



Annual Report

June 2022



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CORPORATE INFORMATION

Board of Directors

Azhar Hamid (Chairman)

Yasir Qadri (Chief Executive Officer)

Aslam Sadruddin*

Huma Pasha

Arif Akmal Saifie

Imran Sarwar

Syed Furrukh Zaeem**

Sadia Saeed***

Muhammad Rizwan Malik****

Audit Committee

Huma Pasha (Chair)

Imran Sarwar

Aslam Sadruddin*

Arif Akmal Saifie

Sadia Saeed***

Risk and Compliance Committee

Imran Sarwar (Chairman)

Yasir Qadri

Azhar Hamid

Arif Akmal Saifie

Muhammad Rizwan Malik****

Syed Furrukh Zaeem**

Human Resource and Compensation Committee

Azhar Hamid (Chairman)

Huma Pasha

Aslam Sadruddin*

Yasir Qadri

Muhammad Rizwan Malik****

Syed Furrukh Zaeem**

Sadia Saeed***

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem

Member

Mufti Muhammad Najeeb Khan

Member

* Appointed with effect from December 3, 2021

** Resigned with effect from November 17, 2021

*** Resigned with effect from July 19, 2021

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

Chief Financial Officer

Umair Ahmed

Company Secretary

Bilal Javaid*

Anum Imtiaz**

Registered Office

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

Head Office

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

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

Fax: (92-21) 32214930

Date of incorporation of the Management

Company / Pension Fund Manager

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

Management Quality Rating

AM1 by VIS Credit Rating Company

Funds / Plans under Management

UBL Liquidity Plus Fund
Launch Date: June 21, 2009

UBL Government Securities Fund
Launch Date: July 27, 2011

UBL Money Market Fund
Launch Date: October 14, 2010

UBL Income Opportunity Fund
Launch Date: March 29, 2013

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

UBL Asset Allocation Fund
Launch Date: August 20, 2013

UBL Stock Advantage Fund
Launch Date: August 4, 2006

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

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

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

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

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

UBL Cash Fund

Launch Date: September 23, 2019

Al-Ameen Islamic Cash Fund

Launch Date: September 17, 2012

Al-Ameen Islamic Cash Plan-I

Launch Date: May 29, 2020

Al-Ameen Islamic Dedicated Equity Fund

Launch Date: January 5, 2016

Al-Ameen Islamic Special Savings Fund

Launch Date: March 9, 2020

UBL Pakistan Enterprise Exchange Traded Fund

Launch Date: March 24, 2020

Al-Ameen Islamic Financial Planning Fund - III

Launch Date: May 28, 2018

UBL Dedicated Equity Fund

Launch Date: May 29, 2018

UBL Financial Sector Fund

Launch Date: April 6, 2018

UBL Special Saving Fund

Launch Date: November 9, 2018

UBL Retirement Savings Fund

Launch Date: May 10, 2010

Al-Ameen Islamic Retirement Savings Fund

Launch Date: May 10, 2010

Al-Ameen Islamic Energy Fund

Launch Date: December 13, 2019

UBL Special Savings Fund II

Launch Date: February 10, 2020

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan

* Resigned with effect from July 14, 2022

** Appointed with effect from September 6, 2022



DIRECTORS' REPORT

The Board of Directors of UBL Fund Managers Limited is pleased to present the annual report of its UBL Liquidity Plus Fund (ULPF), UBL Cash Fund (UCF), UBL Money Market Fund (UMMF), UBL Government Securities Fund (UGSF), UBL Income Opportunity Fund (UIOF), UBL Growth and Income Fund (UGIF), UBL Stock Advantage Fund (USF), UBL Asset Allocation Fund (UAAF), UBL Dedicated Equity Fund (UDEF), UBL Financial Sector Fund (UFSF), UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF), UBL Special Savings Fund (USSF) [comprising UBL Special Savings Plan - I (USSP-I), UBL Special Savings Plan - II (USSP-II), UBL Special Savings Plan - III (USSP-III), UBL Special Savings Plan - IV (USSP-IV), UBL Special Savings Plan - V (USSP-V) and UBL Special Savings Plan - VI (USSP-VI)], and UBL Special Savings Fund II (USSF II) [comprising UBL Special Savings Plan VIII (USSP-VIII) and UBL Special Savings Plan - IX]] for the year ended June 30, 2022.

ECONOMY REVIEW

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

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

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

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



DEBT MARKET REVIEW

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

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

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

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

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

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



STOCK MARKET REVIEW

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

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

COMMODITY MARKET REVIEW

After reaching USD 130 a barrel earlier in the year, deteriorating economic environment has started to take a toll on oil demand. Consequently, global oil prices have dropped to the lowest levels since before Russia's February invasion of Ukraine on fears of recession possibility later this year torpedoing energy demand. Going forward, with demand concerns continuing to take hold of crude prices, concerns of EU embargo on Russian oil may come into full force at the end of the year, which may tighten the oil market once again. With regards to gold, anticipation of a hawkish monetary policy by the U.S. Federal Reserve to curb inflation drove gold prices down to around USD 1,800/oz. from pandemic highs of around USD 2,000/oz. This contrasted gold's safe-haven asset status, as gold prices saw support from the Russian invasion of Ukraine in Feb-22, elevated tensions between the U.S. and China and knock-on recession fears.

FUTURE OUTLOOK

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

FUNDS' PERFORMANCE AND ANNOUNCEMENTS

1) UBL LIQUIDITY PLUS FUND (ULPF)

The Fund earned total income of PKR 2,987.997 million for the year ended June 30, 2022 which mainly includes markup / interest income on bank balances, Government Securities. After accounting for the expenses of PKR 41.133 million, the Fund managed to earn a net income of PKR 2,946.864 million. The net assets of the Fund were PKR 48,583.231 million as at June 30, 2022 representing the net asset value of PKR 101.1324 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 2,915.484 million to the unit holders during the year.

VIS Credit Rating Company Limited has reaffirmed the AA+(f) rating of the Fund during the year.

2) UBL CASH FUND (UCF)

The Fund earned total income of PKR 725.422 million for the year ended June 30, 2022 which mainly includes markup / interest income on bank balances, term deposit receipts, Government Securities and. After accounting for the expenses of PKR 18.520 million, the Fund managed to earn a net income of PKR 706.901 million. The net assets of the Fund were PKR 21,082.553 million as at June 30, 2022 representing the net asset value of PKR 100.2458 per unit.



The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 1,119.407 million to the unit holders during the year.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained the AA+(f) rating of the Fund during the year.

3) UBL MONEY MARKET FUND (UMMF)

The Fund earned total income of PKR 313.456 million for the year ended June 30, 2022 which mainly includes markup / interest income on bank balances, placements and Government Securities. After accounting for the expenses of PKR 28.465 million, the Fund managed to earn a net income of PKR 284.992 million. The net assets of the Fund were PKR 3,482.253 million as at June 30, 2022 representing the net asset value of PKR 100.7597 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 273.700 million to the unit holders during the year.

VIS Credit Rating Company Limited has reaffirmed the AA+(f) rating of the Fund during the year.

4) UBL GOVERNMENT SECURITIES FUND (UGSF)

The Fund earned net income of PKR 150.741 million for the year ended June 30, 2022 which mainly includes markup / interest income on bank balances, term deposit receipts, Government Securities. The net assets of the Fund were PKR 1,114.834 million as at June 30, 2022 representing the net asset value of PKR 105.8555 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 150.223 million to the unit holders during the year.

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

5) UBL INCOME OPPORTUNITY FUND (UIOF)

The Fund earned total income of PKR 273.531 million for the year ended June 30, 2022, which mainly includes markup / interest income on bank balances, placements, government securities, corporate bonds / sukuks and investment in margin trading system. After accounting for the expenses of PKR 28.460 million, the Fund managed to earn a net income of PKR 245.071 million. The net assets of the Fund were PKR 2,111.027 million as at June 30, 2022 representing the net asset value of PKR 110.3899 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 136.657 million during the year.

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

6) UBL GROWTH AND INCOME FUND (UGIF)

The Fund earned total income of PKR 167.344 million for the year ended June 30, 2022, which mainly includes markup / interest income on bank balances, placements, government securities, corporate bonds / sukuks and investment in margin trading system. After accounting for the expenses of PKR 15.884 million, the Fund managed to earn a net income of PKR 151.461 million. The net assets of the Fund were PKR 1,433.787 million as at June 30, 2022 representing the net asset value of PKR 85.1156 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 128.033 million during the year.



VIS Credit Rating Company Limited has reaffirmed the A+(f) rating of the Fund during the year.

7) UBL STOCK ADVANTAGE FUND (USF)

The Fund incurred a net loss of PKR 730.995 million for the year ended 30 June, 2022. The net assets of the Fund were PKR 5,571.642 million as at June 30, 2022 representing the net asset value of PKR 69.50 per unit.

8) UBL ASSET ALLOCATION FUND (UAAF)

The Fund earned a total income of PKR 19.745 million for the year ended 30 June 2022 (including an unrealized loss of PKR 29.655 million). The earnings of the Fund mainly include income from Government Securities, bank balances, Corporate TFC's, Term Deposits Receipts, dividend income of PKR 22.926 million. After accounting for expenses of PKR 7.354 million, the net income of the Fund amounted to Rs. 12.392 million. The net assets of the Fund were PKR 560.331 million as at June 30, 2022 representing the net asset value of PKR 145.4225 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 13.64 million during year.

9) UBL DEDICATED EQUITY FUND (UDEF)

The Fund incurred a net loss of PKR 1.220 million for the year ended 30 June 2022. The net assets of the Fund were PKR 29.593 million as at June 30, 2022 representing the net asset value of PKR 107.6254 per unit.

10) UBL FINANCIAL SECTOR FUND - (UFSF)

The Fund incurred a net loss of PKR 86.296 million for the year ended 30 June 2022. The net assets of the Fund were PKR 1027.251 million as at June 30, 2022 representing the net asset value of PKR 71.9471 per unit.

11) UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND (UBLP-ETF)

The Fund earned a total income of PKR 3.047 million for the year ended 30 June, 2022. The earnings of the Fund represent income from bank balances and dividends. After accounting for expenses of PKR 0.615 million. The net assets of the Fund were PKR 26.543 million as at June 30, 2022 representing the net asset value of PKR 10.1697 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 2.340 million to the unit holders during the year.

12) UBL SPECIAL SAVINGS FUND (USSF)

USSF consists of the following plans:

a) UBL SPECIAL SAVINGS PLAN - I (USSP – I)

The Plan earned a total income of PKR 13.817 million for the period ended 27 December 2021. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 0.626 million, the Fund managed to earn a net income of PKR 13.191 million. During the year, the plan has matured on December 27, 2021.



b) UBL SPECIAL SAVINGS PLAN - II (USSP – II)

The Plan earned a total income of PKR 52.196 million for the year ended 30 June, 2022. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 4.293 million, the Fund managed to earn a net income of PKR 47.902 million. The net assets of the Fund were PKR 246.818 million as at June 30, 2022 representing the net asset value of PKR 101.2659 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 28.742 million to the unit holders during the year.

c) UBL SPECIAL SAVINGS PLAN - III (USSP – III)

The Plan earned a total income of PKR 6.349 million for the year ended 30 June, 2022. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 0.161 million, the Fund managed to earn a net income of PKR 6.188 million. The net assets of the Fund were PKR 31.072 million as at June 30, 2022 representing the net asset value of PKR 102.3150 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 3.844 million to the unit holders during the year.

d) UBL SPECIAL SAVINGS PLAN - IV (USSP – IV)

The Plan earned a total income of PKR 7.816 million for the year ended 30 June 2022. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 1.367 million, the Fund managed to earn a net income of PKR 6.449 million. The net assets of the Fund were PKR 40.346 million as at June 30, 2022 representing the net asset value of PKR 100.3074 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 5.726 million to the unit holders during year.

e) UBL SPECIAL SAVINGS PLAN - V (USSP – V)

The Plan earned a net income of PKR 18.242 million for the year ended 30 June 2022. The net assets of the Fund were PKR 28.818 million as at June 30, 2022 representing the net asset value of PKR 103.1756 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 15.253 million to the unit holders during the year.

f) UBL SPECIAL SAVINGS PLAN - VI (USSP – VI)

The Plan earned a total income of PKR 7.211 million for the year ended 30 June 2022. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 0.459 million, the Fund managed to earn a net income of PKR 6.752 million. The net assets of the Fund were PKR 47.905 million as at June 30, 2022 representing the net asset value of PKR 99.2818 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 5.205 million to the unit holders during the year.

13) *UBL SPECIAL SAVINGS FUND II (USSF II)*

A) USSF II comprises of UBL Special Savings Plan VIII (USSP-VIII). The Plan earned a total income of PKR 11.856 million for the year ended 30 June 2022. The earnings of the Fund represent markup / interest income on bank balances



and Government Securities. After accounting for expenses of PKR 2.096 million, the Fund managed to earn a net income of PKR 9.760 million. The net assets of the Fund were PKR 127.556 million as at June 30, 2022 representing the net asset value of PKR 99.6648 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 9.329 million to the unit holders during the year.

B) USSF II comprises of UBL Special Savings Plan IX (USSP - IX). The Plan earned a total income of PKR 24.314 million for the period from 12 May, 2022 to 30 June 2022. The earnings of the Fund represent markup / interest income on bank balances and Government Securities. After accounting for expenses of PKR 2.708 million, the Fund managed to earn a net income of PKR 21.605 million. The net assets of the Fund were PKR 1,796.101 million as at June 30, 2022 representing the net asset value of PKR 100.00 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 21.598 million to the unit holders during the year.

SINDH WORKERS' WELFARE FUND

Sindh Revenue Board through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

STRATEGY, REVIEW AND OUTLOOK OF FUNDS

For Strategy, Review and Outlook of funds, please refer the respective section of the Fund Manager's Report for the year.

CORPORATE GOVERNANCE

The Management Company is committed to high standards of corporate governance and the Board of Directors is accountable to the stakeholders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors.

A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance.

The Board has an approved Director Remuneration Policy for remuneration of independent (non-executive) directors. The main objective of the policy is to define the principles to attract and retain high-caliber, experienced independent directors (non-executive) by offering market competitive fee levels as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. The independent directors are entitled to a fee for attending Board meetings and Board Committee meetings as per Directors remuneration policy.

Risk framework and Internal Control System

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



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

The following specific statements are being given to comply with the best practices of corporate governance:

- Financial Statements of Funds present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holder's fund;
- Proper books of accounts have been maintained by the Funds;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
- Relevant International Financial Reporting Standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations 2019;
- Performance table of Funds and pattern of unit holding is given in the Annual report;
- The statement as to the value of investments of provident fund is not applicable on the Funds but applies to the Management Company; hence no disclosure is made in the Directors' Report of the Funds;
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements;

UBL Fund Managers Limited has total seven directors:

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

The composition of Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid
	Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saifie
	Mr. Aslam Sadruddin*
	Mr. Imran Sarwar
	Mr. Muhammad Rizwan Malik**
Female Director	Ms. Huma Pasha



**Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021.*
*** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022.*

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

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

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

The Board has the following committees:

Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifie	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director

**Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021*

Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Mr. Syed Furrukh Zaeem****	Member	Non-Executive Director

** Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021*

*** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022*

****Ms. Sadia Saeed has resigned dated July 19, 2021*



****Syed Furrukh Zaeem has resigned dated November 17, 2021

Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifie	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik*	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Mr. Syed Furrukh Zaeem**	Member	Non-Executive Director

* Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

**Syed Furrukh Zaeem has resigned dated November 17, 2021

Meetings of the Board of Directors (BOD)

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

Name of Directors	Dates						
	5-Jul-21	16-Aug-21	27-Oct-21	13-Dec-21	27-Jan-22	26-Apr-22	27-Jun-22
Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	✓	x	x	x	x	x	x
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x

Name of Key Executives

Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓

* Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

***Ms. Sadia Saeed has resigned dated July 19, 2021

****Syed Furrukh Zaeem has resigned dated November 17, 2021

*****Bilal Javaid has resigned dated July 14, 2022



Meetings of the Board Audit Committee (BAC)

During the year ended June 30, 2022 four (4) BAC meetings held. The details of attendance are as under:

Name of Director	Dates			
	31-Aug-21	26-Oct-21	26-Jan-22	25-Apr-22
Ms. Huma Pasha	✓	✓	✓	✓
Mr. Imran Sarwar	✓	✓	✓	✓
Mr. Arif Akmal Saifi	✓	✓	✓	N/A
Mr. Aslam Sadrudin*	N/A	N/A	✓	✓

Name of Key Executives				
Mr. Umair Ahmed	✓	✓	✓	✓
Mr. Mubeen Ashraf	✓	✓	✓	✓
Mr. Tanweer Haral	✓	N/A	N/A	N/A
Mr. Hadi Hassan Mukhi	N/A	N/A	✓	N/A

* Mr. Aslam Sadrudin was appointed as a director with effect from December 3, 2021

Meetings of the Board Human Resource Compensation Committee (BHRCC)

During the year ended June 30, 2022, five (5) BHRCC meetings were held. The details of attendance are as under:

Name of Director	Dates				
	12-Aug-21	4-Oct-21	25-Oct-21	24-Jan-22	22-Apr-22
Mr. Azhar Hamid	✓	✓	x	✓	✓
Mr. Yasir Qadri	✓	✓	✓	✓	✓
Mr. Syed Furrukh Zaeem***	✓	✓	✓	N/A	N/A
Mr. Aslam Sadrudin*	N/A	N/A	N/A	x	✓
Ms. Huma Pasha	✓	✓	✓	✓	✓
Mr. Rizwan Malik**	N/A	N/A	N/A	N/A	✓

Name of Key Executives					
Ms. Najwa Siddiqui	✓	✓	✓	✓	✓

* Mr. Aslam Sadrudin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

***Syed Furrukh Zaeem has resigned dated November 17, 2021

Meetings of the Board Risk and Compliance Committee (BRCC)

During the year ended June 30, 2022 four (4) BRCC meetings held. Below is the attendance of Board of Directors:



Name of Directors	Dates			
	12-Aug-21	25-Oct-21	25-Jan-22	25-Apr-22
Mr. Imran Sarwar	✓	✓	✓	✓
Mr. Syed Farrukh Zaeem*	✓	✓	N/A	N/A
Mr. Yasir Qadri	✓	✓	✓	✓
Mr. Azhar Hamid	✓	x	x	✓
Mr. Arif Akmal Saifie	x	✓	✓	✓
Mr. Muhammad Rizwan Malik**	N/A	N/A	N/A	✓

Name of Key Executive

Mr. Hadi Hassan Mukhi	✓	✓	✓	✓

*Syed Farrukh Zaeem has resigned dated November 17, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

Directors' Training

At present, Four (4) Directors have attended the Directors Training Program and one (1) Director have minimum of 14 years of education and 15 years of experience on the Board of listed companies and therefore are exempt from the Directors Training Program.

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

Auditors

The present auditors as per table below retire on conclusion of the audit for the year ended June 30, 2022:

S. No.	Fund Name	Current Auditors	Status of appointment for the year ending June 30, 2023
1	UBL Liquidity Plus Fund	M/s Yousuf Adil & Co., Chartered Accountants	Eligible for re-appointment
2	UBL Cash Fund	M/s Yousuf Adil & Co., Chartered Accountants	Eligible for re-appointment
3	UBL Money Market Fund	M/s A. F. Ferguson & Co., Chartered Accountants	Eligible for re-appointment
4	UBL Government Securities Fund	M/s EY Ford Rhodes , Chartered Accountants	Consent from retiring auditors not received based on minimum fee. The Audit Committee has recommended the appointment of M/s BDO Ebrahim & Co., Chartered Accountants as the statutory auditors of the Fund for the year 2023.
5	UBL Income Opportunity Fund	M/s EY Ford Rhodes , Chartered Accountants	Not eligible for re-appointment under the NBFC Regulations, for being statutory auditors of the Fund for consecutive five years. The Audit Committee has recommended the appointment of M/s BDO Ebrahim &

			Co. Chartered Accountants as the statutory auditors of the Fund for the year 2023.
6	UBL Growth and Income Fund	M/s EY Ford Rhodes , Chartered Accountants	Not eligible for re-appointment under the NBFC Regulations, for being statutory auditors of the Fund for consecutive five years. The Audit Committee has recommended the appointment of M/s Yousuf Adil & Co., Chartered Accountants as the statutory auditors of the Fund for the year 2023.
7	UBL Stock Advantage Fund	M/s Grant Thornton, Chartered Accountants	The Audit Committee has recommended to reduce the number of auditors and recommended the appointment of M/s EY Ford Rhodes, Chartered Accountants as the statutory auditors of the Fund for the year 2023.
8	UBL Asset Allocation Fund	M/s EY Ford Rhodes , Chartered Accountants	Eligible for re-appointment
9	UBL Dedicated Equity Fund	M/s EY Ford Rhodes , Chartered Accountants	Not eligible for re-appointment under the NBFC Regulations, for being statutory auditors of the Fund for consecutive five years. The Audit Committee has recommended the appointment of M/s Yousuf Adil & Co., Chartered Accountants as the statutory auditors of the Fund for the year 2023.
10	UBL Financial Sector Fund	M/s BDO Ebrahim & Co. Chartered Accountants	Not eligible for re-appointment under the NBFC Regulations, for being statutory auditors of the Fund for consecutive five years. The Audit Committee has recommended the appointment of M/s EY Ford Rhodes, Chartered Accountants as the statutory auditors of the Fund for the year 2023.
11	UBL Pakistan Enterprise Exchange Traded Fund	M/s EY Ford Rhodes , Chartered Accountants	Eligible for re-appointment
12	UBL Special Savings Fund	M/s Yousuf Adil & Co., Chartered Accountants	Eligible for re-appointment
13	UBL Special Savings Fund II	M/s Yousuf Adil & Co., Chartered Accountants	Eligible for re-appointment

The auditors, where being eligible, offered themselves for reappointment and where the change in the external auditors is required, the new auditors have consented to be appointed as the external auditors of the respective funds. The Audit Committee of the Board has accordingly recommended their appointment as external auditors for the year ending June 30, 2023.



