since no distributable income has been earned by the Fund, therefore, no dividend has been distributed.

### 13 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 period ended from 28 May 2018 to 30 June 2018 is 0.09% which include 0.02% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

### 14 CONTINGENCY

As at 30 June 2018, there is no contingency.

### 15 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against sale of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Receivable against issuance of units	767,119	-	767,119
Payable against redemption of units	-	9,952	9,952
	767,119	9,952	777,071
Amount received on issuance of units	(767,119)	-	(767,119)
Amount paid on redemption of units	-	(9,952)	(9,952)
	(767,119)	(9,952)	(777,071)
<b>Closing balance as at 30 June 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 16 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 Trustee is determined in accordance with the provisions of 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 period end are as follows:

	<b>Management Company</b>	<b>Trustee</b>	<b>Funds under common</b>
	<b>Transactions during the period from 28 May 2018 to 30 June 2018</b>		
	<b>---AIAPPP-II---</b>		
	<b>----- (Rupees in '000) -----</b>		
Remuneration	-	71	-
Sales tax on remuneration	-	9	-
Purchase of Collective Investment Scheme units at cost	-	-	2,336,125
Sale of Collective Investment Scheme units at cost	-	-	1,566,256
Allocation of expenses relating to the Fund	71	-	-
Shariah advisory fee	50	-	-
	<b>----- (Balances held as at 30 June 2018) -----</b>		
	<b>---AIAPPP-II---</b>		
	<b>----- (Rupees in '000) -----</b>		
Collective Investment Scheme units held (Units in '000)	-	-	7,314
Collective Investment Scheme units held (Amount in '000)	-	-	775,300
Allocation of expenses relating to the Fund	71	-	-
Shariah advisory fee	25	-	-
Other payables	1,155	-	-
Sales load payable	3,380	7,761	-

## 17 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.

IFRS 13, 'Fair Value Measurements' requires the Fund to 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

#### On-balance sheet financial instruments

30 June 2018	Note	Carrying amount				Total	Fair value			Total
		Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----										
<b>Financial assets measured at fair value</b>										
Investments	5.1	<u>775,300</u>	-	-	-	<u>775,300</u>	<u>775,300</u>	-	-	<u>775,300</u>
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company	17.1	-	-	-	4,631	4,631				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	70	70				
Accrued expenses and other payables		-	-	-	8,856	8,856				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>13,557</u>	<u>13,557</u>				

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

#### 18 FINANCIAL RISK MANAGEMENT

18.1 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.

##### 18.2 Credit Risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances and investments in open end mutual funds.

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.

##### 18.3 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 The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units 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 Securities and Exchange Commission of Pakistan (SECP).

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.

The Fund invests primarily in open end mutual funds, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement.

	30 June 2018				Total
	Maturity Upto			More than one year	
	Three months	Six months	One year		
----- (Rupees in '000) -----					
<b>Financial Liabilities</b>					
Payable to Management Company	4,631	-	-	-	4,631
Payable to Central Depository Company of Pakistan Limited - Trustee	70	-	-	-	70
Accrued expenses and other payables	8,856	-	-	-	8,856
<b>Total Liabilities</b>	<b>13,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,557</b>

#### 18.4 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the fund's income or the value of its holdings of financial instruments, market variables such as interest rates, foreign exchange rates and debt security prices.

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

##### 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 not exposed to interest rate cash flow risk.

##### 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.

##### ii) Price risk

The Fund is exposed to price risk i.e. the risk of unfavourable changes in the fair value of securities as a result changes in the value of individual net assets value of open end funds, which arises from investments measured at fair value through income statement. The price risk exposure of the Fund arises from investments in mutual funds only. The Fund's policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC Regulations.

#### 18.5 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.

## 19 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 Sovereign Fund and Al Ameen Islamic Retirement Savings Fund.

## 20 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:

Members	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	✓	✓	x	✓	x	3
Zia Ijaz	✓	✓	✓	✓	xx	xx	xx	5
Syed Furrugh Zaeem	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas	✓	✓	✓	✓	xx	xx	✓	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. Zulfikar 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.

## 21 PATTERN OF UNIT HOLDERS

Category	30 June 2018		
	Unit holders	Units held	Percentage
Individuals	655	6,428,061	84.90%
Retirement Funds	10	595,318	7.86%
Others	5	548,254	7.24%
	<b>670</b>	<b>7,571,633</b>	<b>100%</b>

## 22 GENERAL

### 22.1 Date Of Authorisation For Issue

These financials statements were authorized for issue by Board of Directors of the Management Company on \_\_\_\_\_.

For UBL Fund Managers Limited  
(Management Company)

---SD---  
Chief Executive Officer

---SD---  
Chief Financial Officer









---SD---  
Director









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