ACKNOWLEDGEMENTS

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

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

_____-sd-_____
Azhar Hamid
Chairman

_____-sd-_____
Yasir Qadri
Chief Executive Officer

Karachi
Dated: September 6, 2022

ڈائریکٹرز رپورٹ

یو بی ایل فنڈ منیجرز لمیٹڈ کے بورڈ آف ڈائریکٹرز آپ کی خدمت میں 30 جون 2022 کو ختم ہونے والے سال کے لئے اپنے زیر انتظام یو بی ایل لیکویڈیٹی پلس فنڈ ، یو بی ایل کیش فنڈ ، یو بی ایل منی مارکیٹ فنڈ ، یو بی ایل گورنمنٹ سکیورٹیز فنڈ ، یو بی ایل انکم اپرچونٹی فنڈ ، یو بی ایل گروتھ اینڈ انکم فنڈ ، یو بی ایل اسٹاک ایڈوانٹیج فنڈ ، یو بی ایل ایسیٹ ایلوکیشن فنڈ، یو بی ایل ڈیٹیکریڈٹ ایکویٹی فنڈ، یو بی ایل فنانشل سیکٹر فنڈ، یو بی ایل پاکستان انٹرپرائز ایکسچینج ٹریڈڈ فنڈ، یو بی ایل اسپیشل سیونگز فنڈ [یو بی ایل اسپیشل سیونگز پلان - I ، یو بی ایل اسپیشل سیونگز پلان - II ، یو بی ایل اسپیشل سیونگز پلان - III ، یو بی ایل اسپیشل سیونگز پلان - VI ، یو بی ایل اسپیشل سیونگز پلان - V اور یو بی ایل اسپیشل سیونگز پلان - IV پر مشتمل] اور یو بی ایل اسپیشل سیونگز فنڈ II [یو بی ایل اسپیشل سیونگز پلان VIII اور یو بی ایل اسپیشل سیونگز پلان - XI پر مشتمل] کی سالانہ رپورٹ پیش کر رہے ہیں۔

معیشیت کا جائزہ

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

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

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

FBR نے مالی سال 22 میں 6,125 ارب روپے جمع کیے جب کہ مالی سال 21 میں جمع ہونے والے 4,744 ارب روپے تھے جو پچھلے سال سے 29.1 فیصد کے اضافے کی عکاسی کرتے ہیں۔ یہ وصولی کے 6,100 ارب روپے کے ہدف سے اوپر پہنچ گئی۔ ہمیں خدشہ ہے کہ سال 2023 میں بجٹ کا خسارہ اندازے سے کم ریونیو، صوبوں کا

سرپلس اور اندازے سے زیادہ سود کی ادائیگی کی وجہ سے مجموعی معاشی حجم کا چھ سے ساڑھے چھ فیصد تک جا پہنچے گا جب کہ بجٹ کا ہدف 4.9 فیصد ہے -

قرض مارکیٹ کا جائزہ

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

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

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

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

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

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

اسٹاک مارکیٹ کا جائزہ

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

اصل بجٹ آئی ایم ایف سے منظوری میں ناکام رہا جس کی وجہ سے حکومت کو زیادہ تر امدادی اقدامات واپس لینے پر مجبور ہونا پڑا۔ آئی ایم ایف کی جانب سے آئندہ 1.2 ارب امریکی ڈالر کی قسط کی تقسیم (بورڈ کی منظوری سے مشروط) سرمائے کی منڈیوں کا اعتماد بحال کرنے میں مددگار بن سکتی ہے۔ اس طرح پہلے سہ ماہی مالی سال' ۲۳ ایف ایکس ذخائر کو نیچے دیکھ سکتا ہے اور دوبارہ تعمیر کرنا شروع کر سکتا ہے۔

کموڈٹی مارکیٹ کا جائزہ

سال کے اوائل میں 130 امریکی ڈالر فی بیرل تک پہنچنے کے بعد بگڑتے ہوئے معاشی ماحول نے تیل کی طلب پر اثر انداز ہونا شروع کر دیا ہے۔ نتیجتاً رواں سال کے آخر میں روس اور یوکرین کی جنگ اور اس کے حوالے سے مختلف ممالک کی امبارگو پالیسی کے باعث تیل کی قیمتوں کے حوالے سے خدشات جاری رہنے کا امکان ہے۔ البتہ امریکا کی مانیٹری پالیسی میں سود کے اضافے کے بعد سونے کے قیمت میں 2000 ڈالر فی اونس سے 1800 ڈالر فی اونس تک کمی واقع ہوئی۔ یہ گراؤ سونے کے بارے میں روایتی سوچ کے برخلاف تھی جس کی بنیادی وجہ روس کی جنگ اور امریکا اور چین کے درمیان کشیدگی کی وجہ سے معشی خدشات ہیں۔

مستقبل کا نقطہ نظر

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

فنڈز کی کارکردگی اور اعلانات

(1) یو بی ایل لیکویڈیٹی پلس فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 2,987.997 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی جس میں بنیادی طور پر بینک بیلنس، گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی شامل ہے۔ 41.133 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 2,946.864 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 48,583.231 ملین پاکستانی روپے تھے جو 101.1324 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 2,915.484 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سال کے دوران فنڈ کی (f) AA+ ریٹنگ کی توثیق کی ہے۔

(2) یو بی ایل کیش فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے مجموعی آمدنی 725.422 ملین پاکستانی روپے کی کمائی جس میں بنیادی طور پر بینک بیلنس پر مارک اپ / سود کی آمدنی، ٹرم ڈپازٹ رسید، گورنمنٹ سکیورٹیز اور شامل ہیں۔ 18.520 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 706.901 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 21,082.553 ملین پاکستانی روپے تھے جو 100.2458 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 1,119.407 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ نے سال کے دوران فنڈ کی (f) AA+ ریٹنگ تفویض کی ہے اور اسے برقرار رکھا ہے۔

(3) یو بی ایل منی مارکیٹ فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 313.456 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی جس میں بنیادی طور پر بینک بیلنس، پلیسمنٹ اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی شامل ہے۔ 28.465 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 284.992 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 3,482.253 ملین پاکستانی روپے تھے جو 100.7597 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 273.700 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سال کے دوران فنڈ کی (f) AA+ ریٹنگ کی توثیق کی ہے۔

(4) یو بی ایل گورنمنٹ سکیورٹیز فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے کی خالص آمدنی 150.741 ملین پاکستانی روپے کمائی جس میں بنیادی طور پر بینک بیلنس پر مارک اپ / سود کی آمدنی، ٹرم ڈپازٹ رسید، گورنمنٹ سکیورٹیز شامل ہیں۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 1,114.834 ملین پاکستانی روپے تھے جو 105.8555 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 150.223 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سال کے دوران فنڈ کی (f) AA ریٹنگ کا اعادہ کیا ہے۔

(5) یو بی ایل انکم اپرچونٹی فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے مجموعی آمدنی 273.531 ملین پاکستانی روپے کی کمائی جس میں بنیادی طور پر بینک بیلنس، پلیسمنٹ، سرکاری سکیورٹیز، کارپوریٹ بانڈز / سکوکس پر مارک اپ / سود کی آمدنی اور مارجن ٹریڈنگ سسٹم میں سرمایہ کاری شامل ہے۔ 28.460 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 245.071 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 2,111.027 ملین پاکستانی روپے تھے جو 110.3899 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران 136.657 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سال کے دوران فنڈ کی (f)-AA ریٹنگ کی توثیق کی ہے۔

(6) یو بی ایل گروتھ اینڈ انکم فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے مجموعی آمدنی 167.344 ملین پاکستانی روپے کی کمائی جس میں بنیادی طور پر بینک بیلنس، پلیسمنٹ، سرکاری سکیورٹیز، کارپوریٹ بانڈز / سکوکس پر مارک اپ / سود کی آمدنی اور مارجن ٹریڈنگ سسٹم میں سرمایہ کاری شامل ہے۔ 15.884 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 151.461 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 1,433.787 ملین پاکستانی روپے تھے جو پاکستانی روپے 85.1156 فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران عبوری تقسیم کی 128.033 ملین پاکستانی روپے کی منظوری دی۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سال کے دوران فنڈ کی (f)-A+ ریٹنگ کی توثیق کی ہے۔

(7) یو بی ایل اسٹاک ایڈوانٹج فنڈ

فنڈ کو 30 جون 2022 کو ختم ہونے والے سال کے لئے 730.995 ملین پاکستانی روپے کا خالص نقصان ہوا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 5,571.642 ملین پاکستانی روپے تھے جو پاکستانی روپے 69.50 فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

(8) یو بی ایل ایسیٹ ایلوکیشن فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے مجموعی آمدنی 19.745 ملین پاکستانی روپے کی کمائی (جس میں 29.655 ملین پاکستانی روپے کا غیر حقیقی نقصان بھی شامل ہے)۔ فنڈ کی آمدنی میں بنیادی طور پر گورنمنٹ سکیورٹیز، بینک بیلنس، کارپوریٹ ٹی ایف سی، ٹرم ڈپازٹس رسیدز، منافع کی آمدنی 22.926 ملین پاکستانی روپے سے آمدنی شامل ہے۔ 7.354 ملین پاکستانی روپے کے اخراجات کا حساب کتاب کرنے کے بعد فنڈ کی خالص آمدنی 12.392 ملین روپے رہی۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 560.331 ملین پاکستانی روپے تھے جو 145.4225 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران کی عبوری تقسیم 13.64 ملین پاکستانی روپے کی منظوری دی۔

(9) یو بی ایل ڈیٹیکٹ ایکویٹی فنڈ

فنڈ کو 30 جون 2022 کو ختم ہونے والے سال کے لئے 1.220 ملین پاکستانی روپے کا خالص نقصان ہوا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 29.593 ملین پاکستانی روپے تھے جو 107.6254 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

(10) یو بی ایل فنانشل سیکٹر فنڈ

فنڈ کو 30 جون 2022 کو ختم ہونے والے سال کے لئے 86.296 ملین پاکستانی روپے کا خالص نقصان ہوا۔ فنڈ کے خالص اثاثے 1027.251 ملین پاکستانی روپے تھے جیسا کہ 30 جون 2022 کو 71.9471 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتا ہے۔

(11) یو بی ایل پاکستان انٹرپرائز ایکسچینج ٹریڈ فنڈ

فنڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 3.047 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور منافع سے آمدنی کی نمائندگی کرتی ہے۔ اخراجات کا حساب کتاب کے بعد 0.615 ملین پاکستانی روپے کے فنڈ کے خالص اثاثے 30 جون 2022 تک 26.543 ملین پاکستانی روپے تھے جو 10.1697 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 2.340 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(12) یو بی ایل اسپیشل سیونگز فنڈ

یو ایس ایس ایف مندرجہ ذیل منصوبوں پر مشتمل ہے

یو بی ایل اسپیشل سیونگز پلان - I

اس منصوبے نے 27 دسمبر 2021 کو ختم ہونے والی مدت کے لئے 13.817 ملین پاکستانی روپے کی مجموعی آمدنی کمائی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 0.626 ملین پاکستانی روپے کے اخراجات کا حساب کتاب کرنے کے بعد فنڈ 13.191 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ سال کے دوران یہ منصوبہ 27 دسمبر 2021 کو پختہ ہو چکا ہے۔

(ب) یو بی ایل اسپیشل سیونگز پلان - II

اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 52.196 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 4.293 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 47.902 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 246.818 ملین پاکستانی روپے تھے جو 101.2659 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 28.742 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(ب) یو بی ایل اسپیشل سیونگز پلان - III

اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 6.349 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 0.161 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 6.188 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 31.072 ملین پاکستانی روپے تھے جیسا کہ 30 جون 2022 کو 102.3150 ملین پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 3.844 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(ت) یو بی ایل اسپیشل سیونگز پلان - VI

اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 7.816 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ پاکستانی روپے کے 1.367 ملین اخراجات کا حساب دینے کے بعد فنڈ 6.449 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 40.346 ملین پاکستانی روپے تھے جیسا کہ 30 جون 2022 کو 100.3074 ملین پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 5.726 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(ث) یو بی ایل اسپیشل سیونگز پلان - V

اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے ۱۸,۲۴۲ ملین پاکستانی روپے کی خالص آمدنی حاصل کی۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 28.818 ملین پاکستانی روپے تھے جو 103.1756 ملین پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 15.253 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(ث) یو بی ایل اسپیشل سیونگز پلان - IV

اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے پ 7.211 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 0.459 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 6.752 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 47.905 ملین پاکستانی روپے تھے جیسا کہ 30 جون 2022 کو 99.2818 ملین پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 5.205 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(13) یو بی ایل اسپیشل سیونگز فنڈ II

(ا) یو بی ایل اسپیشل سیونگز فنڈ II یو بی ایل اسپیشل سیونگ پلان IIIV پر مشتمل ہے۔ اس منصوبے نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 11.856 ملین پاکستانی روپے کی مجموعی آمدنی کمائی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 2.096 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 9.760 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 30 جون 2022 تک 127.556 ملین پاکستانی روپے تھے جو 99.6648 ملین پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 9.329 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

(ب) یو بی ایل اسپیشل سیونگز فنڈ II یو بی ایل اسپیشل سیونگ پلان XI پر مشتمل ہے۔ اس منصوبے نے 12 مئی 2022 سے 30 جون 2022 تک کی مدت کے لئے 24.314 ملین پاکستانی روپے کی مجموعی آمدنی حاصل کی۔ فنڈ کی آمدنی بینک بیلنس اور گورنمنٹ سکیورٹیز پر مارک اپ / سود کی آمدنی کی نمائندگی کرتی ہے۔ 2.708 ملین پاکستانی روپے کے اخراجات کا حساب دینے کے بعد فنڈ 21.605 ملین پاکستانی روپے کی خالص آمدنی حاصل کرنے میں کامیاب رہا۔ فنڈ کے خالص اثاثے 1,796.101 ملین پاکستانی روپے تھے جیسا کہ 30 جون 2022 کو 100.00 پاکستانی روپے فی یونٹ کی خالص اثاثہ مالیت کی نمائندگی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اتھارٹی کے تحت چیف ایگزیکٹو نے سال کے دوران یونٹ ہولڈرز کو 21.598 ملین پاکستانی روپے کی عبوری تقسیم کی منظوری دی۔

سندھ ورکرز ویلفیئر فنڈ

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

فنڈز کی حکمت عملی، جائزہ اور نقطہ نظر

فنڈز کی حکمت عملی، جائزہ اور آؤٹ لک کے لئے، براہ کرم فنڈ منیجر کی سال کے لئے رپورٹ کے متعلقہ سیکشن کا حوالہ دیں۔

کارپوریٹ گورننس

مینجمنٹ کمپنی کارپوریٹ گورننس کے اعلیٰ معیار کے لئے پرعزم ہے اور بورڈ آف ڈائریکٹرز اچھی کارپوریٹ گورننس کے لئے اسٹیک ہولڈرز کے سامنے جوابدہ ہے۔ انتظامیہ کارپوریٹ گورننس کے ضابطہ میں طے شدہ بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے خاص طور پر نان ایگزیکٹو ڈائریکٹرز کی آزادی کے حوالے سے۔

بورڈ کی اپنی کارکردگی کی سالانہ تشخیص کے لئے ایک باضابطہ اور موثر طریقہ کار وضع کیا گیا ہے۔

بورڈ کے پاس آزاد (نان ایگزیکٹو) ڈائریکٹرز کے معاوضے کے لئے ایک منظور شدہ ڈائریکٹر معاوضہ پالیسی ہے۔ اس پالیسی کا بنیادی مقصد لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضرورت کے مطابق مارکیٹ مسابقتی فیس کی سطح پیش کر کے ہائی کیلیبر، تجربہ کار آزاد ڈائریکٹرز (نان ایگزیکٹو) کو راغب کرنے اور برقرار رکھنے کے اصولوں کی وضاحت کرنا ہے۔ آزاد ڈائریکٹرز ڈائریکٹرز معاوضہ پالیسی کے مطابق بورڈ اجلاسوں اور بورڈ کمیٹی کے اجلاسوں میں شرکت کے لئے فیس کے حقدار ہیں۔

رسک فریم ورک اور انٹرنل کنٹرول سسٹم

مینجمنٹ کمپنی نے ایک منظور شدہ رسک مینجمنٹ پالیسی قائم کی ہے جو اپنی سرگرمیوں سے وابستہ خطرات کا انتظام کرنے کے لئے فریم ورک فراہم کرتی ہے۔ یہ پورے ادارے سے پیدا ہونے والے خطرے کی شناخت، تشخیص، نگرانی اور انتظام کے لئے تشکیل دیا گیا ہے۔

مینجمنٹ کمپنی انٹرپرائز رسک مینجمنٹ (ای آر ایم) کی پیروی کرتی ہے جو ایک عمل ہے، جاری ہے اور کسی ادارے کی ہر سطح پر لوگوں کی طرف سے اثر انداز ہونے والے ادارے کے ذریعے جاری ہے جس کا اطلاق انٹرپرائز، ہر سطح اور یونٹ میں لاگو حکمت عملی کی ترتیب میں ہوتا ہے، اور اس میں ممکنہ واقعات کی شناخت کے لئے تیار کردہ خطرے کا ادارہ کی سطح کا پورٹ فولیو ویو لینا بھی شامل ہے جو اگر واقع ہوتا ہے، اور ادارے کو متاثر کرے گا اور اس کی خطرے کی بھوک کے اندر خطرے کا انتظام کرے گا۔

کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل کے لئے مندرجہ ذیل مخصوص بیانات دیئے جا رہے ہیں

-مالیاتی گوشوارے کافی حد تک معاملات کا بیان، آپریشنز کے نتائج، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں تبدیلیوں کو پیش کرتے ہیں؛

-فنڈز کے ذریعہ کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں

-مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں؛

-پاکستان میں لاگو ہونے والے متعلقہ بین الاقوامی مالیاتی رپورٹنگ معیارات، نان بینکنگ فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003، نان بینکنگ فنانس کمپنیوں اور نوٹیفائیڈ اداروں کے ضوابط 2008 کی فراہمی، ٹرسٹ ڈیڈ

کے تقاضوں اور سکیورٹیز ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات پر مالیاتی گوشواروں کی تیاری میں عمل کیا گیا ہے؛

-اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اس پر موثر طور پر عمل درآمد اور نگرانی کی گئی ہے؛

-کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی ہے، جیسا کہ فہرست شدہ کمپنیوں (کارپوریٹ گورننس کا ضابطہ) ضوابط 2019 میں تفصیل سے بیان کیا گیا ہے؛

-فنڈز کی کارکردگی کا جدول اور یونٹ ہولڈنگ کا پیٹرن سالانہ رپورٹ میں دیا گیا ہے؛

-پروویڈنٹ فنڈ کی سرمایہ کاری کی قدر کے بارے میں بیان فنڈز پر لاگو نہیں ہوتا بلکہ مینجمنٹ کمپنی پر لاگو ہوتا ہے؛ لہذا فنڈز کے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے؛

-ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز کی وجہ سے بقایا قانونی ادائیگیاں، اگر مالی گوشواروں میں مکمل طور پر ظاہر کی گئی ہیں؛

یو بی ایل فنڈ منیجرز لمیٹڈ کے کل سات ڈائریکٹرز ہیں:

(الف) مرد: چھ ڈائریکٹرز

(ب) خاتون: ایک ڈائریکٹر

بورڈ کی تشکیل درج ذیل ہے:

نام	زمرہ
جناب اظہر حمید محترمہ ہما پاشا	نان ایگزیکٹو ڈائریکٹرز
جناب یاسر قادری	ایگزیکٹو ڈائریکٹرز
جناب عمران سرور جناب عارف اکمل *جناب اسلم صدر الدین **جناب محمد رضوان ملک محترمہ ہما پاشا	آزاد ڈائریکٹر
	خاتون ڈائریکٹر

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا تھا۔

**جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا تھا۔

یو بی ایل فنڈ منیجرز بورڈ کی بنیادی ذمہ داری کمپنی کے معاملات کی نگرانی کرنا اور اس کے انتظام کو ہدایت فراہم کرنا ہے۔ انتظامیہ کمپنی کے معاملات کے بارے میں بورڈ کو باخبر رکھنے اور بورڈ آف ڈائریکٹرز کی طرف سے دی گئی ہدایات اور رہنما خطوط پر موثر عمل درآمد کرنے کی ذمہ دار ہے۔

بورڈ موثر حکمرانی اور داخلی کنٹرول نظام کا استعمال کرتے ہوئے کمپنی کے اسٹیک ہولڈرز بشمول اس کے شیئر ہولڈرز، یونٹ ہولڈرز، صارفین، ملازمین، ریگولیٹر اور ان کمیونٹیز کے اسپیکٹرم کو متوازن کرنے کی کوشش کرتا ہے جن میں وہ کام کرتی ہے۔ بورڈ کی جانب سے کئے گئے تمام اقدامات میں ڈائریکٹرز آزادانہ کاروباری فیصلے کا استعمال کرتے ہیں جس کے بارے میں وہ معقول طور پر کمپنی کے بہترین مفاد میں سمجھتے ہیں۔

بہترین کارپوریٹ گورننس طریقوں کے مطابق یو بی ایل فنڈ مینیجرز لمیٹڈ کے بورڈ آف ڈائریکٹرز نے پورے ادارے میں رسک مینجمنٹ، انٹرنل کنٹرول سسٹم اور اچھی کارپوریٹ گورننس کو بڑھانے کے لئے متعدد بورڈ کمیٹیاں قائم کی ہیں۔ یہ بورڈ کمیٹیاں بورڈ اور انتظامیہ کو ان کی اہلیت کے مخصوص شعبے سے متعلق امور پر سہولت فراہم کرتی ہیں۔

بورڈ کی مندرجہ ذیل کمیٹیاں ہیں

بورڈ آڈٹ کمیٹی

ڈائریکٹر شپ کی قسم	اسم	نام
آزاد ڈائریکٹر	چیئر پرسن	محترمہ ہما پاشا
نان ایگزیکٹو ڈائریکٹر	رکن	جناب عارف اکمل سیفی
نان ایگزیکٹو ڈائریکٹر	رکن	*جناب اسلم صدر الدین
نان ایگزیکٹو ڈائریکٹر	رکن	جناب عمران سرور

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا۔

بورڈ ہیومن ریسورس اینڈ کمپنیشن کمیٹی

ڈائریکٹر شپ کی قسم	اسم	نام
آزاد ڈائریکٹر	چیئرمین	جناب اظہر حمید
نان ایگزیکٹو ڈائریکٹر	رکن	*جناب اسلم صدر الدین
نان ایگزیکٹو ڈائریکٹر	رکن	**جناب محمد رضوان ملک
ایگزیکٹو ڈائریکٹر	رکن	جناب یاسر قادری
آزاد ڈائریکٹر	رکن	محترمہ ہما پاشا
نان ایگزیکٹو ڈائریکٹر	رکن	***محترمہ سعدیہ سعید
نان ایگزیکٹو ڈائریکٹر	رکن	****جناب سید فرخ ز عیم

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا۔

**جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا

***محترمہ سعدیہ سعید نے 19 جولائی 2021 کو استعفیٰ دے دیا ہے۔

****جناب سید فرخ ز عیم نے 17 نومبر 2021 کو استعفیٰ دے دیا۔

بورڈ رسک اینڈ کمپلائنس کمیٹی

ڈائریکٹر شپ کی قسم	اسم	نام
نان ایگزیکٹو ڈائریکٹر	چیئرمین	جناب عمران سرور
نان ایگزیکٹو ڈائریکٹر	رکن	جناب عارف اکمل سیفی
آزاد ڈائریکٹر	رکن	جناب اظہر حمید
نان ایگزیکٹو ڈائریکٹر	رکن	*جناب محمد رضوان ملک

ایگزیکٹو ڈائریکٹر	رکن	جناب یاسر قادری
نان ایگزیکٹو ڈائریکٹر	رکن	**جناب سید فرخ زعیم

*جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا۔
**جناب سید فرخ زعیم نے 17 نومبر 2021 کو استعفیٰ دے دیا۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے سات اجلاس ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

Name of Directors	Dates						
	5-Jul-21	16-Aug-21	27-Oct-21	13-Dec-21	27-Jan-22	26-Apr-22	27-Jun-22
Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	✓	x	x	x	x	x	x
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x
Name of Key Executives							
Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا۔
**جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا
***محترمہ سعدیہ سعید نے 19 جولائی 2021 کو استعفیٰ دے دیا ہے۔
****جناب سید فرخ زعیم نے 17 نومبر 2021 کو استعفیٰ دے دیا۔
*****بلال جاوید نے 14 جولائی 2022 کو استعفیٰ دے دیا۔

بورڈ آڈٹ کمیٹی کے اجلاس

30 جون 2022 کو ختم ہونے والے سال کے دوران چار (4) اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

Name of Director	Dates			
	31-Aug-21	26-Oct-21	26-Jan-22	25-Apr-22
Ms. Huma Pasha	✓	✓	✓	✓
Mr. Imran Sarwar	✓	✓	✓	✓
Mr. Arif Akmal Saifi	✓	✓	✓	N/A
Mr. Aslam Sadruddin*	N/A	N/A	✓	✓

Name of Key Executives				
Mr. Umair Ahmed	✓	✓	✓	✓
Mr. Mubeen Ashraf	✓	✓	✓	✓
Mr. Tanweer Haral	✓	N/A	N/A	N/A
Mr. Hadi Hassan Mukhi	N/A	N/A	✓	N/A

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا۔

بورڈ بیومن ریسورس کمینیشن کمیٹی کے اجلاس

30 جون 2022 کو ختم ہونے والے سال کے دوران پانچ (5) اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

Name of Director	Dates				
	12-Aug-21	4-Oct-21	25-Oct-21	24-Jan-22	22-Apr-22
Mr. Azhar Hamid	✓	✓	x	✓	✓
Mr. Yasir Qadri	✓	✓	✓	✓	✓
Mr. Syed Furrukh Zaeem***	✓	✓	✓	N/A	N/A
Mr. Aslam Sadruddin*	N/A	N/A	N/A	x	✓
Ms. Huma Pasha	✓	✓	✓	✓	✓
Mr. Rizwan Malik**	N/A	N/A	N/A	N/A	✓
Name of Key Executives					
Ms. Najwa Siddiqui	✓	✓	✓	✓	✓

*جناب اسلم صدر الدین کو 3 دسمبر 2021 سے ڈائریکٹر مقرر کیا گیا۔

**جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا

***جناب سید فرخ زعیم نے 17 نومبر 2021 کو استعفیٰ دے دیا۔

بورڈ رسی اینڈ کمپلینس کمیٹی کے اجلاس

30 جون 2022 کو ختم ہونے والے سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ذیل میں بورڈ آف ڈائریکٹرز کی حاضری ہے:

Name of Directors	Dates			
	12-Aug-21	25-Oct-21	25-Jan-22	25-Apr-22
Mr. Imran Sarwar	✓	✓	✓	✓
Mr. Syed Farrukh Zaeem*	✓	✓	N/A	N/A
Mr. Yasir Qadri	✓	✓	✓	✓
Mr. Azhar Hamid	✓	x	x	✓
Mr. Arif Akmal Saifie	x	✓	✓	✓
Mr. Muhammad Rizwan Malik**	N/A	N/A	N/A	✓
Name of Key Executive				
Mr. Hadi Hassan Mukhi	✓	✓	✓	✓

*جناب سید فرخ زعیم نے 17 نومبر 2021 کو آپ نے استعفیٰ دے دیا۔
**جناب محمد رضوان ملک کو یکم فروری 2022 سے ڈائریکٹر مقرر کیا گیا

ڈائریکٹرز ٹریننگ

اس وقت چار (4) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام میں شرکت کی ہے اور ایک (1) ڈائریکٹر کے پاس کم از کم 14 سال کی تعلیم اور بورڈ آف لسٹڈ کمپنیوں میں 15 سال کا تجربہ ہے اور اس لئے وہ ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہیں۔

تمام ڈائریکٹرز فنڈ اور مینجمنٹ کمپنی پر لاگو متعلقہ قوانین، اس کی پالیسیوں اور طریقہ کار اور میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی دفعات سے اچھی طرح واقف ہیں اور اپنے فرائض اور ذمہ داریوں سے واقف ہیں۔

آڈیٹرز

نیچے ٹیبل کے مطابق موجودہ آڈیٹرز 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ کے اختتام پر ریٹائر ہو جاتے ہیں:

سیریل نمبر	فنڈ کا نام	موجودہ آڈیٹرز	30 جون 2023 کو ختم ہونے والے سال کے لئے تقرری کی حیثیت
1	یو بی ایل لیکویڈیٹی پلس فنڈ	میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل
2	یو بی ایل کیش فنڈ	میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل
3	یو بی ایل منی مارکیٹ فنڈ	میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل

4	یو بی ایل گورنمنٹ سیکورٹیز فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	کم از کم فیس کی بنیاد پر ریٹائر ہونے والے آڈیٹرز سے رضامندی حاصل نہیں کی گئی۔ آڈٹ کمیٹی نے میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر تعینات کرنے کی سفارش کی ہے۔
5	یو بی ایل انکم اپرجونٹی فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	لگاتار پانچ سال تک فنڈ کے قانونی آڈیٹر ہونے کی وجہ سے دوبارہ تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی نے میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔
6	یو بی ایل گروتھ اینڈ انکم فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	لگاتار پانچ سال تک فنڈ کے قانونی آڈیٹر ہونے کی وجہ سے دوبارہ تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی نے میسرز یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔
7	یو بی ایل اسٹاک ایڈوانٹیج فنڈ	میسرز گرانٹ تھورنٹن، چارٹرڈ اکاؤنٹنٹس	آڈٹ کمیٹی نے آڈیٹرز کی تعداد کم کرنے کی سفارش کی ہے اور سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔
8	یو بی ایل ایسیٹ ایلوکیشن فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل
9	یو بی ایل ڈیٹیکٹ ایکونٹی فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	لگاتار پانچ سال تک فنڈ کے قانونی آڈیٹر ہونے کی وجہ سے دوبارہ تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی نے میسرز یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔
10	یو بی ایل فنانشل سیکٹر فنڈ	میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس	لگاتار پانچ سال تک فنڈ کے قانونی آڈیٹر ہونے کی وجہ سے دوبارہ تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی نے سال 2023 کے لئے فنڈ کے قانونی آڈیٹرز کے طور پر میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔
11	یو بی ایل پاکستان انٹرپرائز ایکسچینج ٹریڈ فنڈ	میسرز ای وائی فورڈ رہوڈز ، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل
12	یو بی ایل اسپیشل سیونگز فنڈ	میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل
13	یو بی ایل اسپیشل سیونگز فنڈ 2	میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری کے اہل

آڈیٹرز، جہاں اہل ہونے کی وجہ سے، خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں اور جہاں این بی ایف سی ریگولیشنز کے تحت زیادہ سے زیادہ وقت کی تکمیل کی وجہ سے بیرونی آڈیٹرز میں تبدیلی کی ضرورت ہوتی ہے، نئے آڈیٹرز نے متعلقہ فنڈز کے بیرونی آڈیٹرز کے طور پر مقرر ہونے کی رضامندی دی ہے۔ بورڈ کی آڈٹ کمیٹی نے اس کے مطابق 30 جون 2023 کو ختم ہونے والے سال کے لئے بیرونی آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

اعترافات

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

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

SD

اظہر حمید
چینرمین

SD

یاسر قادری
چیف ایگزیکٹو آفیسر

کراچی
تاریخ: 6 ستمبر 2022

UAAF

UBL Asset Allocation Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	EY Ford Rhodes, Chartered Accountants.
Bankers	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited JS Bank Limited MCB Bank Limited Samba Bank Limite Telenor Microfinance Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Limited United Bank Limited Soneri Bank Limited Bank Of Khyber
Management Co.Rating	AM1 (JCR-VIS)

Fund Manager's Report – UBL Asset Allocation Fund (UAAF)

- i) **Description of the Collective Investment Scheme category and type**
Asset Allocation / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective.**
The investment objective of the Fund is to earn competitive return by investing in various 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 PKRV rates + 3M avg. deposit rate of 3 AA rated banks as selected by MUFAP), 6M KIBOR and KSE-100 Index based on actual proportion of the scheme in money market, fixed income and equity securities
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UAAF	0.44%	2.20%	-2.36%	3.14%	-1.00%	-0.41%	1.37%	0.33%	-0.21%	-0.17%	-2.20%	-0.83%	0.15%
Benchmark	0.16%	0.68%	-1.68%	1.58%	-0.50%	0.23%	1.25%	-0.28%	1.08%	0.98%	-1.17%	-0.41%	1.88%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the fund posted a return of 0.15% as compared to the benchmark return of 1.88%. The fund manager maintained the exposure in local equity market of around 35.7% while exposure in cash stood at 19.3% at the end of June'22. The net assets of the fund were PKR 560mn as at June 30th 2022.

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-22	Jun-21
Equities	36%	32%
T-bills	0%	0%
PIB - Floater	17%	20%
Term Finance Certificates/ Sukuks	23%	11%
Cash	19%	33%
Others	5%	4%

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

FY'22 Return:	0.15%
Standard Deviation (12m trailing):	6.65%
Sharpe Ratio (12m trailing):	(1.52)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
560,331	872,321	(35.77)	145.4225	148.7998	(2.27)

ix) **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 for FY22

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

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

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

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

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

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

Stock Market Review for FY22

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

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

- 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	
<i>Declared on</i>	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	<i>Rupees (000)</i>			<i>----- Rupees -----</i>	
Jun 29, 2022		13,637	3.6100	148.6349	145.0249

- 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 the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

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

Range of Units	Number of Investors
	UAAF
0.0001 - 9,999.9999	837
10,000.0000 - 49,999.9999	62
50,000.0000 - 99,999.9999	8
100,000.0000 - 499,999.9999	5
500,000.0000 & Above	1
Total	913

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

There were no unit splits during the period.

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

Investments are subject to 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

UBL Asset Allocation Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	560,331	872,321	926,274
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	150.3523	151.3294	138.6005
- Redemption	145.4225	148.7998	136.2837
RETURN OF THE FUND - %			
Total Return of the Fund	0.15	16.46	11.27
Capital Growth (per unit)	(2.28)	9.12	3.10
Date of Income Distribution	29-Jun-22	30-Jun-21	29-Jun-20
Income Distribution	3.61	10.00	10.81
AVERAGE ANNUAL RETURN - %			
Since Launch/ One Year	0.15	16.46	11.27
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	161.3307	163.3179	154.8570
Highest price per unit - Class A units - Redemption	156.0409	160.5879	152.2684
Lowest price per unit - Class A units - Offer	149.9412	138.9614	125.8880
Lowest price per unit - Class A units - Redemption	145.0249	136.6385	123.7837

* Front-end load @1.5% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	19.33	32.70	15.00
Placements with bank	0.00	0.00	0.00
Government Securities	17.35	19.70	15.00
TFCs/Sukuks	22.70	11.40	11.00
Equity	35.73	32.40	38.00
Others	4.89	3.80	21.00

PORTFOLIO COMPOSITION BY MARKET - %

Equity	35.73	32.40	38.00
Debt	64.27	67.60	62.00

Note:

- The Launch date of Fund is 19 August 2013.

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL 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 UBL 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, 2022 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Asset Allocation Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Asset Allocation Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saifi Mr. Aslam Saddruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saddruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifi
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
 - b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
 - c. Mr. Zeeshan Qudus (Chief Business Development Officer)
- One director is exempt from Directors Training Program as he has requisite education and experience.*

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Aslam Sadroddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadiya Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Iqbal	Chairman	Independent Director
Mr. Aslam Sadroddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadiya Saeed***	Member	Non-Executive Director
Syed Farrukh Zaheem****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik ^{***}	Member	Non-Executive Director
Mr. Vasir Qadri	Member	Executive Director
Syed Furukh Zaheem ^{****}	Member	Non-Executive Director

^{*} Mr. Aslam Saaduddin was appointed as a director with effect from December 3, 2021

^{**} Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

^{***} Mr. Sadia Saeed has resigned dated July 19, 2021

^{****} Syed Furukh Zaheem has resigned dated November 17, 2022

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.



19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMID
Chairman

Karachi.
Dated: September 6, 2022

To the unitholders of UBL Asset Allocation Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of UBL Asset Allocation Fund (the Fund) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 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 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 of Directors for their review and approval, its related party transactions. 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.

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 30 June 2022.



Chartered Accountants

Place: Karachi

Date: 30 September 2022

UDIN Number: CR202210191e7IKv4Dcl

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Asset Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities and debt instruments) held by the Fund represent 95% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.



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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.

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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.
- 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.

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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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Place: Karachi

UDIN Number: AR202210191DNrJX8uYI

UBL ASSET ALLOCATION FUND
STATEMENT OF ASSETS & LIABILITIES
AS AT JUNE 30, 2022

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	6	111,406	339,281
Investments	7	436,848	647,052
Dividend and mark-up receivable	8	12,737	10,936
Advance tax	9	1,723	1,723
Deposits and other receivables	10	13,720	17,145
Receivable against sale of investments		-	653
Total assets		576,434	1,016,790
LIABILITIES			
Payable to the Management Company	11	4,424	7,646
Payable to the Trustee	12	112	192
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	155	217
Accrued expenses and other liabilities	14	11,326	32,759
Payable against purchase of investments		86	103,655
Total liabilities		16,103	144,469
NET ASSETS		560,331	872,321
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		560,331	872,321
CONTINGENCIES AND COMMITMENTS	16		
		----- (Number) -----	
NUMBER OF UNITS IN ISSUE		3,853,125	5,862,380
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		145.4225	148.7998

The annexed notes 1 to 25 form an integral part of financial information.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL ASSET ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Income			
Financial income on:			
- Bank balances		12,305	14,955
- Term Deposit Receipts		-	579
- Government Securities		16,714	25,195
- Term Finance Certificates / Sukuk		13,171	9,427
Capital (loss) / gain on sale of investments classified as 'at fair value through profit or loss' - net		(15,835)	77,642
Dividend income		22,926	27,823
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(29,655)	39,052
Other income		120	469
Total income		19,746	195,142
Expenses			
Remuneration of the Management Company	11.1	7,755	10,843
Sales tax on Management fee	11.2	1,008	1,410
Allocated expenses by the Management Company	11.3	2,455	1,084
Selling and marketing expense	11.4	8,066	11,276
Remuneration of the Trustee	12.1	1,551	2,079
Sales tax on remuneration of the Trustee	12.2	202	270
Annual fee to Securities and Exchange Commission of Pakistan	13	155	217
Auditors' remuneration	17	902	847
Legal and professional charges		505	349
Brokerage and settlement expenses		1,344	2,282
Listing fee expense		27	27
Bank charges and other expenses		15	44
Total expenses		23,985	30,728
Net income for the year from operating activities		(4,239)	164,414
Reversal / (provision) for Sindh Workers' Welfare Fund (SWWF)	14.2	16,632	(3,225)
Net income for the year before taxation		12,393	161,189
Taxation	18	-	-
Net income for the year after taxation		12,393	161,189
<i>Allocation of net income for the year:</i>			
Net income for the year after taxation		12,393	161,189
Income already paid on units redeemed		(12,393)	(54,968)
		-	106,221
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	74,434
- Excluding capital gains		-	31,787
		-	106,221
Earnings per unit	24.2		

The annexed notes 1 to 25 form an integral part of financial information.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
Net income for the year after taxation	12,393	161,189
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>12,393</u>	<u>161,189</u>

The annexed notes 1 to 25 form an integral part of financial information.

For UBL Fund Managers Limited
(Management Company)

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Rizwan Malik
Director

UBL ASSET ALLOCATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	12,393	161,189
Adjustments for:		
Financial income	(42,190)	(50,156)
Capital loss / (gain) on sale of investments classified as 'at fair value through profit or loss' - net	15,835	(77,642)
Dividend income	(22,926)	(27,823)
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' - net	29,655	(39,052)
(Reversal) / provision for Sindh Workers' Welfare Fund (SWWF)	(16,632)	3,225
	(36,258)	(191,448)
Net cash flows used in operations before working capital changes	(23,865)	(30,259)
 (Decrease) / increase in assets		
Investments	164,714	97,398
Advance tax	-	(561)
Deposits and other receivables	3,425	(4,826)
Receivable against sale of investments	653	166,290
	168,792	258,301
 Decrease / (increase) in liabilities		
Payable to the Management Company	(3,222)	3,622
Payable to the Trustee	(80)	12
Annual fee payable to SECP	(62)	(6)
Accrued and other liabilities	(4,801)	(3,695)
Payable against purchase of investments	(103,569)	99,731
	(111,735)	99,664
Mark-up and dividend received	63,316	86,037
Net cash flows generated from operating activities	96,508	413,743
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	180,226	1,240,643
Cash dividend paid during the year	(13,640)	(47,588)
Payments on redemption of units	(490,969)	(1,408,197)
Net cash flows used in financing activities	(324,383)	(215,142)
Net (increase) / decrease in cash and cash equivalents	(227,875)	198,601
Cash and cash equivalents at beginning of the year	339,281	140,680
Cash and cash equivalents at end of the year	111,406	339,281
 CASH AND CASH EQUIVALENTS		
Bank balances	111,406	339,281
	111,406	339,281

The annexed notes 1 to 25 form an integral part of financial information.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

For the year ended June 30, 2022			For the year ended June 30, 2021		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----			----- (Rupees in '000) -----		

- (Rupees) -

148.7998

145.4225

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

-sd-
Rizwan Malik
Director

UBL ASSET ALLOCATION FUND
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Asset Allocation Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan. It was constituted under a Trust Deed, dated May 29, 2013 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act 2020 for registration. Subsequently on August 16, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. 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 end mutual fund and units of the fund are listed on the Pakistan Stock Exchange Limited. The units of the Fund can be transferred to/from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units of the Fund were initially offered to the public (IPO) on August 19, 2013 The Fund commenced its operations from August 20, 2013.
- 1.4 The policy of the Fund is to invest in a diversified portfolio of shares of listed companies, spread transactions and other money market instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorised by the Management Company as an Asset Allocation Fund.
- 1.5 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.
- 1.6 VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021.

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 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years

4.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

4.2 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.

4.3 Financial assets

4.3.1 Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

4.3.2 Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL;

the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

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

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Equity instruments

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

An equity instrument held for trading purposes is classified as measured at FVTPL.

Subsequent Measurement

Debt instruments at Amortized Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from CIS units measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

4.3.3 Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

4.4 Derecognition

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

4.5 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.

4.6 Offsetting of financial assets and liabilities

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

4.7 Provisions

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

4.8 Taxation

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

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.

4.9 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the year in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

4.10 Issue 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.

4.11 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.

4.12 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the year in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances, term deposit receipts and government securities is recognised on effective interest rate method.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Preliminary expenses and floatation cost

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 November 07, 2010 in accordance with the Trust Deed.

4.15 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.

4.16 Element of income / (loss) and capital gain / (loss) included in price of units issued less those in units redeemed

Element of income represents the difference between NAV per unit on issuance and redemption date, as the case may be, of units and NAV per unit at the beginning of the relevant accounting period. Further, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holder's fund. However, to maintain the same ex-dividend NAV on all units outstanding at the accounting date, net element of income contributed on issue of units lying in unit holder fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

5. 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)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
AIP IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2022

		June 30, 2022	June 30, 2021
Note		----- (Rupees in '000) -----	
6. BANK BALANCES			
Saving accounts	6.1	<u>111,406</u>	<u>339,281</u>

6.1 These carry mark-up at the rates ranging from 12.25% to 16.60% (June 30, 2021: 5.5% to 9%) per annum and include a balance of Rs.1.25 (June 30, 2021: Rs.9.79) million held with United Bank Limited (a related party).

		June 30, 2022	June 30, 2021
Note		----- (Rupees in '000) -----	
7. INVESTMENTS			
At fair value through profit or loss			
- Government securities - Market treasury bills	7.1	-	-
- Government securities - Pakistan Investment Bonds	7.2	100,000	200,340
- Debt securities - Term Finance Certificates / Sukuks	7.3	130,827	116,158
- Quoted equity securities	7.4	206,021	330,554
		<u>436,848</u>	<u>647,052</u>

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

Particulars	As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
					Carrying value	Market value	Appreciation		
----- Number of certificates -----					----- (Rupees in '000) -----			----- % -----	
Market treasury bills - 6 months	-	75,000	75,000	-	-	-	-	-	-
Market treasury bills - 3 months	-	150,000	150,000	-	-	-	-	-	-
June 30, 2022					<u>-</u>	<u>-</u>	<u>-</u>		
June 30, 2021					-	-	-		

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

Particulars	Note	As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation		
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----	
Pakistan Investment										
Bonds - 10 years	7.2.1	1,000,000	-	-	1,000,000	100,230	100,000	(230)	17.85%	22.89%
Bonds - 5 years		1,000,000	-	1,000,000	-	-	-	-	0.00%	0.00%
Bonds - 3 years			1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
June 30, 2022						100,230	100,000	(230)		
June 30, 2021						200,710	200,340	(370)		

7.2.1 This Pakistan Investment Bonds carry interest at the rate of 11.3527% per anum (2021: 8.058% to 8.55% per anum). These will mature latest by August 09, 2028.

7.3 Investment in debt securities - at fair value through profit or loss

Name of Security	Note	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Appreciation / (Diminution)	Percentage of total investments	Percentage of net assets
		----- (Number of certificates) -----			----- (Rupees in '000) -----					
Unquoted										
Investment banks / investment companies / securities companies										
Bank AL-Habib Limited - TFC (30-09-21) (Face value at Rs.4,999 each)	7.3.1 & 7.3.2	-	7,000	-	7,000	34,993	36,009	1,016	8.24%	6.43%
Jahangir Siddiqui & Company Limited - TFC (18-07-17) (Face value at Rs.1,750 each)	7.3.1 & 7.3.2	30,000	-	-	30,000	52,702	53,541	839	12.26%	9.56%
Bank Alfalah Limited - TFC Series A (15-01-21) (Face value at Rs.5,000 each)	7.3.1 & 7.3.2	9,000	-	-	9,000	44,634	41,277	(3,357)	9.45%	7.37%
Total as at June 30, 2022		39,000	7,000	-	46,000	132,329	130,827	(1,502)		
Total as at June 30, 2021						114,650	116,158	1,508		

7.3.1 These carry effective interest rate from 9.03% to 13.26% (June 2021: from 7.56% to 9.02%).

7.3.2 Significant terms and conditions of term finance certificates outstanding as at June 30, 2022 are as follows:

Name of securities	Mark-up rate (per annum)	Issue date	Maturity date
Jahangir Siddiqui & Co. Limited - TFC (5th Issue)	6 Months KIBOR +1.4%	18-Jul-17	18-Jul-23
Bank Alfalah Limited - TFC Series A (15-01-21)	3 year PKRV + 0.75%	15-Jan-21	15-Jan-24
Bank AL-Habib Limited - unlisted (30-09-2021)	6M KIBOR + 0.75%	30-Sep-21	30-Sep-31

7.4 Quoted equity securities - 'at fair value through profit or loss

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Cost / carrying value as at June 30, 2022	Market value as at June 30, 2022	(Diminution) / appreciation	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
----- (Number of shares) ----- (Rupees in '000) ----- (%) -----												
Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each												
Oil and gas exploration companies												
Mari Petroleum Company Limited	7.4.2	23,071	5,050	-	6,980	21,141	33,013	36,780	3,767	8.42%	6.56%	0.02%
Oil & Gas Development Company Limited		145,300	76,101	-	81,201	140,200	12,673	11,030	(1,643)	2.52%	1.97%	0.00%
Pakistan Petroleum Limited	7.4.1 & 7.4.2	160,250	62,001	-	87,501	134,750	11,187	9,097	(2,090)	2.08%	1.62%	0.00%
Pakistan Oil Fields Limited		2,282	14,650	-	8,582	8,350	3,248	3,389	140	0.78%	0.60%	0.00%
							60,121	60,296	175	13.80%	10.76%	0.03%
Oil and gas marketing companies												
Sui Northern Gas Pipelines Limited		-	36,000	-	-	36,000	1,123	1,232	109	0.28%	0.22%	0.01%
Pakistan State Oil Company Limited	7.4.2	1,227	65,209	-	55,950	10,486	1,863	1,802	(61)	0.41%	0.32%	0.00%
							2,986	3,034	48	0.69%	0.54%	0.01%
Power generation and distribution												
Hub Power Company Limited		214,253	192,500	-	174,100	232,653	16,831	15,860	(971)	3.63%	2.83%	0.02%
Kot Addu Power Company Limited		-	32,000	-	32,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited		63,500	36,001	-	99,501	-	-	-	-	0.00%	0.00%	0.00%
Saif Power Limited		998	100,000	-	998	100,000	2,192	2,084	(108)	0.48%	0.37%	0.03%
							19,023	17,944	(1,079)	4.11%	3.20%	0.04%
Chemicals												
ICI Pakistan Limited		3,050	-	-	3,050	-	-	-	-	0.00%	0.00%	0.00%
Nimir Resins Limited		-	83,000	-	-	83,000	1,214	1,206	(8)	0.28%	0.22%	0.06%
Dynea Pakistan Limited *		-	7,000	-	-	7,000	1,320	1,218	(102)	0.28%	0.22%	0.07%
Engro Polymer & Chemicals Limited		82,868	42,000	-	124,868	-	-	-	-	0.00%	0.00%	0.00%
							2,534	2,424	(110)	0.55%	0.43%	0.13%
Fertilizer												
Engro Corporation Limited		36,175	12,100	-	42,800	5,475	1,581	1,408	(174)	0.32%	0.25%	0.00%
Engro Fertilizers Limited	7.4.1	8,061	55,000	-	28,300	34,761	2,756	3,081	325	0.71%	0.55%	0.00%
Fauji Fertilizer Bin Qasim Limited		169,500	-	-	169,500	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		159,462	117,600	-	172,000	105,062	10,924	11,580	656	2.65%	2.07%	0.01%
							15,261	16,069	807	3.68%	2.87%	0.01%
Cement												
Kohat Cement Company Limited		73,270	2,200	-	16,400	59,070	12,089	7,687	(4,402)	1.76%	1.37%	0.03%
Pioneer Cement Limited		15,000	-	-	15,000	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited		-	7,000	-	7,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited		-	124,000	-	124,000	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited		9,200	20,000	-	29,200	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited		18,413	12,700	-	17,841	13,272	10,929	6,092	(4,837)	1.39%	1.09%	0.00%
							23,018	13,779	(9,238)	3.15%	2.46%	0.03%
Automobile parts and accessories												
Thal Limited *		28,950	-	-	28,950	-	-	-	-	0.00%	0.00%	0.00%
Panther Tyres Limited		-	37,000	-	-	37,000	1,154	1,199	45	0.27%	0.21%	0.02%
							1,154	1,199	45	0.27%	0.21%	0.02%
Automobile Assembler												
Honda Atlas Cars (Pakistan) Limited		3,500	300	-	3,800	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	0.00%	0.00%	0.00%
Leather and tanneries												
Service Global Footwear Limited		-	23,000	-	23,000	-	-	-	-	0.00%	0.00%	0.00%
Service Industries Limited		11,774	7,400	-	6,750	12,424	6,713	4,383	(2,330)	1.00%	0.78%	0.03%

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Cost / carrying value as at June 30, 2022	Market value as at June 30, 2022	(Diminution) / Appreciation	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares) (Rupees in '000) (%)												
Commercial banks												
Habib Bank Limited		148,800	116,300	-	147,000	118,100	14,121	10,787	(3,334)	2.47%	1.93%	0.01%
Allied Bank Limited		208,500	500	-	182,000	27,000	2,006	1,863	(143)	0.43%	0.33%	0.00%
Meezan Bank Limited		-	12,000	-	12,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited		-	52,000	-	52,000	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited		255,132	56,000	-	124,800	186,332	6,032	5,963	(69)	1.36%	1.06%	0.01%
Habib Metropolitan Bank Limited		-	30,000	-	4,000	26,000	1,151	1,015	(136)	0.23%	0.18%	0.00%
Bank Alhabib Limited		177,961	35,500	-	79,200	134,261	9,467	7,795	(1,672)	1.78%	1.39%	0.01%
Faysal Bank Limited		8	251,000	-	68,000	183,008	4,409	4,220	(189)	0.97%	0.75%	0.01%
United Bank Limited**	7.4.1	164,233	30,000	-	74,400	119,833	14,841	13,557	(1,284)	3.10%	2.42%	0.01%
							52,027	45,200	(6,827)	10.35%	8.07%	0.06%
Textile												
Nishat Mills Limited		36,100	2,500	-	32,200	6,400	596	473	(123)	0.11%	0.08%	0.00%
Kohinoor Textiles Limited		276,446	6,000	-	161,500	120,946	9,085	6,047	(3,038)	1.38%	1.08%	0.04%
Towellers Limited		-	1,900	-	-	1,900	182	174	(8)	0.04%	0.03%	0.01%
Nishat Chunian Limited		-	17,500	-	17,500	-	-	-	-	0.00%	0.00%	0.00%
Interloop limited		83,000	7,500	2,715	31,200	62,015	4,231	3,783	(448)	0.87%	0.68%	0.01%
Gul Ahmed Textile Mills Limited	7.4.2	100,960	111,000	-	70,100	141,860	7,111	4,796	(2,315)	1.10%	0.86%	0.02%
							21,205	15,273	(5,932)	3.50%	2.73%	0.08%
Engineering												
Agha Steel Industries Limited		71,000	12,000	4,150	87,150	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Industries Limited		-	60,700	1,200	50,400	11,500	1,099	663	(436)	0.15%	0.12%	0.00%
Aisha Steel Limited		104,500	-	-	104,500	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited		19,100	3,500	-	22,600	-	-	-	-	0.00%	0.00%	0.00%
International Industries limited		3,900	-	-	3,900	-	-	-	-	0.00%	0.00%	0.00%
							1,099	663	(436)	0.15%	0.12%	0.00%
Food and personal care products												
Unity Foods Limited		69	-	13	82	-	-	-	-	0.00%	0.00%	0.00%
Shezan International Limited		-	8,800	880	1,800	7,880	2,417	1,340	(1,077)	0.31%	0.24%	0.08%
Matco Foods Limited		-	107,500	-	-	107,500	2,848	2,679	(169)	0.61%	0.48%	0.09%
At-Tahur Limited		-	70,500	5,940	18,500	57,940	1,353	1,105	(248)	0.25%	0.20%	0.03%
							6,618	5,124	(1,495)	1.17%	0.91%	0.20%
Glass and ceramics												
Tariq Glass Industries Limited		-	37,900	-	37,900	-	-	-	-	0.00%	0.00%	0.00%
Shabbir Tiles & Ceramics Limited *		173,000	-	-	173,000	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	-	-	-
Mutual Funds												
UBL Pakistan Enterprise Exchange Traded Fund**		71,000	-	-	71,000	-	-	-	-	0.00%	0.00%	0.00%
Technology and communication												
Hum Network Limited ***		-	605,000	-	250,500	354,500	2,348	2,524	176	0.58%	0.45%	0.38%
Air Link Communication Limited		-	12,500	-	12,500	-	-	-	-	0.00%	0.00%	0.00%
Octopus Digital limited		-	6,029	-	6,029	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited		15,570	-	4,870	13,900	6,540	1,832	2,157	325	0.49%	0.39%	0.00%
							4,180	4,681	501	1.07%	0.84%	0.38%
Paper and board												
Century Paper and Board Mills Limited		-	24,400	-	6,000	18,400	1,389	1,137	(252)	0.26%	0.20%	0.01%
							1,389	1,137	(252)	0.26%	0.20%	0.01%
Refinery												
Attock Refinery Limited		-	9,900	-	9,900	-	-	-	-	0.00%	0.00%	0.00%

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Cost / carrying value as at June 30, 2022	Market value as at June 30, 2022	(Diminution) / Appreciation	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares)						(Rupees in '000)						(%)
Fertilizer												
Fatima Fertilizer Company Limited		-	81,000	-	20,000	61,000	2,162	2,306	144	0.53%	0.41%	0.00%
Cable and electronic goods												
Pakistan Cables		-	6,000	-	-	6,000	975	837	(138)	0.19%	0.15%	0.02%
Insurance												
Adamjee Insurance Company Limited		130,256	25,000	-	109,000	46,256	1,894	1,460	(434)	0.33%	0.26%	0.01%
IGI Holdings Limited		14,800	3,000	-	17,800	-	-	-	-	0.00%	0.00%	0.00%
							1,894	1,460	(434)	0.33%	0.26%	0.01%
Pharmaceuticals												
The Searle Company Limited		27,596	-	4,738	29,327	3,007	561	328	(233)	0.08%	0.06%	0.00%
CITI PHARMA LIMITED			31,000	-	1,000	30,000	1,080	979	(101)	0.22%	0.17%	0.01%
AGP Limited			9,000	-	300	8,700	873	762	(111)	0.17%	0.14%	0.00%
IBL HealthCare Limited			14,200	2,840	12,100	4,940	461	257	(204)	0.06%	0.05%	0.01%
Highnoon Laboratories Limited	7.4.2	7,183	-	562	1,560	6,185	3,374	3,277	(97)	0.75%	0.58%	0.01%
							6,349	5,603	(746)	1.28%	1.00%	0.04%
Sugar and allied industries												
Shahmurad Sugar Mills Limited		-	16,000	-	1,000	15,000	1,284	1,261	(23)	0.29%	0.22%	0.07%
							1,284	1,261	(23)	0.29%	0.22%	0.07%
Miscellaneous												
Shifa International Hospitals Limited		15,000	3,600	300	200	18,700	3,949	3,350	(599)	0.77%	0.60%	0.03%
Pakistan Aluminium Beverage Cans Limited		-	36,000	-	36,000	-	-	-	-	0.00%	0.00%	0.00%
							3,949	3,350	(599)	0.77%	0.60%	0.03%
Total equity securities 'at fair value through profit or loss' as at June 30, 2021:							233,941	206,021	(27,920)	47.15%	36.77%	

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

** This represents investment held in a related party.

*** These have a fair value of Rs. 1 per share.

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

	June 30, 2022	
	(Number of shares)	(Rupees in '000)
Engro Corporation Limited	5,000	1,285
Lucky Cement Limited	10,000	4,590
Pakistan Petroleum Limited	25,000	1,688
United Bank Limited	50,000	5,657
	90,000	13,220

- 7.4.2** The Finance Act, 2015 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs.0.7609 million at June 30, 2022. Such shares have not been deposited by the investee company in CDC account in Income Tax department. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end. Furthermore, the Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the period ended June 30, 2022, are not liable to withholding of Income Tax.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
8. DIVIDEND AND MARK-UP RECEIVABLE			
Dividend receivable		96	1,855
Mark-up receivable on:			
- Bank balances	8.1	2,123	1,248
- Pakistan Investment Bonds		4,451	3,169
- Term finance certificates		6,067	4,664
		12,737	10,936

- 8.1** This include mark-up receivable of Rs. 126,752 (2021: Rs. 41,374) on balance maintained with United Bank Limited (related party).

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150,150A and 151 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 and 151 of ITO 2001. The management is confident that the same will be refunded to the Fund.

		June 30, 2022	June 30, 2021
10. DEPOSITS AND OTHER RECEIVABLES	Note	----- (Rupees in '000) -----	
Advance against NCCPL exposure margin - spread transaction		7,328	7,328
Security deposit with:			
- Central Depository Company of Pakistan		100	100
- National Clearing Company of Pakistan Limited		6,152	6,152
Other receivables		140	371
Advance against shares subscription		-	3,194
		<u>13,720</u>	<u>17,145</u>

11. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	11.1	467	848
Sindh Sales Tax on management remuneration	11.2	61	110
Payable against allocated expenses	11.3	321	535
Selling and marketing expenses	11.4	3,438	5,562
Sales load payable to Management Company and others		137	591
		<u>4,424</u>	<u>7,646</u>

11.1 The Management Company has charged remuneration at the rate of 1.00% (2021: 1.00%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

11.2 Sales tax at the rate of 13% (June 30, 2021: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

11.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company based on its own discretion has charged allocated expenses while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the following rates:

From July 01, 2021 to August 12, 2021	From August 13, 2021 to June 30, 2022
0.1% of daily average annual net assets	0.35% daily average annual net assets

11.4 In accordance with Circular 11 dated July 5, 2019, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except funds of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rates of 1.04% of daily average annual net assets

		June 30, 2022	June 30, 2021
12. PAYABLE TO THE TRUSTEE	Note	----- (Rupees in '000) -----	
Remuneration payable	12.1	99	170
Sales tax on remuneration payable	12.2	13	22
		<u>112</u>	<u>192</u>

12.1 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, 2022 is as follows:

Net assets:	Tariff per annum
- up to Rs.1 billion	Higher of Rs.0.7 million or 0.2% per annum of net asset value
- exceeding Rs.1 billion	Rs.2 million plus 0.10% per annum of net asset value

12.2 Sales tax at the rate of 13% (June 30, 2021: 13%) on Trustee Remuneration is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

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

In accordance with SRO No.685 (1) / 2019 dated June 28, 2019 issued by the SECP, the Fund has charged the SECP fee at the rate of 0.02% per annum of average annual net assets during.

		June 30, 2022	June 30, 2021
14. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----	
Provision for indirect duties and taxes	14.1	6,977	6,977
Provision for Sindh Workers' Welfare Fund	14.2	-	16,632
Brokerage payable		230	428
Auditors' remuneration payable		828	781
Other payables		3,291	7,941
		11,326	32,759

14.1 Provision for indirect duties and taxes

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the 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, 2021 aggregates to Rs.6.272 (2020: Rs.6.272) 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, 2022 would have been higher by Rs.1.63 (2021: Rs. 1.07) per unit.

14.2 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 3.09% as on June 30, 2022 (2021: 3.13%) which includes 0.19% (2021: 0.49%) representing Government Levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an asset allocation scheme.

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (2021: Nil).

17. AUDITORS' REMUNERATION

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
Annual audit fee	324	293
Half yearly review fee	230	209
Fee for other certifications and services	240	218
	<u>794</u>	<u>720</u>
Sales tax	64	58
Out of pocket expenses	44	69
	<u>902</u>	<u>847</u>

18. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders as explained above, no provision for taxation has been made in these financial statements during the year.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen 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 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 provisions of the NBFC Rules, NBFC Regulations and the Trust Deed 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:

	June 30, 2022					
	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
Transactions during the year						
Units issued	-	-	-	-	-	1,965
Units redeemed	-	-	-	-	235	-
Profit on savings accounts	-	127	-	-	-	-
Bank charges	-	6	-	-	-	-
Purchase of securities	-	3,912	-	-	-	-
Sale of securities	-	10,394	-	899	-	-
Dividend income	-	2,824	-	-	-	-
Dividend paid	-	-	-	-	-	2,312
Remuneration*	8,763	-	1,753	-	-	-
Allocation of expenses relating to the Fund	2,455	-	-	-	-	-
Selling and marketing expense	8,066	-	-	-	-	-
CDC charges	-	-	38	-	-	-

	June 30, 2021					
Transactions during the year						
Units issued	-	-	-	-	241	13,547
Units redeemed	-	-	-	-	1	1,261
Profit on savings accounts	-	609	-	-	-	-
Bank charges	-	6	-	-	-	-
Purchase of securities	-	27,012	-	68,407	-	-
Sale of securities	-	23,889	-	-	-	-
Dividend income	-	2,860	-	-	-	-
Dividend paid	-	-	-	-	224	14,454
Remuneration*	12,253	-	2,349	-	-	-
Allocation of expenses relating to the Fund	1,084	-	-	-	-	-
Selling and marketing expense	11,276	-	-	-	-	-
CDC charges	-	-	64	-	-	-

	June 30, 2022					
	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
Balances held						
Units held (Number of units in '000)	-	-	-	-	-	654
Units held (Amount in '000)	-	-	-	-	-	95,100
Bank balances	-	1,246	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	528	-	112	-	-	-
Sales load and other payable	137	-	-	-	-	-
Selling and marketing expense payable	3,438	-	-	-	-	-
Allocated expenses	321	-	-	-	-	-
Profit receivable	-	127	-	-	-	-
Investments	-	13,557	-	-	-	-

	June 30, 2021					
Balances held						
Units held (Number of units in '000)	-	-	-	-	2	1,528
Units held (Amount in '000)	-	-	-	-	241	227,312
Bank balances	-	9,791	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	958	-	-	-	-	-
Sales load and other payable	591	11	-	-	-	-
Selling and marketing expense payable	5,562	-	-	-	-	-
Allocated expenses	535	-	-	-	-	-
Profit receivable	-	41	-	-	-	-
Remuneration payable to Trustee	-	-	192	-	-	-
Investments	-	20,069	-	998	-	-

* Remuneration for the year is inclusive of sales tax.

20. Financial instruments by category

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Assets			
Bank balances	-	-	111,406
Investments	-	436,848	-
Dividend and mark-up receivable	-	-	12,737
Security deposit and other receivable	-	-	13,720
	-	436,848	137,863
			574,711

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Liabilities			
Payable to the Management Company	-	-	4,424
Payable to the Trustee	-	-	112
Accrued and other liabilities	-	-	4,349
Payable against purchase of investments	-	-	86
	-	-	8,971
			8,971

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Assets			
Bank balances	-	-	339,281
Investments	-	647,052	-
Dividend and mark-up receivable	-	-	10,936
Security deposit and other receivable	-	-	17,145
Receivable against sale of investments	-	-	653
	-	647,052	368,015
			1,015,067

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Liabilities			
Payable to the Management Company	-	-	7,646
Payable to the Trustee	-	-	192
Accrued and other liabilities	-	-	9,150
Payable against purchase of investments	-	-	103,655
	-	-	120,643
			120,643

21. FINANCIAL RISK MANAGEMENT

21.1 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, the 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 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, credit risk and liquidity risk arising from the financial instruments it holds.

21.2 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 investment in PIB's, and TFC's 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.1.895 (2021: Rs.2.719) million.

b) Sensitivity analysis of fixed rate instruments

As at June 30, 2022, investment in PLS saving accounts and TFC are exposed to fixed 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.1.527 (2021: Rs.3.839) million.

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, 2022 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, 2022					
Exposed to profit rate risk					
Profit rate (%)	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial assets					
Bank balances	12.25%-16.60%	111,406	-	-	111,406
Investments classified as 'fair value through profit or loss'	9.03%-13.26%	-	-	230,827	436,848
Dividend receivable and mark-up receivable		-	-	12,737	12,737
Deposits and other receivables		-	-	13,720	13,720
		111,406	-	232,478	574,711
Financial liabilities					
Payable to the Management Company		-	-	4,424	4,424
Payable to the Trustee		-	-	112	112
Payable against purchase of investments		-	-	86	86
Accrued expenses and other payables		-	-	4,285	4,285
		-	-	8,907	8,907
On-balance sheet gap		111,406	-	223,571	565,804

June 30, 2021						
Exposed to profit rate risk						
	Profit rate (%)	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
		(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% - 9.0%	339,281	-	-	-	339,281
Investments classified as 'fair value through profit or loss'	7.56% - 9.02%	-	-	316,498	330,554	647,052
Term Deposit Receipt		-	-	-	-	-
Dividend receivable and mark-up receivable		-	-	-	10,936	10,936
Deposits and other receivables		-	-	-	17,145	17,145
		339,281	-	316,498	358,635	1,014,414
Financial liabilities						
Payable to the Management Company		-	-	-	7,536	7,536
Payable to the Trustee		-	-	-	170	170
Payable against purchase of investments		-	-	-	103,655	103,655
Accrued expenses and other payables		-	-	-	9,092	9,092
		-	-	-	120,453	120,453
On-balance sheet gap		339,281	-	316,498	238,182	893,961

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2022 and June 30, 2021.

(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 7.

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, 2022	June 30, 2021
----- (Rupees in '000) -----		
Income statement	10,301	16,528
Unit holders' fund	10,301	16,528

21.3 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 summarizes 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.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
June 30, 2022	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	4,424	-	-	-	4,424
Payable to the Trustee	112	-	-	-	112
Payable against purchase of investments	86	-	-	-	86
Accrued expenses and other liabilities	3,457	828	-	-	4,285
Total liabilities	8,079	828	-	-	8,907

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
June 30, 2021	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	7,536	-	-	-	7,536
Payable to the Trustee	170	-	-	-	170
Payable against purchase of investments	103,655	-	-	-	103,655
Accrued expenses and other liabilities	8,311	781	-	-	9,092
Total liabilities	119,672	781	-	-	120,453

21.4 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, 2022	June 30, 2021
	(Rupees in '000)	
Bank balances	111,406	339,281
Dividend and profit receivable	12,737	10,936
Debt securities - Term Finance Certificates / Sukuks	130,827	116,158

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

Investment in Government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarizes the credit quality of the Fund's bank balances as on June 30, 2022:

	June 30, 2022	June 30, 2021
	(%)	
Rating by rating category		
AA- to AA+	37	38
AAA	63	62
Total	100	100

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.

21.5 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.

21.6 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.

22. 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).

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. derived from
- 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 period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
June 30, 2022				
Financial assets measured at fair value				
Investments in debt securities	-	130,827	-	130,827
Government securities	-	100,000	-	100,000
Quoted equity securities	206,021	-	-	206,021
	<u>206,021</u>	<u>230,827</u>	<u>-</u>	<u>436,848</u>

	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
June 30, 2021				
Financial assets measured at fair value				
Investments in debt securities	-	116,158	-	116,158
Government securities	-	200,340	-	200,340
Quoted equity securities	330,554	-	-	330,554
	<u>330,554</u>	<u>316,498</u>	<u>-</u>	<u>647,052</u>

During the year ended June 30, 2022, 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.

The Fund has not disclosed the fair values of other 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 their fair values.

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

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

22.1.2 Investments in term finance and sukuks 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.

23. 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.

24. GENERAL

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

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 6, 2022 by the Board of Directors of the Management Company.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

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	894	2,819,429	73.17%
Retirement funds	10	212,126	5.51%
Others	8	821,529	21.32%
Associated Company and Key Executives	1	41	0.00%
	913	3,853,125	100.00%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name	%
Taurus Securities Limited	13%
Topline Securities (Private) Limited	7%
Igi Finex Securities Limited	6%
Al Habib Capital Markets (Pvt.) Limited	6%
Habib Metropolitan Financial Services Limited	5%
Optimus Capital Management (Pvt) Limited	5%
Arif Habib Limited	5%
Aba Ali Habib Securities (Pvt.) Limited	4%
Spectrum Securities (Pvt.) Limited	4%
Ismail Iqbal Securities (Private) Limited	4%

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

S.no	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	CEO	26.1	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20.9	CFA, MBA
3	Muhammad Imran	Head of Investment advisory	22.7	MBA
4	Irfan Nepal	Chief Dealer & Fund Manager	28	EMBA, MA
5	Hadi Hassan Muki	Head of Risk Management, Compliance and Quality Assurance	22	B.com (CA Foundation)
6	Syed Sheeraz Ali	Head of Fixed Income Funds	12.6	BS, CFA
7	Mubashir Anis	Head of Equity and Advisor to Equity Sal	10	BSC, CFA
8	Muhammad Ahmed	Deputy Head Research	4.9	BS, CFA
9	Shabih ul Hasnain	Fund Manager /Senior Research Analyst	8.3	BBA, CFA

OTHER FUNDS MANAGED BY THE FUND MANAGER

Syed Sheeraz Ali and Mubashir Anis are Fund Managers of the Fund. Syed Sheeraz Ali is also fund manager of UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Government Securities Fund, UBL Income Opportunity Fund, UBL Growth And Income Fund, UBL Financial Planning Fund, UBL Special Savings Fund, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Special Savings Plan-II, Al - Ameen Islamic Financial Planning Fund - III, Al Ameen Islamic Aggressive Income Fund, UBL Special Savings Fund - II. Mubashir Anis is Fund Manager of the Fund. He is also fund manager of UBL Stock Advantage Fund, UBL Financial Sector Fund, UBL Dedicated Equity Fund, UBL Pakistan Enterprise Exchange Traded 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:

	05-Jul-21	16-Aug-21	27-Oct-21	13-Dec-21	27-Jan-22	26-Apr-22	27-Jun-22	Total meetings attended
Directors:								
Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3
Name of Key Executives								
Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓		7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓		7

* Mr. Aslam Sadruddin appointed as Director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 1, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

✓	Present
x	Absent
N/A	Not Applicable

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

VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021.

Ubl Asset Allocation Fund

	Resolutions	For	Against	Abstain*
Number	10	10	-	-
Percentage	100%	100%	-	-

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

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

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

UBLP-ETF

UBL Pakistan Enterprise Exchange Traded Fund

INVESTMENT OBJECTIVE

UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) aims to track the performance of the benchmark index to order to provide long-term capital appreciation and dividend yield to its investors.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	EY Ford Rhodes, Chartered Accountants
Bankers	Soneri Bank Limited
Management Co.Rating	AM1 (VIS)

Fund Manager's Report – UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF)

- i) **Description of the Collective Investment Scheme category and type**
Exchange Traded Fund/ Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) aims to track the performance of the benchmark index in order to provide long- term capital appreciation and dividend yields to its investors
- 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**
UBL PSX Pakistan Enterprise Index
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UBLP-ETF	0.34%	-0.26%	-5.92%	4.76%	-5.55%	-0.15%	0.63%	-2.88%	0.52%	-0.18%	-6.66%	-4.83%	-18.95%
Benchmark	0.47%	-0.15%	-6.04%	5.11%	-5.39%	-0.04%	0.73%	-2.86%	0.64%	-0.15%	-6.57%	-5.11%	-18.31%

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

UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) aims to track the performance of the benchmark index in order to provide long- term capital appreciation and dividend yields to its investors. During the period under review, the fund posted a return of -18.95% whereas benchmark index yielded -18.31%. The net assets of the UBL-ETF were PKR 27mn at the end of Jun'22.

- vi) **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-22	Jun-21
Equities	87%	91%
T-bills	0%	0%
Cash	5%	3%
Others	8%	6%
Leverage	Nil	Nil

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

FY'22 Return: -18.95%
 Standard Deviation (12m trailing): 17.62%
 Sharpe Ratio (12m trailing): (1.66)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)			Rupees		
26,543	44,700	(40.62)	10.1697	13.6695	(25.60)

ix) **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**

Stock Market Review for FY22

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

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

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 -----	
Jun 27, 2022		2,340	0.9000	10.9674	10.0674

- 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 the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

- xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	UBL-ETF
0.0001 - 9,999.9999	-
10,000.0000 - 49,999.9999	1
50,000.0000 - 99,999.9999	-
100,000.0000 - 499,999.9999	-
500,000.0000 & Above	3
Total	4

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

There were no unit splits during the period.

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

Investments are subject to 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

UBL Pakistan Enterprise Exchange Traded Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	26,543	44,700	36,326
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer	10.1697	13.6695	11.5321
- Redemption	10.1697	13.6695	11.5321
RETURN OF THE FUND - %			
Total Return of the Fund	(18.95)	24.63	6.20
Capital Growth (per unit)	(25.53)	18.39	6.20
Date of Income Distribution	23-Jun-22	23-Jun-21	24-Jun-20
Income Distribution	0.90	0.72	0.07
AVERAGE ANNUAL RETURN - %			
Since Launch/ One Year	(18.95)	24.63	6.20
Two year	15.42	15.42	0.00
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	14.0765	15.0909	11.8919
Highest price per unit - Class A units - Redemption	14.0765	15.0909	11.8919
Lowest price per unit - Class A units - Offer	10.0674	11.6897	9.5480
Lowest price per unit - Class A units - Redemption	10.0674	11.6897	9.5480
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	4.71	2.70	1.00
Equities	86.83	90.90	94.00
others	8.46	6.4	5.00
PORTFOLIO COMPOSITION BY MARKET - %			
Equity Market	86.83	90.90	94.00

Note:

- The Launch date of Fund is 20 MAR 2020

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

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TRUSTEE REPORT TO THE UNIT HOLDERS

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED 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 UBL Pakistan Enterprise Exchange Traded 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, 2022 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 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, 2003 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 29, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Pakistan Enterprise Exchange Traded Fund
YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Pakistan Enterprise Exchange Traded Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Asif Akmal Saffie Mr. Aslam Saddruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saddruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 825 262

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

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7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification;

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Razwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Farrukh Zaheem***	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrakh Zaeem***	Member	Non-Executive Director

* Mr. Aslam Sodruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Mr. Sadia Saeed has resigned dated July 19, 2021

**** Syed Furrakh Zaeem has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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 IEAC guidelines in this regard.
18. We confirm that all requirements of Regulations 5, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZEEM HAMEED
 Chairman

Karachi,
 Dated: September 6, 2022

To the unitholders of UBL Pakistan Enterprise Exchange Traded Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of UBL Pakistan Enterprise Exchange Traded Fund (the Fund) for the period ended 30 June 2022 in accordance with the requirements of regulation 36 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 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 of Directors for their review and approval, its related party transactions. 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.

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 period ended 30 June 2022.



Chartered Accountants

Place: Karachi

Date: 30 September 2022

UDIN Number: CR202210191280hYVslS

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Pakistan Enterprise Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Pakistan Enterprise Exchange Traded Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, 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
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 92% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review

- 2 -

Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	custodian's statement and related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2022. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.



-: 3 :-

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.
- 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.



- 4 -

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 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

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this Independent auditor's report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Place: Karachi

UDIN Number: AR202210191AgOu9BEIr

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
ASSETS			
Bank balances	6	1,391	1,294
Investments	7	25,639	43,360
Dividend / mark-up receivable and other receivable	8	25	595
Advance tax	9	91	92
Preliminary expenses and floatation costs	10	83	114
Receivable from Management Company		136	502
Receivable against sale of shares		2,162	1,747
Total assets		29,527	47,704
LIABILITIES			
Payable to the Management Company	11	177	186
Payable to the Trustee	12	7	9
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	7	9
Accrued and other liabilities	14	2,793	2,800
Total liabilities		2,984	3,004
NET ASSETS		26,543	44,700
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		26,543	44,700
CONTINGENCIES AND COMMITMENTS			
	16	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	17	2,610,000	3,270,000
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		10.1697	13.6695

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
INCOME			
Mark-up on bank account		120	63
Dividend income		3,676	3,815
Total income		3,796	3,878
EXPENSES			
Remuneration of the Management Company	11.1	279	304
Sales tax on management fee	11.2	36	39
Remuneration of the Trustee	12.1	43	46
Sales tax on remuneration of the Trustee	12.2	6	6
Annual fee to SECP	13	9	9
Amortization of preliminary expenses and floatation costs	10	31	31
Brokerage expenses		27	18
Auditors' remuneration	17	356	293
Legal and professional charges		205	189
Custody and settlement charges		140	140
Bank charges and other expenses		45	41
Expense reimbursement by the Management Company	15	(511)	(509)
Total expenses		666	607
Net income for the year from operating activities		3,130	3,271
Element of loss and capital losses included in prices of units issued less those in units redeemed		(749)	(860)
Reversal/(provision) for Sindh Workers' Welfare Fund (SWWF)	14.1	51	(47)
Net income for the year before taxation		2,432	2,364
Taxation	18	-	-
Net income for the year after taxation		2,432	2,364
<i>Allocation of net income for the year:</i>			
Net income for the year after taxation		2,432	2,364
Income already paid on units redeemed		-	-
		2,432	2,364
<i>Accounting income available for distribution</i>			
- Relating to capital gains		-	-
- Excluding capital gains		2,432	2,364
		2,432	2,364
Earnings per unit	24.2		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Net income for the year after taxation		2,432	2,364
Other comprehensive income			
<i>Items not to be reclassified to income statement in subsequent periods:</i>			
(Loss) / gain on sale of investments classified at 'fair value through other comprehensive income' (FVOCI)		(5,242)	6,207
Net diminution on re-measurement of investments classified at fair value through other comprehensive income' (FVOCI)	7.2	(6,337)	(213)
Cumulative change in fair value through other comprehensive income (FVOCI)		(11,579)	5,994
Total comprehensive (loss) / income for the year		(9,147)	8,358

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022				For the year ended June 30, 2021			
	Unrealised appreciation/ diminution on investments classified at fair value through other comprehensive income				Realised and unrealised appreciation on investments classified at fair value through other comprehensive income			
	Capital value	Undistrib-uted income	comprehensive income	Total	Capital value	Undistrib-uted income	comprehensive income	Total
	(Rupees in '000)				(Rupees in '000)			
Net assets at beginning of the year	34,937	16	9,747	44,700	32,581	(8)	3,753	36,326
Amount received on issuance of 720,000 units (June 30, 2021: 3,600,000 units)								
Capital value	9,842	-	-	9,842	41,515	-	-	41,515
Element of (loss) / income during the year	(344)	-	-	(344)	7,348	-	-	7,348
(Loss) / gain on sale of investments classified at fair value	9,498	-	-	9,498	48,863	-	-	48,863
Amount paid on redemption of 1,380,000 units (June 30, 2021: 3,480,000 units)								
Capital value	(18,864)	-	-	(18,864)	(40,132)	-	-	(40,132)
Element of income during the year	1,947	-	-	1,947	(7,235)	-	-	(7,235)
	(16,917)	-	-	(16,917)	(47,367)	-	-	(47,367)
Element of loss and capital losses included in prices of units issued less those in units redeemed	749	-	-	749	860	-	-	860
Total comprehensive income for the year	-	2,432	(11,579)	(9,147)	-	2,364	5,994	8,358
Distribution during the year								
- Cash of Rs.0.9 @ June 24, 2022	-	(2,340)	-	(2,340)	-	(2,340)	-	(2,340)
Net income for the year less distribution	-	92	(11,579)	(11,487)	-	24	5,994	6,018
Transfer on sale of FVOCI investments	-	1,573	(1,573)	-	-	-	-	-
Net assets at end of the year	28,267	1,681	(3,405)	26,543	34,937	16	9,747	44,700
Undistributed income brought forward comprises of:								
Realised income / (loss)		16				(8)		
Unrealised		-				-		
Total undistributed income/(loss) brought forward		16				(8)		
Accounting income available for distribution:								
- Relating to capital gains		-				-		
- Excluding capital gains		2,432				2,364		
		2,432				2,364		
Distribution during the year		(2,340)				(2,340)		
Transfer on sale of FVOCI investments		1,573				-		
Undistributed income carried forward		1,681				16		
Undistributed income carried forward								
- Realised		1,681				16		
- Unrealised		-				-		
		1,681				16		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the year				13.6695				11.5321
Net assets value per unit at end of the year				10.1697				13.6695

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,432	2,364
Adjustments for:		
Mark-up on bank account	(120)	(63)
Dividend income	(3,676)	(3,815)
Amortization of preliminary expenses and floatation costs	31	31
Element of loss and capital losses included in prices of units issued less those in units redeemed	749	860
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)	(51)	47
	(3,067)	(2,940)
Decrease / (increase) in assets		
Investments	6,142	(1,666)
Receivable from Management Company	366	(19)
Receivable against sale of shares	(415)	(1,747)
	6,093	(3,432)
Decrease / (increase) in liabilities		
Payable to the Management Company	(9)	6
Payable to the Trustee	(2)	1
Annual fee payable to SECP	(2)	7
Accrued and other liabilities	44	2,052
	31	2,066
Advance tax paid	1	(46)
Mark-up and dividend received	4,366	3,577
Net cash generated in operating activities	9,856	1,589
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	9,498	48,863
Distribution during the year		
- Cash of Rs.0.9 @ Jun 24, 2022	(2,340)	(2,340)
Net payment against redemption of units	(16,917)	(47,367)
Net cash used in financing activities	(9,759)	(844)
Net increase in cash and cash equivalents during the year	97	745
Cash and cash equivalents at beginning of the year	1,294	549
Cash and cash equivalents at end of the year	1,391	1,294
CASH AND CASH EQUIVALENTS		
Bank balances	1,391	1,294

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Pakistan Enterprise Exchange Traded 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 November 28, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2020 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act 2020 for registration. Subsequently on August 16, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

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 Exchange Traded Mutual Fund and is listed on Pakistan Stock Exchange (PSX). The Fund has commenced its operations on 20 March 2020.

1.4 The objective of the Fund is to track the performance of the Benchmark index. The index shall be periodically re-balanced & reconstituted as specified in this document in order to provide long-term capital appreciation and dividends yield to the investors.

1.5 VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 31, 2021.

1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as 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. 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;
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed have been followed.

3. BASIS OF MEASUREMENT

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

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies were adopted in the preparation of these financial statements.

5.1 Financial assets

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

Classification

Equity instruments

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

An equity instrument held for trading purposes is classified as measured at FVTPL.

Subsequent Measurement

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

5.2 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

5.3 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.

5.4 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 to realise the assets and settle the liabilities simultaneously.

5.5 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

5.6 Net asset value per unit

The net asset value (NAV) 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 in circulation at the period end.

5.7 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

5.8 Issue and redemption of units

Units issued are recorded at the offer price determined by the Management Company when the Fund is open for subscription. The purchase / offer price open for subscription, shall be calculated and announced by the Management on a daily basis and be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

The offer price shall be equal to the sum of:

- (i) the Net Asset Value (NAV) as of the close of the previous business day (historical pricing);
- (ii) such amount as the Management Company may consider an appropriate provision for duties and charges; and
- (iii) such sum shall be adjusted upward to the nearest paisa.

Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund. Only the Authorized Participants can directly redeem units with the Fund in Creation Unit size or multiples thereof. Units can be redeemed on in-kind basis calculated on the basis of NAV determined on the business day prior to the day of receipt of redemption application. The Management Company at the time of announcing the NAV of the Fund, would also announce the composition of Portfolio Deposit and the Cash Component required to be exchanged against redemption of Units.

5.9 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

5.10 Element of income / (loss) and capital gains / (losses)

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

Under SECP circular no. SCD/AMCW/ETF/240/2020, It is clarified that due to hybrid nature of the exchange traded funds, the treatment of element of income as defined in clause (xiib) of regulation (2) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 is not applicable in case of Exchange Traded Funds. Element of Income in case of Exchange Traded Funds shall be taken to Income statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement. Accordingly, as per Regulation 63 of the NBFC Regulations, 2008, Accounting Income for ETF shall also include element created at the time of issuance and income paid on redemption of units.

5.11 Revenue recognition

- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Mark-up on bank deposits is recognised using effective yield method.

5.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

5.13 Taxation

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of 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. 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.

5.14 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net profit / loss of the year after taxation of the Fund by the weighted average number of units outstanding during the year. EPU has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

5.15 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term 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 and other purposes.

5.16 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)
Reference to the Conceptual Framework Amendments to IFRS 3	January 01, 2022
'Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
AIP IAS 41 Agriculture -Taxation in fair value measurements	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
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.	
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
6 BANK BALANCES			
Bank account - In savings account	6.1	<u>1,391</u>	<u>1,294</u>
6.1 These carry mark-up at the rates 12.25% of per annum (2021: 5.50%).			
7. INVESTMENTS			
Investments by Category			
At fair value through other comprehensive income			
- Equity securities - listed	7.1	<u>25,639</u>	<u>43,360</u>

7.1 Equity securities classified as 'Fair value through other comprehensive income'

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

Name of Investee Company	Note						Balance as at June 30, 2022			Market value as a % of net assets	Weightage in benchmark index (UBLP ETF)	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
		As at July 01, 2021	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	(Diminution) / appreciation				
----- (Rupees in '000) -----													
Cement													
Lucky Cement Limited		7,848	2,989	-	5,878	4,959	3,324	2,276	(1,048)	9%	9%	9%	0.002%
D.G Khan Cement Company Limited		-	21,585	-	21,585	-	-	-	-	0%	0%	0%	0.000%
							3,324	2,276	(1,048)	9%	9%	9%	0.002%
Fertilizer													
Engro Fertilizers Limited	7.1.1	41,202	16,982	-	30,518	27,666	1,805	2,452	647	9%	10%	10%	0.002%
Engro Corporation Limited		21,582	7,734	-	14,700	14,616	4,190	3,758	(432)	14%	15%	15%	0.003%
Fauji Fertilizer Company Limited		-	38,180	-	5,816	32,364	3,949	3,567	(382)	13%	14%	0.14	0.003%
							9,944	9,777	(167)	37%	38%	38%	0.007%
Commercial banks													
Habib Bank Limited	7.1.1	50,685	15,803	-	32,558	33,930	4,079	3,099	(980)	12%	12%	12%	0.002%
United Bank Limited		33,681	14,309	-	25,283	22,707	2,743	2,569	(174)	10%	10%	10%	0.002%
MCB Bank Limited		28,776	28,493	-	38,216	19,053	2,772	2,343	(429)	9%	9%	9%	0.002%
							9,594	8,011	(1,583)	30%	31%	31%	0.006%
Power generation and distribution													
The Hub Power Company Limited	7.1.1	67,689	27,293	-	49,829	45,153	3,422	3,078	(344)	12%	12%	12%	0.003%
							3,422	3,078	(344)	12%	12%	12%	0.003%
Technology and communication													
TRG Pakistan Limited		31,719	13,329	-	45,048	-	-	-	-	0%	0%	0%	0.000%
							-	-	-	0%	0%	0%	0.000%
Pharmaceuticals													
The Searle Company Limited		7,194	3,741	2,468	13,403	-	-	-	-	0%	0%	0%	0.000%
							-	-	-	0%	0%	0%	0.000%
Technology and Communication													
Systems Limited		-	8,833	-	1,264	7,569	2,759	2,497	(262)	9%	10%	10%	0.003%
Total as at June 30, 2022							29,044	25,639	(3,405)				
Total as at June 30, 2021							40,428	43,360	2,932				

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

	June 30, 2022 (Number of shares)	June 30, 2021 (Number of shares)
Engro Fertilizers Limited	10,000	10,000
Habib Bank Limited	15,000	15,000
The Hub Power Company Limited	15,000	15,000
	40,000	40,000

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
7.2 Net unrealised diminution on re-measurement of investments classified at 'fair value through other comprehensive income		
Market value of investments	25,639	43,360
Less: Carrying cost	(29,044)	(40,428)
	(3,405)	2,932
(Less): Net unrealised (appreciation) on re-measurement of investments at beginning of the year	(2,932)	(3,147)
	(6,337)	(215)
8 DIVIDEND AND MARK-UP RECEIVABLE		
Dividend receivable	-	584
Mark-up receivable on bank account	12	5
Other receivable	13	6
	25	595

9 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 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 or erroneously various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded in future years.

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
10 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs	10.1	114	145
Amortization during the year		(31)	(31)
		83	114

10.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of the operations of the Fund i.e. March 20, 2020 leading upto the initial date of issue of units. This cost is restricted to 1.5 % of the net assets at the close of initial public offering (IPO), and are being amortised over a period of five years in accordance with the Trust Deed of the Fund.

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
11 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	11.1	17	25
Sales tax on remuneration payable	11.2	2	3
Others		158	158
		177	186

11.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. The Management Company has charged its remuneration at the rate of 0.65% per annum of the average daily net assets during the year (June 30, 2021: 0.65% per annum of the average daily net assets). The remuneration is payable to the Management Company monthly in arrears.

11.2 Sales tax on the management remuneration has been charged at 13 %

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
12 PAYABLE TO THE TRUSTEE			
Remuneration payable	12.1	6	8
Sales tax on remuneration payable	12.2	1	1
		7	9

12.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.1% (June 30, 2021: 0.1%) per annum of average daily net assets of the Fund during the year.

12.2 Sales tax on the trustee remuneration has been charged at 13%.

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

SECP fee has been charged at the rate of annual fee at 0.02% (2021: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
14 ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		221	162
Provision for Sindh Workers' Welfare Fund (SWWF)	14.1	-	51
Brokerage payable		42	60
Legal and professional charges		129	132
Listing fee payable		33	28
Dividend payable		2,340	1,993
Withholding tax payable		-	347
Zakat payable		5	5
Other payable		23	22
		<u>2,793</u>	<u>2,800</u>

14.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 0.051 million, for the period from March 24, 2020 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15 TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.56% as on June 30, 2022, including 0.13% representing Government Levy and SECP Fee. The maximum limit of 1.5% is prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an exchange traded scheme. Accordingly, this ratio for the year has been calculated after adjusting reimbursement of expenses from the management Company of Rs. 511 (2021: Rs.509) million. This ratio, after excluding the Government Levy and SECP fee is within the maximum limit prescribed under the NBFC Regulation.

16 CONTINGENCIES AND COMMITMENTS

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

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
17 AUDITORS' REMUNERATION		
Annual audit fee	134	99
Half yearly review fee	55	76
Other certification and services	83	45
	<u>271</u>	<u>220</u>
Sales tax	22	18
Out of pocket	63	55
	<u>356</u>	<u>293</u>

18 TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders as explained above, no provision for taxation has been made in these financial statements during the year.

19 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 period 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)					
For the year ended June 30, 2022						
Transactions during the year						
Units issued	-	-	-	-	-	-
Units redeemed	1,743	-	-	-	-	-
Securities transferred to the fund	-	910	-	-	-	-
Securities transferred by the fund	-	2,150	-	-	-	-
Purchase of Securities	-	964	-	-	-	-
Sale of Securities	-	1,296	-	-	-	-
Dividend income received	-	671	-	-	-	-
Dividend paid	-	-	-	-	-	-
Remuneration *	315	-	49	-	-	-
As at June 30, 2022						
Balances held						
Units held (units in '000)	20	-	-	-	-	-
Units held (Rupees in '000)	202	-	-	-	-	-
Investments	-	2,569	-	-	-	-
Receivable from Management						
Company - net	136	-	-	-	-	-
Remuneration payable	19	-	7	-	-	-
Others Payable to Management Company	158	-	-	-	-	-

	Management company	Associated companies	Trustee	Funds under common management (Rupees in '000)	Directors and key executives	Other connected persons / related parties
For the year ended June 30, 2021						
Transactions during the year						
Units issued	27,565	-	-	-	-	-
Units redeemed	13,731	-	-	-	-	-
Securities transferred to the fund	-	4,511	-	-	-	-
Securities transferred by the fund	-	4,304	-	-	-	-
Purchase of Securities	-	285	-	-	-	-
Sale of Securities	-	250	-	-	-	-
Dividend income received	-	332	-	-	-	-
Dividend paid	-	-	-	-	-	-
Remuneration *	343	-	52	-	-	-
As at June 30, 2021						
Balances held						
Units held (units in '000)	1,763	-	-	-	-	-
Units held (Rupees in '000)	24,099	-	-	-	-	-
Investments	-	4,116	-	-	-	-
Receivable from Management Company - net	502	-	-	-	-	-
Remuneration payable	28	-	9	-	-	-
Others Payable to Management Company	158	-	-	-	-	-

20 FINANCIAL RISK MANAGEMENT

20.1 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.

The fund primarily invest in equity securities.

20.2 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 equity security prices.

(i) Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

Presently, the Fund does not hold any variable profit based investment except balances with banks in deposit account exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at period, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.0.0139 million (2021: Rs.0.0129 million)

b) Sensitivity analysis of fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instruments and is not exposed to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

June 30, 2022					
Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months	More than one year		
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial assets					
Investments classified as:					
At fair value through OCI -					
- Listed equity securities	-	-	-	25,639	25,639
Receivable from Management Company	-	-	-	136	136
Mark-up receivable and other receivable	-	-	-	25	25
Receivable against sale of shares	-	-	-	2,162	2,162
Bank Balances	12.25	1,391	-	-	1,391
		1,391	-	27,962	29,353
Financial liabilities					
Payable to the Management Company	-	-	-	175	175
Payable to the Trustee	-	-	-	6	6
Accrued and other liabilities	-	-	-	2,766	2,766
		-	-	2,947	2,947
On-balance sheet gap		1,391	-	25,015	26,406

There is no off-balance sheet financial instrument that exist as at period ended June 30, 2022.

June 30, 2021					
Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months	More than one year (Rupees in '000)		
On-balance sheet financial instruments					
Financial assets					
Investments classified as:					
At fair value through OCI -					
- Listed equity securities		-	-	43,360	43,360
Receivable from Management Company		-	-	502	502
Bank balances	5.50	1,294	-	-	1,294
Dividend and mark-up receivable		-	-	595	595
Receivable against sale of shares		-	-	1,747	1,747
		1,294	-	44,457	47,498
Financial liabilities					
Payable to the Management Company		-	-	183	183
Payable to the Trustee		-	-	8	8
Accrued and other liabilities		-	-	2,379	2,379
		-	-	2,570	2,570
On-balance sheet gap		1,294	-	41,887	44,928

There is no off-balance sheet financial instrument that exist as at period ended June 30, 2021.

(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, at present, is not exposed to foreign currency risk as all transactions were carried out in Pak Rupee.

(iii) Price risk

Price risk is that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 7.1.

The following table illustrates the sensitivity of the total comprehensive income of the Fund and the net assets of the 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, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
Total comprehensive income	1,282	2,168
Net assets	1,282	2,168

20.3 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 year at the end of the year to the contractual maturity date.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees in '000) -----				
June 30, 2022					
Financial liabilities					
Payable to the Management Company	175	-	-	-	175
Payable to the Trustee	6	-	-	-	6
Accrued and other liabilities	2,382	384	-	-	2,766
Total liabilities	2,563	384	-	-	2,947
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees in '000) -----				
June 30, 2021					
Financial liabilities					
Payable to the Management Company	183	-	-	-	183
Payable to the Trustee	8	-	-	-	8
Accrued and other liabilities	2,053	326	-	-	2,379
Total liabilities	2,244	326	-	-	2,570

20.4 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 as at June 30, 2022:

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
Bank balances	1,391	1,294
Dividend and mark-up receivable	25	595
Receivable from Management Company	136	502

All deposits with bank and NCCPL are highly rated and risk of default is considered minimal. Investment in equity securities of Rs.25.6 million is not exposed to credit risk.

The analysis below summarizes the credit quality of the Fund's bank balances and receivable from management company as on June 30, 2022:

Rating	June 30, 2022	June 30, 2021
	----- (%) -----	
Balance with bank		
AA-	100	100
Receivable from Management Company		
AM1	100	100

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.

20.5 Financial instruments by category

	June 30, 2022			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----			
Assets				
Bank balances	-	-	1,391	1,391
Investments	25,639	-	-	25,639
Dividend and mark-up receivable	-	-	25	25
Receivable from Management Company	-	-	136	136
Receivable against sale of shares	-	-	2,162	2,162
	<u>25,639</u>	<u>-</u>	<u>3,714</u>	<u>29,353</u>

	June 30, 2022			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	-	-	175	175
Payable to the Trustee	-	-	6	6
Accrued and other liabilities	-	-	2,766	2,766
	<u>-</u>	<u>-</u>	<u>2,947</u>	<u>2,947</u>

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----			
Assets				
Bank balances	-	-	1,294	1,294
Investments	43,360	-	-	43,360
Dividend and mark-up receivable	-	-	595	595
Receivable from Management Company	-	-	502	502
Receivable against sale of shares	-	-	1,747	1,747
	<u>43,360</u>	<u>-</u>	<u>4,138</u>	<u>47,498</u>

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	-	-	183	183
Payable to the Trustee	-	-	8	8
Accrued and other liabilities	-	-	2,379	2,379
	<u>-</u>	<u>-</u>	<u>2,570</u>	<u>2,570</u>

20.6 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.

21. UNIT HOLDERS' FUND

The unit holders' fund is represented by redeemable units. These units are entitled to dividends 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 in the 'Statement of Movement in Unit Holders' Fund'.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As mentioned in the Offering Document, the requirements of NBFC Regulations in relation to maintenance of minimum fund size are not applicable to this Fund.

22. 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).

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

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

[illegible]

During the year ended June 30, 2022, 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.

The Fund has not disclosed the fair values of other 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 their fair values.

23. 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.

24. GENERAL

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

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 6th September 2022.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-

Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

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
Mutual Fund	1	1,963,000	75%
Individuals	72	238,500	9%
NBFC	4	23,500	1%
Corporate	1	385,000	15%
	78	2,610,000	100%

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

Name	%
JS Global Capital Limited	100

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

Investment Committee				
S.No	Name	Designation	Experience in years	Qualification
1	Mubashir Anis	Head of Equity and Advisor and Advisor to Equity S	10	BS, CFA

OTHER FUNDS MANAGED BY THE FUND MANAGER

UBL Financial Sector Fund
UBL Stock Advantage Fund
UBL Dedicated Equity Fund

(iv) MEETING OF THE DIRECTORS

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

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

	July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	Total meetings attended
Directors:								
Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	0	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3
Key Executives:								
Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 03, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 01, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

✓ Present
x Absent
N/A Not Applicable

(v) RATING OF THE FUND AND THE MANAGEMENT COMPANY

VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 31, 2021.

UCF

UBL Cash Fund

INVESTMENT OBJECTIVE

UCF is an open-end Money Market Fund, investing in a diversified portfolio of low risk assets. The Fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Yousuf Adil, Chartered Accountants
Bankers	United Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA+(f) (PACRA)

Fund Manager's Report – UBL Cash Fund (UCF)

- i) **Description of the Collective Investment Scheme category and type**
Money Market / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.
- 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**
70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UCF	7.48%	8.39%	7.85%	7.61%	7.17%	10.73%	10.75%	10.32%	11.18%	10.07%	12.71%	15.96%	10.48%
Benchmark	6.72%	6.71%	6.83%	7.20%	7.88%	9.16%	9.27%	9.55%	10.31%	11.46%	12.94%	13.45%	9.28%

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

The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated return of 10.48% p.a. compared to benchmark return of 9.28% thus outperforming the benchmark by 120bps. Its net assets were PKR 21,083 mn and weighted average time to maturity of the fund was ~8 days at the end of FY22.

- 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-22	Jun-21
Placements with Banks	0%	9%
T-Bills	0%	0%
Cash	99%	91%
Others	1%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	10.48%
Standard Deviation (12m trailing):	0.20%
Sharpe Ratio (12m trailing):	1.27

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
21,082,554	5,762,458	265.86%	100.2458	100.107	0.14%

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:

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

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

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

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

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

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

- 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	
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	Rupees (000)			----- Rupees -----	
28-Jun-2022		1,119,407	10.3376	110.4446	100.107

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

The fund has been re-categorized as money market scheme from income scheme and accordingly the pricing mechanism of the scheme has been changed from forward to backward pricing mechanism.

xiii) Breakdown of unit holdings by size

Range of Units	Number of Investors
	UCF
0.0001 - 9,999.9999	37
10,000.0000 - 49,999.9999	21
50,000.0000 - 99,999.9999	11
100,000.0000 - 499,999.9999	24
500,000.0000 & Above	26
Total	119

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

There were no unit splits during the period.

xv) Disclosures of circumstances that materially affect any interests of unit holders

Investment are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Cash Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	21,082,554	5,762,458	1,819,304
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	100.2458	100.1070	100.04
- Redemption	99.1130	98.9758	98.9105
RETURN OF THE FUND - %			
Total Return of the Fund	10.48	7.13	13.06
Capital Growth (per unit)	3.42	(3.08)	2.8506
Date of Income Distribution	28-Jun-22	29-Jun-21	30-Sep-2019 & 29-June-2020
Income Distribution	10.3376	7.0645	10.2094
AVERAGE ANNUAL RETURN - %			
Since Launch/ One Year	10.48	7.13	13.06
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	110.3945	107.1055	109.7643
Highest price per unit - Class A units - Redemption	109.6168	105.8952	108.5239
Lowest price per unit - Class A units - Offer	100.1070	100.0615	100.0000 #####
Lowest price per unit - Class A units - Redemption	98.9758	98.9308	98.8700

* Front-end load upto NIL% is applicable
Back End Load (0% to 1%)

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	99.12	90.90	91.00
Placements with Banks	0.00	8.60	8.00
Tbills	0.00	0.00	0 #REF!
others	0.88	0.50	1

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00	100.00	8.00
Equity Market	0.00	0.00	0.00

Note:

- The Launch date of Fund is 23 SEP 2019

DISCLAIMER

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



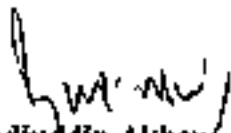
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL CASH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Cash Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provision 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.


Badinuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Cash Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Cash Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadir
Non-Executive Directors	Mr. Asif Akmal Saifi Mr. Aslam Sadrudin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadrudin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 825 262

✉ info@ublfunds.com

📍 4th Floor, SFSM Building, Besant Road, Civil Lines, Karachi.

www.ublfunds.com



7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below, -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Furrokh Zaheem****	Member	Non-Executive Director



c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saife	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrukh Zaheem****	Member	Non-Executive Director

* Mr. Aslam Sultana was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sadia Saeed has resigned dated July 29, 2021

**** Syed Furrukh Zaheem has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.



- 19 Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2.33. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMID
 Chairman

Karachi,
 Dated: September 6, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of UBL Cash Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

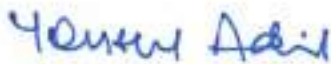
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Cash Fund (the Fund) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 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 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. 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.

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, 2022.

**Chartered Accountants****Place:** Karachi**Date:** September 28, 2022**UDIN:** CR202210091WN0yiP3SB

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of UBL Cash Fund

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with 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 and UBL Funds Managers Limited (the Management Company) 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. We have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements, our auditor's report thereon, the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, our review report thereon and the information related to any other fund.

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 of the Management Company 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 the 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.

Board of Directors of 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 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 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****Place:** Karachi**Date:** September 28, 2022**UDIN:** AR2022100911nLq9b400

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

		2022	2021
	Note	Rupees in '000	
ASSETS			
Bank balances	5	21,071,692	5,283,932
Investments	6	-	-
Placements and term deposit receipts	7	-	500,000
Mark-up receivable	8	65,376	6,267
Advance income tax	9	1,480	1,478
Prepayments and other receivables	10	1,621	1,300
Total assets		21,140,169	5,792,977
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	5,290	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee	12	515	285
Payable to the Securities and Exchange Commission of Pakistan	13	1,329	534
Accrued expenses and other liabilities	14	50,481	25,356
Total liabilities		57,615	30,518
NET ASSETS		21,082,554	5,762,459
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		21,082,554	5,762,459
Contingencies and commitments	15	Number of units	
Number of units in issue	16	210,308,607	57,562,986
		Rupees	
Net asset value per unit		100.2458	100.1070
Face value per unit		100.0000	100.0000

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

**UBL CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

		2022	2021
Note		Rupees in '000	
INCOME			
Financial income	17	735,962	198,713
(Loss) / gain on sale of investments - net		(10,540)	837
Total income		725,422	199,550
EXPENSES			
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12	4,267	1,958
Annual fee to the Securities and Exchange Commission of Pakistan	13	1,329	534
Allocated expenses	11.2	17,358	4,831
Auditor's remuneration	18	293	-
Brokerage and settlement charges		790	325
Bank charges		17	35
Legal and professional charges		217	83
Listing fee		27	28
Total expenses		24,298	7,794
Net operating income for the year		701,124	191,756
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	14.1	5,779	(3,760)
Net income for the year before taxation		706,903	187,996
Taxation	19	-	-
Net income for the year after taxation		706,903	187,996
Allocation of net income for the year			
Net income for the year after taxation		706,903	187,996
Income already paid on units redeemed		(497,820)	(93,852)
		209,083	94,144
Accounting income available for distribution			
- Relating to capital gains		-	467
- Excluding capital gains		209,083	93,677
		209,083	94,144
Earnings per unit	20		

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

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

UBL CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- Rupees in '000 -----	-----
Net income for the year after taxation	706,903	187,996
Other comprehensive income for the year		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	706,903	187,996

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

For UBL Fund Managers Limited
(Management Company)

 -sd-
Yasir Qadri
Chief Executive Officer

 -sd-
Umair Ahmed
Chief Financial Officer

 -sd-
Arif Akmal Saifia
Director

UBL CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed	Total
----- Rupees in '000 -----						
Net assets at the beginning of the year	5,758,711	3,748	5,762,459	1,819,271	33	1,819,304
Issuance of 612,978,212 units (2021: 195,836,566 units)						
- Capital value	61,363,410	-	61,363,410	19,591,686	-	19,591,686
- Element of income	2,574,506	-	2,574,506	872,001	-	872,001
Total amount received on issuance of units	63,937,916	-	63,937,916	20,463,687	-	20,463,687
Redemption of 460,232,591 units (2021: 156,459,162 units)						
- Capital value	(46,072,504)	-	(46,072,504)	(15,652,331)	-	(15,652,331)
- Element of income	(1,634,993)	(497,820)	(2,132,813)	(583,559)	(93,852)	(677,411)
Total amount paid on redemption of units	(47,707,497)	(497,820)	(48,205,317)	(16,235,890)	(93,852)	(16,329,742)
Total comprehensive income for the year	-	706,903	706,903	-	187,996	187,996
Distribution for the year:						
Rs. 7.0645 per unit paid on June 29, 2021	-	-	-	(288,357)	(90,429)	(378,786)
Rs. 10.3376 per unit paid on June 28, 2022	(928,016)	(191,391)	(1,119,407)	-	-	-
Net income for the year less distribution	(928,016)	515,512	(412,504)	(288,357)	97,567	(190,790)
Net assets at the end of the year	21,061,114	21,440	21,082,554	5,758,711	3,748	5,762,459
Undistributed income brought forward comprising of:						
- Realised		3,748			33	
- Unrealised		-			-	
		3,748			33	
Accounting income available for distribution						
- Related to capital gains		-			467	
- Excluding capital gains		209,083			93,677	
		209,083			94,144	
Distribution during the year		(191,391)			(90,429)	
Undistributed income carried forward		21,440			3,748	
Undistributed income carried forward comprising of:						
- Realised		21,440			3,748	
- Unrealised		-			-	
		21,440			3,748	
			----- Rupees -----			
Net asset value per unit at the beginning of the year		100.1070			100.0410	
Net asset value per unit at the end of the year		100.2458			100.1070	

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

For UBL Fund Managers Limited
(Management Company)

 -sd-
Yasir Qadri
Chief Executive Officer

 -sd-
Umair Ahmed
Chief Financial Officer

 -sd-
Arif Akmal Saifie
Director

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

	2022	2021
	Note ----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	706,903	187,996
Adjustments for:		
Loss / (gain) on sale of investments - net	10,540	(837)
Financial income	(735,962)	(198,713)
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	(5,779)	3,760
	(731,201)	(195,790)
Cash used in operations before working capital changes	(24,298)	(7,794)
(Increase) / decrease in assets		
Investment	(10,540)	837
Prepayments and other receivables	(514)	(1,231)
	(11,054)	(394)
Increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	947	1,174
Payable to Central Depository Company of Pakistan Limited - Trustee	230	133
Payable to the Securities and Exchange Commission of Pakistan	795	346
Accrued expenses and other liabilities	31,097	5,859
	33,069	7,512
Cash generated from / (used in) operations	(2,283)	(676)
Mark-up received on bank balances	430,424	88,701
Mark-up received on placements and term deposit receipts	65,793	12,906
Mark-up received on investments	180,636	98,612
Advance tax paid	(2)	(644)
Net cash flows generated from operating activities	674,568	198,899
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	63,009,900	20,175,330
Amount paid on redemption of units	(48,205,317)	(16,329,742)
Dividend paid	(191,391)	(90,429)
Net cash flows generated from financing activities	14,613,192	3,755,159
Net increase in cash and cash equivalents during the year	15,287,760	3,954,058
Cash and cash equivalents at the beginning of the year	5,783,932	1,829,874
Cash and cash equivalents at the end of the year	21,071,692	5,783,932
Cash and cash equivalents		
Bank balances	5 21,071,692	5,283,932
Placements and term deposit receipts	7 -	500,000
	21,071,692	5,783,932

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UBL CASH FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Cash 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 July 10, 2018 after it was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 04, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulation). The Fund commenced its operations from September 23, 2019.

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-end mutual fund categorized as money market scheme 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 holder.

The investment objective of the Fund is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.

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.

VIS Credit Rating Company Limited has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2021. Pakistan Credit Rating Agency Limited has assigned a stability rating of "AA+(f)" to the Fund as on April 01, 2022.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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
- The NBFC Rules, the NBFC Regulations, directives issued by the SECP 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, directives issued by the SECP 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, directives issued by the SECP and requirements of the Trust Deed have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

- (i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2, 6 and 7);
- (ii) Impairment of financial assets (note 4.2.3); and
- (iii) Provision for taxation (notes 4.6 and 19).

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

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

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

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

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

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

	Effective from accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Initial recognition and measurement

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

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

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- At amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

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

Financial asset at FVTPL

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

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

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

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

Business model assessment

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

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

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

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

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

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

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

4.2.4 Derecognition

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

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

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of 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 (PKRV rates) which are based on the remaining tenor of the securities.

4.2.6 Regular way contracts

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

4.2.7 Offsetting of financial assets and liabilities

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

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

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

4.6 Taxation

The income of the Fund is exempt from income tax under clause 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 period, 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. Moreover, super tax introduced in the Finance Act, 2022 is also not applicable on funds (Section 4C of 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 period as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 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 the SECP) distribution 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 for the 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 year of investment.

4.8 Issuance and redemption of units

Units issued are recorded 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.

4.9 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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 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.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up / return on investments in government securities is recognised using effective yield method.
- Income on bank balances and placements is recognised on time proportionate basis.

4.12 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.13 Unit holders' fund

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

		2022	2021
	Note	----- Rupees in '000 -----	-----
5. BANK BALANCES			
In local currency:			
- Profit and loss sharing accounts	5.1	<u>21,071,692</u>	<u>5,283,932</u>
5.1	Mark-up rates on these profit and loss sharing accounts range from 12.25% to 17.25% (2021: 6.5% to 9%) per annum. These include an amount held by a related party, United Bank Limited, amounting to Rs. 22.80 million (2021: Rs. 7.95 million) on which return is earned at 12.25% (2021: 6.5%) per annum.		
		2022	2021
	Note	----- Rupees in '000 -----	-----
6. INVESTMENTS			
At fair value through profit or loss			
Government securities - Market Treasury Bills	6.1	<u>-</u>	<u>-</u>

6.1 Government securities - Market Treasury Bills

Issue date	Tenor	Face value				Total carrying value as at June 30, 2022	Total market value as at June 30, 2022	Unrealized gain on remeasurement	Market value as a % of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022				Total investments	Net assets
		Rupees in '000							%	
March 25, 2021	6 months	-	50,000	50,000	-	-	-	-	-	
April 8, 2021	6 months	-	300,000	300,000	-	-	-	-	-	
April 22, 2021	3 months	-	1,930,000	1,930,000	-	-	-	-	-	
April 22, 2021	6 months	-	1,500,000	1,500,000	-	-	-	-	-	
May 6, 2021	3 months	-	1,830,000	1,830,000	-	-	-	-	-	
May 6, 2021	6 months	-	5,450,000	5,450,000	-	-	-	-	-	
May 20, 2021	3 months	-	2,930,000	2,930,000	-	-	-	-	-	
May 20, 2021	6 months	-	250,000	250,000	-	-	-	-	-	
June 3, 2021	3 months	-	200,000	200,000	-	-	-	-	-	
June 3, 2021	6 months	-	4,193,000	4,193,000	-	-	-	-	-	
June 17, 2021	6 months	-	500,000	500,000	-	-	-	-	-	
July 15, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
July 15, 2021	6 months	-	500,000	500,000	-	-	-	-	-	
July 29, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
July 29, 2021	6 months	-	2,595,000	2,595,000	-	-	-	-	-	
August 12, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
August 12, 2021	6 months	-	500,000	500,000	-	-	-	-	-	
August 26, 2021	3 months	-	20,000	20,000	-	-	-	-	-	
August 26, 2021	6 months	-	2,050,000	2,050,000	-	-	-	-	-	
September 9, 2021	3 months	-	208,000	208,000	-	-	-	-	-	
September 23, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
October 7, 2021	3 months	-	2,000,000	2,000,000	-	-	-	-	-	
October 21, 2021	3 months	-	650,000	650,000	-	-	-	-	-	
November 4, 2021	3 months	-	1,200,000	1,200,000	-	-	-	-	-	
November 18, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
December 2, 2021	3 months	-	4,750,000	4,750,000	-	-	-	-	-	
December 2, 2021	6 months	-	3,300,000	3,300,000	-	-	-	-	-	
December 16, 2021	6 months	-	450,000	450,000	-	-	-	-	-	
December 30, 2021	3 months	-	500,000	500,000	-	-	-	-	-	
December 30, 2021	6 months	-	15,500,000	15,500,000	-	-	-	-	-	
January 13, 2022	3 months	-	1,000,000	1,000,000	-	-	-	-	-	
January 13, 2022	6 months	-	500,000	500,000	-	-	-	-	-	
January 27, 2022	3 months	-	11,880,000	11,880,000	-	-	-	-	-	
January 27, 2022	6 months	-	500,000	500,000	-	-	-	-	-	
February 10, 2022	3 months	-	3,150,000	3,150,000	-	-	-	-	-	
February 10, 2022	6 months	-	1,500,000	1,500,000	-	-	-	-	-	
February 24, 2022	3 months	-	200,000	200,000	-	-	-	-	-	
March 10, 2022	3 months	-	1,500,000	1,500,000	-	-	-	-	-	
March 10, 2022	6 months	-	17,575,000	17,575,000	-	-	-	-	-	
March 24, 2022	3 months	-	525,000	525,000	-	-	-	-	-	
April 7, 2022	3 months	-	4,500,000	4,500,000	-	-	-	-	-	
April 21, 2022	3 months	-	1,800,000	1,800,000	-	-	-	-	-	
April 28, 2022	3 months	-	500,000	500,000	-	-	-	-	-	
April 28, 2022	6 months	-	1,700,000	1,700,000	-	-	-	-	-	
As at June 30, 2022		-	102,686,000	102,686,000	-	-	-	-	-	
As at June 30, 2021		-	46,217,000	46,217,000	-	-	-	-	-	

6.1.1 These Market Treasury Bill carried effective yield ranging from 7.07% to 14.6% per annum.

Issue date	Tenor	Face value				Total carrying value as at June 30, 2022	Total market value as at June 30, 2022	Unrealized gain on remeasurement	Market value as a % of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022				Total investments	Net assets
		Rupees in '000							%	

		Note	2022 ----- Rupees in '000 -----	2021 ----- Rupees in '000 -----
7. PLACEMENTS AND TERM DEPOSIT RECEIPTS				
Financial assets at amortised cost				
Term deposits receipts		7.1	-	500,000
Letter of placements		7.2	-	-
			<u>-</u>	<u>500,000</u>

7.1 Term deposits receipts

Name of Company	Maturity date	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Value as a percentage of net assets of the fund
----- Rupees in '000 ----- % -----						
Allied Bank Limited	July 29, 2021	500,000	4,450,000	4,950,000	-	-
As at June 30, 2022		<u>500,000</u>	<u>4,450,000</u>	<u>4,950,000</u>	<u>-</u>	<u>-</u>
As at June 30, 2021		-	850,000	350,000	500,000	8.68%

7.1.1 Effective yield on term deposit receipts for the year ranged from 8.80% to 12.60% (2021: 8.68%) per annum.

7.2 Letter of placements

Name of Company	Maturity date	As at July 01, 2021	Placement made during the year	Placement matured during the year	As at June 30, 2022	Value as a percentage of net assets of the fund %
----- Rupees in '000 -----						
Pak Kuwait Inv Co Ltd	June 20, 2022	-	1,000,000	1,000,000	-	-
Pak Kuwait Inv Co Ltd	June 15, 2022	-	800,000	800,000	-	-
Pak Oman Investment Company Limited	June 15, 2022	-	800,000	800,000	-	-
Pak Oman Investment Company Limited	June 14, 2022	-	700,000	700,000	-	-
Pak Oman Investment Company Limited	June 6, 2022	-	500,000	500,000	-	-
Pak Kuwait Takaful Company Limited	June 6, 2022	-	500,000	500,000	-	-
Pak Kuwait Takaful Company Limited	June 3, 2022	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	June 3, 2022	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	June 2, 2022	-	500,000	500,000	-	-
Pak Kuwait Takaful Company Limited	June 2, 2022	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	May 20, 2022	-	500,000	500,000	-	-
Pak Brunei Investment Company Limited	May 12, 2022	-	190,000	190,000	-	-
Pak Oman Investment Company Limited	April 25, 2022	-	500,000	500,000	-	-
Pak Brunei Investment Company Limited	April 21, 2022	-	600,000	600,000	-	-
Pak Oman Investment Company Limited	April 15, 2022	-	700,000	700,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	April 15, 2022	-	700,000	700,000	-	-
Pak Kuwait Takaful Company Limited	April 15, 2022	-	700,000	700,000	-	-
Allied Bank Limited	April 15, 2022	-	100,000	100,000	-	-
Pak Kuwait Takaful Company Limited	April 8, 2022	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	January 14, 2022	-	400,000	400,000	-	-
Pak Brunei Investment Company Limited	January 27, 2022	-	700,000	700,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	January 27, 2022	-	500,000	500,000	-	-
Pak Kuwait Takaful Company Limited	January 27, 2022	-	500,000	500,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	December 7, 2021	-	400,000	400,000	-	-
Pak Kuwait Takaful Company Limited	December 7, 2021	-	400,000	400,000	-	-
Pak Brunei Investment Company Limited	December 7, 2021	-	400,000	400,000	-	-
Pak Oman Investment Company Limited	December 7, 2021	-	400,000	400,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	November 26, 2021	-	400,000	400,000	-	-
Pak Brunei Investment Company Limited	November 22, 2021	-	400,000	400,000	-	-
Pair Investment Company Limited	December 3, 2021	-	400,000	400,000	-	-
Pak Oman Investment Company Limited	December 2, 2021	-	400,000	400,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	November 19, 2021	-	500,000	500,000	-	-
Pak Brunei Investment Company Limited	August 17, 2021	-	100,000	100,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	September 23, 2021	-	250,000	250,000	-	-
As at June 30, 2022		-	16,940,000	16,940,000	-	-
As at June 30, 2021		150,000	5,735,000	5,885,000	-	-

7.2.1 Letter of placement carried effective interest rate ranging from 7.15% to 14.7% during the year.

	2022	2021
	----- Rupees in '000 -----	
8. MARK-UP RECEIVABLE		
Markup accrued on:		
- Profit and loss sharing accounts	65,376	6,002
- Term Deposit Receipts	-	265
	<u>65,376</u>	<u>6,267</u>

9. ADVANCE INCOME TAX

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

	2022	2021
Note	----- Rupees in '000 -----	
10. PREPAYMENTS AND OTHER RECEIVABLES		
Prepaid fees and expenses	251	-
Receivable against issuance of units	59	-
Receivable from UBL Fund Managers Limited - Management Company	1,311	1,300
	<u>1,621</u>	<u>1,300</u>

11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

Allocated expenses payable	11.2	5,088	3,479
Back end load payable		171	834
Other payable		31	30
		<u>5,290</u>	<u>4,343</u>

11.1 As per the offering document of the Fund, the Management Company during last year extended the temporary waiver of its Management Fee on the Fund fully for until September 17, 2021. During current period, the Management Company has decided to extend the temporary waiver from September 18, 2021 till further notice vide the sixth supplemental to the offering document of the Fund dated September 26, 2021.

11.2 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 30) prescribed by the SECP is complied with. During the year, the Management Company has charged the Fund at the following rates;

	Applicable rate as a % of the average daily net assets
From July 01, 2021 upto July 04, 2021	0.10%
From July 05, 2021 upto August 12, 2021	0.26%
On August 13, 2021	1.50%

	Applicable rate as a % of the average daily net assets
From August 14, 2021 upto August 15, 2021	0.26%
From August 16, 2021 upto September 21, 2021	0.13%
On September 22, 2021	0.17%
From September 23, 2021 upto September 29, 2021	0.24%
From September 30, 2021 upto December 07, 2021	0.22%
On December 08, 2021	0.02%
From December 09, 2021 upto December 12, 2021	0.14%
On December 13, 2021	0.08%
On December 14, 2021	0.31%
On December 15, 2021	0.15%
From December 16, 2021 upto December 19, 2021	0.02%
On December 20, 2021	0.32%
From December 21, 2021 upto December 22, 2021	0.02%
From December 23, 2021 upto December 24, 2021	0.00%
From December 25, 2021 upto December 31, 2021	0.03%
From January 01, 2022 upto January 05, 2022	0.00%
From January 06, 2022 upto February 03, 2022	0.13%
From February 04, 2022 upto March 10, 2022	0.51%
From March 11, 2022 upto March 23, 2022	0.11%
From March 24, 2022 upto March 27, 2022	0.02%
From March 28, 2022 upto April 04, 2022	0.00%
On April 05, 2022	0.40%
From April 06, 2022 upto May 26, 2022	0.50%
From May 27, 2022 upto May 29, 2022	1.03%
On May 30, 2022	0.46%
From May 31, 2022 upto June 06, 2022	0.66%
On June 07, 2022	0.76%
On June 08, 2022	0.50%
On June 09, 2022	0.44%
On June 10, 2022	0.40%
On June 11, 2022	0.32%
On June 12, 2022	0.31%
From June 13, 2022 upto June 14, 2022	0.18%
On June 15, 2022	0.02%
From June 16, 2022 upto June 19, 2022	0.09%
From June 20, 2022 upto June 21, 2022	0.00%
From June 22, 2022 upto June 23, 2022	0.31%
From June 24, 2022 upto June 26, 2022	0.33%
On June 27, 2022	0.50%
On June 28, 2022	0.24%
On June 29, 2022	0.54%
On June 30, 2022	0.12%

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.065% from July 01 to September 30, 2021 and 0.055% from October 01, 2021 to June 30, 2022 (2021: 0.065%) per annum of average daily net assets of the Fund during the year. The remuneration is payable on monthly basis in arrears. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund as annual fee.

		2022	2021
	Note	Rupees in '000	
14. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		26,849	12,071
Provision for Sindh Workers' Welfare Fund	14.1	-	5,972
Capital gain tax payable		21,171	6,933
Zakat payable		701	-
Annual listing fee payable		30	30
Brokerage payable		521	231
Auditor's remuneration payable		213	-
Other payables		996	119
		50,481	25,356

- 14.1** During the year, the Sindh Revenue Board (SRB) through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 5.78 million (net of current period reversal and the amount receivable from the Management Company in respect of SWWF agreed to be borne by the Management Company during last year), for the period from September 23, 2019 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. No provision for SWWF was recognised by the Fund on or after August 13, 2021.

15. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
	Number of units	
16. NUMBER OF UNITS IN ISSUE		
Total units in issue at beginning of the year	57,562,986	18,185,582
Units issued during the year	612,978,212	195,836,566
Units redeemed during the year	(460,232,591)	(156,459,162)
Total units in issue at end of the year	210,308,607	57,562,986

	2022	2021
	Rupees in '000	
17. FINANCIAL INCOME		
Mark-up / interest income on:		
- Profit and loss sharing accounts	489,798	87,152
- Market Treasury Bills	180,636	98,612
- Letter of placements and term deposit receipts	65,528	12,949
	735,962	198,713

	2022	2021
	----- Rupees in '000 -----	
18. AUDITOR'S REMUNERATION		
Annual audit fee	135	-
Fee for the review of half yearly financial statements	67	-
Fee for review of compliance with the requirements of the Code of Corporate Governance	22	-
Income certification	22	-
Out of pocket expenses and Sindh Sales Tax	47	-
	<u>293</u>	<u>-</u>

19. 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 as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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. During the year ended June 30, 2022, the Fund has distributed by way of cash dividend at minimum 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

20. EARNINGS PER UNIT

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

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2022	2021
	----- Rupees in '000 -----	
Financial assets		
At amortized cost		
Bank balances	21,071,692	5,283,932
Placements and term deposit receipts	-	500,000
Mark-up receivable	65,376	6,267
Other receivables	1,370	1,300
	<u>21,138,438</u>	<u>5,791,499</u>
Financial liabilities		
At amortized cost		
Payable to UBL Fund Managers Limited - Management Company	5,290	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee	515	285
Accrued expenses and other liabilities	1,760	380
	<u>7,565</u>	<u>5,008</u>

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

The 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.

22.1.1 Currency risk

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

The Fund has no exposure to currency risk, as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2022.

22.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

The Fund's variable interest rate risk arises from bank balances in profit and loss sharing accounts. The net income for the year would have increased / decreased by Rs. 210.717 million (2021: Rs. 52.839 million), had the interest rates on savings accounts with banks increased / decreased by 100 basis points, with all other variables held constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instruments which are carried at fair value through profit or loss and is not exposed to fair value interest rate risk.

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

2022					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and unto one year	More than one year	
%	Rupees in '000				
On-balance sheet financial instruments					
Financial assets					
Bank balances	12.25% - 17.25%	21,071,692	21,071,692	-	-
Mark-up receivable		65,376	-	-	65,376
Other receivables		1,370	-	-	1,370
		21,138,438	21,071,692	-	66,746
Financial liabilities					
Payable to UBL Fund Managers Limited - Management Company		5,290	-	-	5,290
Payable to Central Depository Company of Pakistan Limited - Trustee		515	-	-	515
Accrued expenses and other liabilities		1,760	-	-	1,760
		7,565	-	-	7,565
On-balance sheet gap (a)		21,130,873	21,071,692	-	59,181
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)			21,071,692	-	59,181
Cumulative interest rate sensitivity gap			21,071,692	-	59,181

Particulars	Effective yield / interest rate	Total	2021 Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
			Up to three months	More than three months and unto one year	More than one year	
			----- Rupees in '000 -----			
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5% - 9%	5,283,932	5,283,932	-	-	-
Term deposit receipts	9%	500,000	500,000	-	-	-
Mark-up receivable		6,267	-	-	-	6,267
Other receivables		1,300	-	-	-	1,300
		5,791,499	5,783,932	-	-	7,567
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		4,343	-	-	-	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee		285	-	-	-	285
Accrued expenses and other liabilities		380	-	-	-	380
		5,008	-	-	-	5,008
On-balance sheet gap (a)		5,786,491	5,783,932	-	-	2,559
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			5,783,932	-	-	2,559
Cumulative interest rate sensitivity gap			5,783,932	-	-	2,559

22.1.3 Other price risk

Price 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 (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. As at June 30, 2022, the Fund does not hold any security which exposes the Fund to other price risk.

22.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from term deposit receipts, placements, bank balances and mark-up receivable.

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. 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, Fund's Trust Deed, the requirements of the NBFC Rules and the NBFC Regulations, and the guidelines / directives given by the SECP from time to time.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2022 and June 30, 2021 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2022 and June 30, 2021:

Name of financial institution	Balances held by the Fund as at June 30, 2022	Latest available published ratings at June 30, 2022	Rating agency

Rupees in '000

Bank balances and mark- up receivable thereon

Habib Bank Limited	20,994,330	AAA	VIS
Habib Metropolitan Bank Limited	204	AA+	PACRA
Samba Bank Limited	44,255	AA	VIS
Allied Bank Limited	32,416	AAA	PACRA
United Bank Limited	23,048	AAA	VIS
Faysal Bank Limited	1,726	AA	VIS
Bank Alfalah Limited	41,089	AA+	PACRA
	<u>21,137,068</u>		

Name of Financial Institution	Balances held by the Fund as at June 30, 2021	Latest available published ratings at June 30, 2021	Rating agency

Rupees in '000

Bank balances and mark- up receivable thereon

Habib Bank Limited	3,676,710	AAA	VIS
Habib Metropolitan Bank Limited	40	AA+	PACRA
Samba Bank Limited	602	AA	VIS
Allied Bank Limited	1,604,585	AAA	PACRA
United Bank Limited	7,997	AAA	VIS
	<u>5,289,934</u>		

Placement and mark- up receivable thereon

Allied Bank Limited	<u>500,265</u>	AAA	PACRA

Concentration of credit risk

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

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

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

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 table below 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.

	Total	Upto three months	Over three months and upto one year	Over one year
June 30, 2022				
----- Rupees in '000 -----				
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	5,290	5,290	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	515	515	-	-
Accrued expenses and other liabilities	1,760	1,760	-	-
	7,565	7,565	-	-
Net assets attributable to redeemable units	21,082,554	21,082,554	-	-
June 30, 2021				
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	4,343	4,343	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	285	285	-	-
Accrued expenses and other liabilities	380	380	-	-
	5,008	5,008	-	-
Net assets attributable to redeemable units	5,762,459	5,762,459	-	-

Above financial liabilities do not carry any mark-up and are secured.

23. UNITS 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 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 of the Management Company 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 period.

24. 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.

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

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

As at reporting date, the Fund does not hold any financial instruments which are measured at fair value. The estimated fair value of all financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

25. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

S.No.	Name	Designation	Qualification	Experience in years
1	Yasir Qadri	Chief Executive Officer	MBA	26
2	Syed Suleman Akhtar	Chief Investment Officer	CFA, MBA	21
3	Muhammad Imran	Head of Investment Advisory	MBA	23
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance and Quality Assurance	B.com (CA Foundation)	22
5	Syed Sheeraz Ali	Head of Fixed Income Funds	BS, CFA I	13
6	Muhammad Ahmed	Deputy Head Research	BS, CFA	4

25.1 Syed Sheeraz Ali is the Fund manager of the Fund. He is also the Fund Manager of UBL Growth Savings Fund, UBL Retirement Savings Fund, UBL Special Savings Plan VI, Al-Ameen Islamic Cash Fund, UBL Special Savings Plan VIII, Al-Ameen Islamic Special Savings Plan-II, UBL Special Savings Plan IX, Al-Ameen Islamic Aggressive Income Fund, UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Plan II, UBL Special Savings Plan III, UBL Special Savings Plan IV, UBL Special Savings Plan V, Al-Ameen Islamic Cash Plan-I, Al-Ameen Islamic Aggressive Income Plan I, Al-Ameen Islamic Sovereign Fund.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top brokers during the year ended June 30, 2022

	%
1 Continental Exchange (Private) Limited	23.35
2 JS Global Capital Limited.	13.28
3 Bright Capital (Private) Limited	9.64
4 Magenta Capital (Private) Limited	8.32
5 BIPL Securities Limited (Formerly KASB Securities)	8.15
6 Invest One Markets Limited	7.24
7 Vector Capital (Private) Limited	6.39
8 Alfalah Cisa Securities (Private) Limited	5.46
9 Arif Habib Limited	4.24
10 Optimus Markets (Private) Limited	3.23
	89.30

Top brokers during the year ended June 30, 2021

1 Continental Exchange (Private) Limited	25.40
2 Bright Capital (Private) Limited	21.52
3 Magenta Capital (Private) Limited	12.80
4 Arif Habib Limited	9.45
5 Invest One Markets Limited	7.97
6 BIPL Securities Limited	7.25
7 Icon Securities (Private) Limited	4.96
8 Paramount Capital (Private) Limited	3.87
9 JS Global Capital Limited	2.87
10 Vector Capital (Private) Limited	1.43
	97.52

27. PATTERN OF UNIT HOLDING

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	47	15,201,865	1,523,923	7.23%
NBFC	4	6,161,728	617,687	2.93%
Retirement funds	39	21,308,118	2,136,049	10.13%
Associated Company and Key Executive	1	19,214,863	1,926,209	9.14%
Public limited companies	6	90,476,215	9,069,861	43.02%
Other	22	57,945,819	5,808,825	27.55%
	119	210,308,607	21,082,554	100.00%
June 30, 2021				
Individuals	28	5,892,040	589,836	10.24%
NBFC	1	7,996,721	800,528	13.89%
Public limited companies	9	39,804,454	3,984,704	69.15%
Retirement funds	10	1,140,210	114,143	1.98%
Others	6	2,729,561	273,248	4.74%
	54	57,562,986	5,762,459	100.00%

28. TRANSACTIONS 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.

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

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

28.1 Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

Particulars	Management Company	Associated companies and others*	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties**

----- For the year ended June 30, 2022 -----

----- Units in '000 -----

Transactions during the year

Units issued	183,648	26,913	-	-	-	228,242
Units redeemed	172,430	16,412	-	-	-	145,926

----- Rupees in '000 -----

Value of units issued	19,618,486	2,800,618	-	-	-	23,686,766
Value of units redeemed	17,898,686	1,728,302	-	-	-	15,292,794
Purchase of Market Treasury Bills	-	1,142,580	-	-	-	-
Sell of Market Treasury Bills	-	1,956,715	-	65,884	-	-
Mark-up on profit and loss sharing accounts	-	1,234	-	-	-	-
Bank charges	-	9	-	-	-	-
Dividend paid	225,051	52,403	-	-	-	313,840
Remuneration (including Sindh Sales Tax)	-	-	4,267	-	-	-
Allocated expenses	17,358	-	-	-	-	-

----- As at June 30, 2022 -----

----- Units in '000 -----

Balances held

Units held	19,215	10,501	-	-	-	102,453

----- Rupees in '000 -----

Value of units held	1,926,182	1,052,653	-	-	-	10,270,491
Bank balances	-	22,797	-	-	-	-
Other receivable	1,311	-	-	-	-	-
Remuneration payable (inclusive of Sindh Sales Tax)	-	-	515	-	-	-
Mark-up receivable	-	251	-	-	-	-
Allocated expenses payable	5,088	-	-	-	-	-
Other payable	31	-	-	-	-	-
Sales load payable	171	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties**

-----For the year ended June 30, 2021 -----

----- Units in '000 -----

Transactions during the period

Units issued	88,413	-	-	-	-	41,570
Units redeemed	80,417	-	-	-	-	13,703

----- Rupees in '000 -----

Value of units issued	9,288,323	-	-	-	-	4,369,292
Value of units redeemed	8,443,213	-	-	-	-	1,444,499
Purchase of Market Treasury Bills		307,595		2,102,563		
Sell of Market Treasury Bills		1,869,666		5,462,643		
Mark-up on profit and loss sharing accounts	-	622	-	-	-	-
Bank charges	-	18	-	-	-	-
Dividend paid	52,767	-	-	-	-	236,972
Remuneration (including Sindh Sales Tax)	-	-	1,958	-	-	-
Allocated expenses	4,831	-	-	-	-	-

----- As at June 30, 2021 -----

----- Units in '000 -----

Balances held

Units held	7,996	-	-	-	-	27,867

----- Rupees in '000 -----

Value of units held	800,456	-	-	-	-	2,789,682
Bank balances	-	7,957	-	-	-	-
Other receivable	1,300	-	-	-	-	-
Remuneration payable (inclusive of Sindh Sales Tax)	-	-	285	-	-	-
Mark-up receivable	-	40	-	-	-	-
Allocated expenses payable	3,479	-	-	-	-	-
Other payable	30	-	-	-	-	-
Sales load payable	834	-	-	-	-	-

* 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.

29. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

No. 132	No. 133	No. 134	No. 135	No. 136	No. 137	No. 138	Total meetings attended
July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	

Directors:

Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3

Key Executives:

Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 03, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 01, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned as Company Secretary with effect from July 14, 2022

30. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund is 0.37% (2021: 0.43%) which includes 0.03% (2021: 0.16%) representing Government Levy, Sindh Workers' Welfare Fund, and the SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on September 6, 2022.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UDEF

UBL Dedicated Equity Fund

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide other 'Fund of Funds' schemes, Separately Managed Accounts (only managed by UBL Fund Managers) and UBL Fund Managers Limited as Management Company an avenue for investing in Equities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	EY Ford Rhodes, Chartered Accountants
Bankers	United Bank Limited JS Bank Limited Soneri Bank Limited
Management Co. Rating	AM1 (VIS)

Fund Manager's Report – UBL Dedicated Equity Fund (UDEF)

- i) **Description of the Collective Investment Scheme category and type**
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 & Separately Managed Accounts an avenue for investing in 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**
KSE-100 Index
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UDEF	0.18%	2.03%	-4.96%	5.10%	-1.25%	-3.45%	2.05%	-0.79%	-1.16%	-0.57%	-6.23%	0.05%	-9.13%
Benchmark	-0.64%	0.77%	-5.31%	2.94%	-2.48%	-1.06%	1.75%	-2.01%	1.05%	0.71%	-4.80%	-3.57%	-12.28%

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

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the fund posted a return of -9.13% whereas benchmark index yielded -12.28%. The fund size stood at PKR 30mn at end of Jun'22 and the fund manager maintained the exposure in local equity market of around 82.5% while exposure in cash stood at 0.6% at the end of Jun'22.

Major exposure in equities is taken in Commercial Banks (15%), E&Ps (19.2%), Fertilizer (12.9%), and Power Generation & Distribution (10%).

- vi) **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-22	Jun-21
Equities	83%	80%
T-bills	0%	0%
Cash	1%	10%
Others	17%	10%
Leverage	Nil	Nil

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

FY'22 Return:	-9.13%
Standard Deviation (12m trailing):	13.57%
Sharpe Ratio (12m trailing):	(1.43)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
29,593	30,923	(4.30)	107.6254	118.4446	(9.13)

ix) **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**

Stock Market Review for FY22

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

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

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 -----	

- 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 the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

- xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	UDEF
0.0001 - 9,999.9999	6
10,000.0000 - 49,999.9999	-
50,000.0000 - 99,999.9999	-
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	-
Total	7

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

There were no unit splits during the period.

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

Investments are subject to 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

UBL Dedicated Equity Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	29,593	30,923	36,568
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A units - Offer	107.6254	118.4446	86.2142
- Redemption	107.6254	118.4446	86.2142
RETURN OF THE FUND - %			
Total Return of the Fund	(9.13)	37.38	6.58
Capital Growth (per unit)	(9.13)	37.38	6.58
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
AVERAGE ANNUAL RETURN - %			
One Year	(9.13)	37.38	6.58
Second Year	21.98	21.98	(5.49)
Third Year	8.80	8.80	(4.28)
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class A units - Offer	123.2675	120.0714	103.1018
Highest price per unit - Class A units - Redemption	123.2675	120.0714	103.1018
Lowest price per unit - Class A units - Offer	104.8837	87.1433	67.6286
Lowest price per unit - Class A units - Redemption	104.8837	87.1433	67.6286
* Front-end load @ 3% is applicable			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	0.6	9.8	3.00
Equity securities	82.6	80.1	88.00
Others	16.81	10.10	9.00
PORTFOLIO COMPOSITION BY MARKET - %			
Equity market	100.00	100.00	100.00
Debt Market	-	-	-

Note:

- The Launch date of Fund is 29 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.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL 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 UBL 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, 2022 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.

Badhuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Dedicated Equity Fund
YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Dedicated Equity Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saife Mr. Aslam Sadduddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadduddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 425 212

✉ info@ublfunds.com

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

www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Farukh Zeem****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Safie	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Farukh Zaheer****	Member	Non-Executive Director

* Mr. Aslam Saifuddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Mr. Safie Saad has resigned dated July 19, 2021

**** Syed Farukh Zaheer has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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.
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMEED
 Chairman

Karachi.
 Dated: September 6, 2022

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UBL Dedicated Equity Fund (the Fund)**, which comprise the statement of assets and liabilities as at **30 June 2022**, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, 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
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 83% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of 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 2022. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.

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4:3:-

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.
- 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.



- 4 -

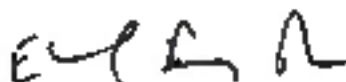
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Place: Karachi

UDIN Number: AR2022101917z8jH2N5L

UBL DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
ASSETS			
Bank balances	6	189	3,191
Investments	7	25,026	26,055
Dividend and mark-up receivable	8	229	140
Advance tax	9	46	49
Security deposit and other receivable	10	4,763	2,972
Preliminary expenses and floatation costs	11	57	119
Total assets		30,310	32,526
LIABILITIES			
Payable to the Management Company	12	32	59
Payable to the Trustee	13	3	6
Payable to Securities and Exchange Commission of Pakistan	14	5	7
Accrued and other liabilities	15	677	1,531
Total liabilities		717	1,603
NET ASSETS		29,593	30,923
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		29,593	30,923
CONTINGENCIES AND COMMITMENTS			
	17	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		274,963	261,077
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		107.6254	118.4446

The annexed notes from 1 to 27 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL DEDICATED EQUITY FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
INCOME			
Mark-up on bank accounts		250	285
Dividend income		1,527	1,604
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(418)	2,856
Capital (loss) / gain on sale of investments		(1,635)	8,620
Total (loss) / income		(276)	13,365
EXPENSES			
Remuneration of the Management Company	12.1	486	699
Sindh Sales tax on management fee	12.2	63	91
Allocated expenses by the Management Company		-	14
Selling and marketing expenses		-	48
Remuneration of the Trustee	13.1	49	70
Sindh Sales tax on remuneration of the Trustee	13.2	6	9
Annual fee to Securities and Exchange Commission of Pakistan	14	5	7
Amortization of preliminary expenses and floatation costs	11	62	62
Brokerage expenses		164	176
Auditors' remuneration	18	506	472
Legal and professional charges		205	187
Custody and settlement charges		377	291
Bank charges and other expenses		37	39
Expense Reimbursement by the Management Company	16	(775)	(472)
Total expenses		1,185	1,693
Net (loss) / income for the year from operating activities		(1,461)	11,672
Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF)	15.1	242	(229)
Net (loss) / income for the year before taxation		(1,219)	11,443
Taxation	19	-	-
Net (loss) / income for the year after taxation		(1,219)	11,443
<i>Allocation of net income for the year:</i>			
Net income for the year after taxation		-	11,443
Income already paid on units redeemed		-	(6,891)
		-	4,552
<i>Accounting income available for distribution</i>			
- Relating to capital gains		-	4,552
- Excluding capital gains		-	-
		-	4,552
Earnings per unit	26.2		

The annexed notes from 1 to 27 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
Net (loss) / income for the year after taxation	(1,219)	11,443
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	<u>(1,219)</u>	<u>11,443</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

**UBL DEDICATED EQUITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss/(gain) for the year before taxation	(1,219)	11,443
Adjustments for:		
Mark-up on bank accounts	(250)	(285)
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss - net	418	(2,856)
Dividend income	(1,527)	(1,604)
Loss / (gain) on sale of investments classified as fair value through profit and loss - net	1,635	(8,620)
(Reversal) / provision for Sindh Workers' Welfare Fund (SWWF)	(242)	229
Amortization of preliminary expenses and floatation costs	62	62
	96	(13,074)
Decrease / (increase) in assets		
Investments	(1,024)	19,415
Security deposit and other receivable	(1,791)	(472)
	(2,815)	18,943
(Decrease) / increase in liabilities		
Payable to the Management Company	(27)	(52)
Payable to the Trustee	(3)	(1)
Annual fee payable to Securities and Exchange Commission of Pakistan	(2)	(25)
Payable against purchase of investments	-	(1,064)
Accrued and other liabilities	(612)	251
	(644)	(891)
Advance tax paid	3	(2)
Mark-up and dividend received	1,688	2,796
Net cash (used) / generated in operating activities	(2,891)	19,215
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	37,335	17,548
Net payment against redemption of units	(37,446)	(34,636)
Net cash (used) in financing activities	(111)	(17,088)
Net (decrease) / increase in cash and cash equivalents during the year	(3,002)	2,127
Cash and cash equivalents at beginning of the year	3,191	1,064
Cash and cash equivalents at end of the year	189	3,191
CASH AND CASH EQUIVALENTS		
Bank balances	189	3,191

The annexed notes from 1 to 27 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022			June 30, 2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the year	64,701	(33,778)	30,923	74,898	(38,330)	36,568
Amount received on issuance of 344,528 units (June 30, 2021: 151,502 units)						
Capital value	40,807	-	40,807	13,062	-	13,062
Element of income during the year; - Relating to net (loss) / income for the year after taxation	(3,472)	-	(3,472)	4,486	-	4,486
	37,335	-	37,335	17,548	-	17,548
Amount paid on redemption of 330,642 units (June 30, 2021: 314,579 units)						
Capital value	(39,163)	-	(39,163)	(27,121)	-	(27,121)
Element of income during the year; - Relating to net income / (loss) for the year after taxation	1,717	-	1,717	(624)	(6,891)	(7,515)
	(37,446)	-	(37,446)	(27,745)	(6,891)	(34,636)
Total comprehensive Income/ loss for the year	-	(1,219)	(1,219)	-	11,443	11,443
Distribution during the year	-	-	-	-	-	-
Net (loss) / profit for the year less distribution	-	(1,219)	(1,219)	-	11,443	11,443
Net assets at end of the year	64,590	(34,997)	29,593	64,701	(33,778)	30,923
Undistributed income brought forward:						
- Realised	-	(36,634)	(36,634)	-	(40,207)	(40,207)
- Unrealised	-	2,856	2,856	-	1,877	1,877
	-	(33,778)	(33,778)	-	(38,330)	(38,330)
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	4,552	4,552
- Excluding capital gains	-	-	-	-	-	-
	-	-	-	-	4,552	4,552
Net loss for the year after taxation	-	(1,219)	(1,219)	-	-	-
Distribution during the year	-	-	-	-	-	-
Undistributed loss carried forward	-	(34,997)	(34,997)	-	(33,778)	(33,778)
Undistributed loss carried forward						
- Realised	-	(34,579)	(34,579)	-	(36,634)	(36,634)
- Unrealised	-	(418)	(418)	-	2,856	2,856
	-	(34,997)	(34,997)	-	(33,778)	(33,778)
	-- (Rupees) --			-- (Rupees) -		
Net assets value per unit at beginning of the year	118.4446			86.2142		
Net assets value per unit at end of the year	107.6254			118.4446		

The annexed notes from 1 to 27 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

**UBL DEDICATED EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Dedicated Equity 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 April 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 02, 2018 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 May 29, 2018.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act, 2020 for registration. Subsequently on August 30, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

- 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 to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4** The investment objective of the Fund is to provide other 'Fund of Funds' schemes, Separately Managed Accounts (only managed by UBL Fund Managers) and UBL Fund Managers Ltd. as Management Company an avenue for investing in Equities.
- 1.5** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.6** VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 31, 2021.

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 AND PRESENTATION

3.1 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING & REPORTING STANDARDS

4.1 Standards / amendments that are effective in current year and relevant to the

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)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
AIP IAS 41 Agriculture -Taxation in fair value measurements	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

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.

5 SIGNIFICANT ACCOUNTING POLICIES

5.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, 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 and other purposes.

5.2 Financial assets

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

Classification

An equity instrument held for trading purposes is classified as measured at FVTPL.

Subsequent Measurement

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instrument measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

5.3 Derecognition

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

5.4 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.

5.5 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 to realise the assets and settle the liabilities simultaneously.

5.6 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 May 29, 2018 in accordance with the Trust Deed and the NBFC Regulations.

5.7 Issuance 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.

5.8 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.

5.9 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.

5.10 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 investments classified as 'at fair value through profit or loss' are included in Income Statement in the period in which they arise.

Mark-up on bank balances is recorded on accrual basis.

5.11 Provisions

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 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net profit / loss of the year after taxation of the Fund by the weighted average number of units outstanding during the year. EPU has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

5.13 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.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
6. BALANCES WITH BANK			
Bank account - saving account	6.1	<u>189</u>	<u>3,191</u>
6.1	These carry mark- up at the rates ranging from 7.30% to 13.5% (June 30, 2021: 5.5% to 7.3%) per annum and includes a balance of Rs.0.173 (June 30, 2021: Rs.3.175) million held with United Bank Limited (a related party).		
7. INVESTMENTS			
Investments by Category			
At fair value through profit or loss			
- Equity securities - listed	7.1	<u>25,026</u>	<u>26,055</u>

7.1 Equity securities classified as 'Fair value classified through profit and loss'

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, 2022			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, 2021	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	(Diminution) / appreciation			
----- (Rupees in '000) -----												
Cement												
Kohat Cement Company Limited		5,340	1,400	-	6,740	-	-	-	-	0.00%	0.00%	0.000%
Pioneer Cement Limited		5,500	7,000	-	5,500	7,000	426	422	(4)	1.43%	1.69%	0.003%
Lucky Cement Company Limited		508	5,200	-	2,208	3,500	1,592	1,607	15	5.43%	6.42%	0.001%
Gharibwal Cement Limited		-	2,500	-	2,500	-	-	-	-	0.00%	0.00%	0.000%
Maple Leaf Cement Factory Limited		-	28,000	-	7,000	21,000	582	574	(8)	0.02	0.02	0.000%
							2,600	2,603	3	8.79%	10.40%	
Oil and gas exploration companies												
Oil and Gas Development Company Limited		9,868	24,800	-	11,168	23,500	1,954	1,849	(105)	6.25%	7.39%	0.001%
Mari Petroleum Company Limited	7.1.1	1,157	2,040	-	1,737	1,460	2,469	2,540	71	8.58%	10.15%	0.001%
Pakistan Oilfields Limited		32	1,050	-	1,082	-	-	-	-	0.00%	0.00%	0.000%
Pakistan Petroleum Limited		10,775	23,700	-	13,475	21,000	1,491	1,418	(73)	4.79%	5.67%	0.001%
Attock Refinery Limited	7.1.1	-	700	-	700	-	-	-	-	0.00%	0.00%	0.000%
							5,914	5,807	(107)	19.62%	23.20%	
Oil and gas marketing companies												
Pakistan State Oil Company Limited		283	4,000	-	4,283	-	-	-	-	0.00%	0.00%	0.000%
Attock Petroleum Limited		900	-	-	900	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Food and personal care products												
The Organic Meat Company Limited		18,000	8,500	520	27,020	-	-	-	-	0.00%	0.00%	0.000%
Treet Corporation Limited		7,000	-	-	7,000	-	-	-	-	0.00%	0.00%	0.000%
Shezan International Limited		1,500	-	150	1,650	-	-	-	-	0.00%	0.00%	0.000%
Unity Foods Limited		542	-	-	542	-	-	-	-	0.00%	0.00%	0.000%
Al Shaheer Corporation Limited		76	-	-	76	-	-	-	-	0.00%	0.00%	0.000%
Bunnys Limited		-	8,000	-	8,000	-	-	-	-	0.00%	0.00%	0.000%
Matco Foods Limited		-	13,500	-	-	13,500	387	336	(51)	1.14%	1.34%	0.011%
At-Tahur Limited		-	10,000	-	10,000	-	-	-	-	0.00%	0.00%	0.000%
							387	336	(51)	1.14%	1.34%	
Fertilizer												
Engro Corporation Limited		73	8,800	-	3,373	5,500	1,452	1,414	(38)	4.78%	5.65%	0.001%
Fauji Fertilizer Company Limited		3,791	28,500	-	16,291	16,000	1,785	1,764	(21)	5.96%	7.05%	0.001%
Fauji Fertilizer Bin Qasim Limited		20,000	14,000	-	34,000	-	-	-	-	0.00%	0.00%	0.000%
Fatima Fertilizer Company Limited		-	14,000	-	14,000	-	-	-	-	0.00%	0.00%	0.000%
Engro Fertilizers Limited		-	13,700	-	5,500	8,200	743	727	(16)	2.46%	2.90%	0.001%
							3,980	3,905	(75)	13.20%	15.60%	
Chemicals												
Engro Polymers and Chemicals Limited		6,113	8,000	-	14,113	-	-	-	-	0.00%	0.00%	0.000%
Ittehad Chemicals Limited		742	-	-	742	-	-	-	-	0.00%	0.00%	0.000%
ICI Pakistan Limited		50	-	-	50	-	-	-	-	0.00%	0.00%	0.000%
Dynea Pakistan Limited*		2,800	3,500	-	2,800	3,500	660	609	(51)	2.06%	2.43%	0.019%
Nimir Resins Limited		-	81,000	-	40,500	40,500	580	588	8	1.99%	2.35%	0.029%
Ghani Global Holdings Limited		-	6,500	-	6,500	-	-	-	-	0.00%	0.00%	0.000%
							1,240	1,197	(43)	4.04%	4.78%	
Investment Banking												
Arif Habib Limited		500	-	50	550	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	

Name of Investee Company	Note	Number of shares					Balance as at June 30, 2022			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, 2021	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	(Diminution) / appreciation			
----- (Rupees in '000) -----												
Miscellaneous												
Synthetic Products Enterprises Limited*		3,400	3,672	272	7,344	-	-	-	0.00%	0.00%	0.000%	
Pakistan Aluminium Beverage Cans Limited		-	13,500	-	-	13,500	443	426	(17)	1.44%	1.70%	0.004%
							443	426	(17)	1.44%	1.70%	
Synthetic & Rayon												
Image Pakistan Limited (R)		-	-	375	375	-	-	-	-	0.00%	0.00%	0.000%
Image Pakistan Limited		500	-	-	500	-	-	-	-	0.00%	0.00%	
							-	-	-			
Technology and communication												
Systems Limited		935	600	35	1,570	-	-	-	-	0.00%	0.00%	0.000%
Hum Network Limited***		-	185,500	-	107,000	78,500	588	559	(29)	1.89%	2.23%	0.008%
Avanceon Limited		-	1,500	-	1,500	-	-	-	-	0.00%	0.00%	0.000%
							588	559	(29)	1.89%	2.23%	
Automobile parts and accessories												
Thal Limited*		2,214	-	-	2,214	-	-	-	-	0.00%	0.00%	0.000%
Panther Tyres Limited		9,500	14,000	-	9,500	14,000	439	454	15	1.53%	1.81%	0.008%
							439	454	15	1.53%	1.81%	
Leather and tanneries												
Service Industries Limited		1,274	3,200	-	2,774	1,700	564	600	36	2.03%	2.40%	0.004%
Service Global Footware Limited		3,500	-	-	3,500	-	-	-	-	0.00%	0.00%	0.000%
							564	600	36	2.03%	2.40%	
Engineering												
Aisha Steel Mills Limited		-	33,500	-	33,500	-	-	-	-	0.00%	0.00%	0.000%
Mughal Iron & Steel Industries Limited		-	5,000	600	5,600	-	-	-	-	0.00%	0.00%	0.000%
International Industries Limited		20	-	-	20	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Commercial banks												
Allied Bank Limited		174	-	-	174	-	-	-	-	0.00%	0.00%	0.000%
Meezan Bank Limited	7.1.1	-	18,800	1,500	11,500	8,800	1,045	994	(51)	3.36%	3.97%	0.001%
Bank Alfalah Limited		20,961	33,500	-	32,461	22,000	738	704	(34)	2.38%	2.81%	0.001%
Habib Bank Limited		2,801	17,000	-	19,801	-	-	-	-	0.00%	0.00%	0.000%
Bank Al Habib Limited		16,300	4,500	-	20,800	-	-	-	-	0.00%	0.00%	0.000%
United Bank Limited		15,309	42,400	-	38,009	19,700	2,371	2,229	(142)	7.53%	8.91%	0.002%
MCB Bank Limited		-	9,700	-	3,700	6,000	774	738	(36)	2.49%	2.95%	0.001%
Habib Metropolitan Bank Limited		21,000	-	-	21,000	-	-	-	-	0.00%	0.00%	0.000%
National Bank of Pakistan		1,174	-	-	1,174	-	-	-	-	0.00%	0.00%	0.000%
Faysal Bank Limited		86	12,500	-	12,586	-	-	-	-	0.00%	0.00%	0.000%
							4,928	4,665	(263)	15.76%	18.64%	
Textile composite												
Kohinoor Textile Mills Limited		9,145	3,500	-	12,645	-	-	-	-	0.00%	0.00%	0.000%
Nishat Chunian Limited		1,000	6,500	-	7,500	-	-	-	-	0.00%	0.00%	0.000%
Gul Ahmed Textile Mills Limited	7.1.1	18,424	13,500	-	31,924	-	-	-	-	0.00%	0.00%	0.000%
Towellers Limited		5,000	1,500	-	6,500	-	-	-	-	0.00%	0.00%	0.000%
The Crescent Textile Mills Limited		-	15,000	-	15,000	-	-	-	-	0.00%	0.00%	0.000%
Interloop Limited		8,000	7,000	120	15,120	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	

Name of Investee Company	Note	As at July 01, 2021	Number of shares				Balance as at June 30, 2022			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
			Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / (diminution)			
----- (Rupees in '000) -----												
Power generation and distribution												
Hub Power Company Limited		26,830	28,000	-	34,830	20,000	1,300	1,363	63	4.61%	5.45%	0.002%
Nishat Power Limited		-	43,000	-	33,000	10,000	190	195	5	0.66%	0.78%	0.003%
Kot Addu Power Co. Limited		-	10,000	-	10,000	-	-	-	-	0.00%	0.00%	0.000%
Saif Power Limited		184	73,000	-	4,684	68,500	1,360	1,428	68	4.83%	5.71%	0.018%
K-Electric Limited**		453	-	-	453	-	-	-	-	0.00%	0.00%	0.000%
							2,850	2,986	136	10.09%	11.93%	
Paper and board												
Century Paper & Board Mills Limited		-	11,000	-	4,000	7,000	446	433	(13)	1.46%	1.73%	0.003%
							446	433	(13)	1.46%	1.73%	
Sugar & Allied Industries												
Shahmurad Sugar Mills Limited		-	8,000	-	8,000	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Pharmaceuticals												
The Searle Company Limited		2,277	-	-	2,277	-	-	-	-	0.00%	0.00%	0.000%
Citi Pharma Limited		-	34,500	-	16,500	18,000	597	588	(9)	1.99%	2.35%	0.008%
Sanofi-Aventis Pakistan Limited		300	-	-	300	-	-	-	-	0.00%	0.00%	0.000%
Highnoon Laboratories Limited		1,650	-	-	1,650	-	-	-	-	0.00%	0.00%	0.000%
							597	588	(9)	1.99%	2.35%	
Glass and Ceramics												
Tariq Glass Industries Limited		-	9,000	-	4,500	4,500	467	467	-	1.58%	1.87%	0.003%
Shabbir Tiles & Ceramics Limited*		10,500	15,000	-	25,500	-	-	-	-	0.00%	0.00%	0.000%
							467	467	-	1.58%	1.87%	
Cable and Electrical Goods												
Emco Industries Limited		12,500	-	-	12,500	-	-	-	-	0.00%	0.00%	0.000%
Waves Singer Pakistan Limited		-	7,500	-	7,500	-	-	-	-	0.00%	0.00%	0.000%
Pakistan Cables Limited		-	1,500	-	1,500	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Automobile Assembler												
Millat Tractors Limited		92	-	-	92	-	-	-	-	0.00%	0.00%	0.000%
Al Ghazi Tractors*		800	600	-	1,400	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Total as at June 30, 2022							25,443	25,026	(417)			
Total as at June 30, 2021							23,199	26,055	2,856			

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

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

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

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
8. DIVIDEND AND MARK-UP RECEIVABLE			
Dividend receivable		19	130
Mark-up receivable on bank account	8.1	210	10
		<u>229</u>	<u>140</u>

8.1 This includes receivable of Rs.0.21 (2021: Rs.0.01) million on balances maintained with United Bank Limited (a related party).

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 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 Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). 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 to the Fund.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
10. SECURITY DEPOSIT			
Deposit with National Clearing Company of Pakistan Limited (NCCPL)		3,500	2,500
Receivable from UBL Fund Managers Limited		1,247	472
Other Receivables		16	-
		<u>4,763</u>	<u>2,972</u>

11. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	11.1	119	182
Amortization during the year		(62)	(63)
		<u>57</u>	<u>119</u>

11.1 This represents all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund which will be amortized by the Fund over a period of five years commencing from May 29, 2018 in accordance with the Trust Deed and the NBFC Regulations.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
12. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	12.1	28	51
Sales tax on remuneration payable	12.2	4	7
Allocated expenses payable		-	1
		<u>32</u>	<u>59</u>

12.1 The Management Company charged remuneration at the rate of 2 percent (June 30, 2021: 2 percent) per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears. This include reimbursement from the management company amounting to Rs.0.472 million.

12.2 Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2021: 13%).

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
13. PAYABLE TO THE TRUSTEE			
Remuneration payable	13.1	3	5
Sales tax on remuneration payable	13.2	-	1
		<u>3</u>	<u>6</u>

13.1 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 the trustee fee for the year ended June 30, 2022 is as follows:

Net assets	Tariff per annum
Up to Rs.1,000 million	0.20% p.a. of net assets of the Fund
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

13.2 Sales tax on the trustee remuneration has been charged at the rate of 13% (2021: 13%)

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

SECP, vide SRO no. 685(I)/2019 dated June 28, 2019, the rate of annual fee at 0.02% (2021: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		June 30, 2022	June 30, 2021
15. ACCRUED AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----	
Auditors' remuneration		435	434
Provision for Sindh Workers' Welfare Fund (SWWF)	15.1	-	242
Brokerage payable		87	56
Legal and professional charges		154	170
Capital gain tax payable		1	629
		<u>677</u>	<u>1,531</u>

15.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

16. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.88% as on June 30, 2022, including 0.39% representing Government Levy and SECP Fee. The maximum limit of 4.5% is prescribed under the NBFC Regulation 60(5) for a collective investment scheme. Accordingly, this ratio for the year has been calculated after adjusting reimbursement of expenses from the management Company of Rs.0.775 million (2021: Rs.0.472 million). This ratio, after excluding the Government Levy and SECP fee is within the maximum limit prescribed under the NBFC Regulation.

17. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (June 30, 2021: Nil).

18. AUDITORS' REMUNERATION

	Note	June 30, 2022	June 30, 2021
18. AUDITORS' REMUNERATION		----- (Rupees in '000) -----	
Annual audit fee		279	254
Half yearly review fee		96	87
Other certification and services		75	68
		<u>450</u>	<u>409</u>
Sales tax		36	33
Out of pocket		20	30
		<u>506</u>	<u>472</u>

19. TAXATION

The income of the Fund is exempt from 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 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as it has incurred a net loss during the year.

20. 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)					
For the year ended June 30, 2022						
Transactions during the year						
Mark-up on bank account	-	236	-	-	-	-
Bank charges	-	10	-	-	-	-
Units issued	35,350	-	-	-	-	-
Units redeemed	6,001	-	-	-	-	-
Central Depository Service expenses (CDS)	-	-	22	-	-	-
Remuneration *	549	-	55	-	-	-
As at June 30, 2022						
Balances held						
Units held (units in '000)	273	-	-	-	-	-
Units held (Rupees in '000)	29,381	-	-	-	-	-
Bank balances	-	173	-	-	-	-
Remuneration payable	32	-	3	-	-	-
Selling and marketing expenses payable	-	-	-	-	-	-
Mark-up receivable	-	209	-	-	-	-
Allocated expenses payable	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Receivable from UBL Fund Managers Limited		1,247				
For the year ended June 30, 2021						
Transactions during the year						
Mark-up on bank account	-	284	-	-	-	-
Bank charges	-	13	-	-	-	-
Units issued	-	-	-	-	-	12,692
Units redeemed	-	-	-	-	-	14,079
Central Depository Service expenses (CDS)	-	-	10	-	-	-
Remuneration *	318	-	79	-	-	-
Allocated expenses by the Management Company	14	-	-	-	-	-
Selling and marketing expense	48	-	-	-	-	-
Purchase of securities	-	1,412	-	-	-	-
Sale of securities	-	2,094	-	-	-	-
As at June 30, 2021						
Balances held						
Units held (units in '000)	-	-	-	-	-	245
Units held (Rupees in '000)	-	-	-	-	-	29,019
Bank balances	-	3,175	-	-	-	-
Remuneration payable	58	-	6	-	-	-
Selling and marketing expenses payable	-	-	-	-	-	-
Mark-up receivable	-	10	-	-	-	-
Allocated expenses payable	1	-	-	-	-	-
Investments	-	1,871	-	-	-	-
Receivable from UBL Fund Managers Limited	-	472	-	-	-	-

* Remuneration for the year is inclusive of sales tax.

21. FINANCIAL RISK MANAGEMENT

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.

The Fund's primary financial assets comprise of balances with banks and at fair value through profit and loss investments, comprising of equity securities of listed companies. The Fund also has dividend receivable, profit receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and SECP and accrued and other liabilities.

21.1 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 equity security prices.

(i) Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

Presently, the Fund does not hold any variable profit based investment.

b) Sensitivity analysis of fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instruments except balances with banks in deposit account exposing the Fund to fair value interest rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in interest rate 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.0.002 (2021: Rs.0.03) million.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

June 30, 2022						
	Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Investments classified as:						
At fair value through profit or loss -						
- Listed equity securities		-	-	-	25,026	25,026
Bank balances	7.3 - 13.5	189	-	-	-	189
Dividend and mark-up receivable		-	-	-	229	229
Security deposit and other receivable		-	-	-	4,763	4,763
		189	-	-	30,018	30,207
Financial liabilities						
Payable to the Management Company		-	-	-	28	28
Payable to the Trustee		-	-	-	3	3
Accrued and other liabilities		-	-	-	640	640
		-	-	-	671	671
On-balance sheet gap						
		189	-	-	29,347	29,536

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2022

June 30, 2021						
	Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Investments classified as:						
At fair value through profit or loss -						
- Listed equity securities		-	-	-	26,055	26,055
Bank balances	5.5 - 7.3	3,191	-	-	-	3,191
Dividend and mark-up receivable		-	-	-	140	140
Security deposit and other receivable		-	-	-	2,972	2,972
		<u>3,191</u>	<u>-</u>	<u>-</u>	<u>29,167</u>	<u>32,358</u>
Financial liabilities						
Payable to the Management Company						
		-	-	-	52	52
Payable to the Trustee		-	-	-	5	5
Accrued and other liabilities		-	-	-	627	627
		<u>-</u>	<u>-</u>	<u>-</u>	<u>684</u>	<u>684</u>
On-balance sheet gap		<u>3,191</u>	<u>-</u>	<u>-</u>	<u>28,483</u>	<u>31,674</u>

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2021

(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, at present, is not exposed to foreign currency risk as all transactions were carried out in Pak Rupee.

(iii) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair value of equity securities. 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 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% 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 7.

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, 2022	June 30, 2021
	(Rupees in '000)	
Income statement	1,251	1,303
Unit holders' fund	1,251	1,303

21.2 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 year. 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 summarizes the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity date.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
June 30, 2022	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	28	-	-	-	28
Payable to the Trustee	3	-	-	-	3
Accrued and other liabilities	87	553	-	-	640
Total liabilities	118	553	-	-	671
June 30, 2021	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	52	-	-	-	52
Payable to the Trustee	5	-	-	-	5
Accrued and other liabilities	56	571	-	-	627
Total liabilities	113	571	-	-	684

21.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Fund's maximum exposure to credit risk as at June 30, 2022:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Bank balances	189	3,191
Dividend and mark-up receivable	229	140
Security deposit and other receivable	4,763	2,972

All deposits with bank and NCCPL are highly rated and risk of default is considered minimal. Investment in equity securities of Rs.25 million is not exposed to credit risk.

The analysis below summarizes the credit quality of the Fund's bank balances as on June 30, 2022

	June 30, 2022	June 30, 2021
	(%)	
Rating by Rating Category		
AAA	91.5	99.5
AA- to AA+	8.5	0.5
Total	100	100

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.

21.4 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.

22. UNIT HOLDERS' FUND

The unit holders' fund is represented by redeemable units. These units are entitled to dividends 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 in the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As mentioned in the Offering Document, the requirements of NBFC Regulations in relation to maintenance of minimum fund size are not applicable to this Fund.

23. Financial instruments by category

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
Total			
Assets			
Bank balances	-	-	189
Investments	-	25,026	-
Dividend and mark-up receivable	-	-	229
Security deposit and other receivable	-	-	4,763
	-	25,026	5,181
			30,207

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
Total			
Liabilities			
Payable to the Management Company	-	-	32
Payable to the Trustee	-	-	3
Accrued and other liabilities	-	-	640
	-	-	675
			675

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
Total			
Assets			
Bank balances	-	-	3,191
Investments	-	26,055	-
Dividend and mark-up receivable	-	-	140
Security deposit and other receivable	-	-	2,972
	-	26,055	6,303
			32,358

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
Total			
Liabilities			
Payable to the Management Company	-	-	59
Payable to the Trustee	-	-	6
Accrued and other liabilities	-	-	627
	-	-	692
			692

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 affect on these financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and 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: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following instruments measured at fair values:

		June 30, 2022			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets measured at fair value					
Equity securities - listed		25,026	-	-	25,026
		June 30, 2021			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets measured at fair value					
Equity securities - listed		26,055	-	-	26,055

During the year ended June 30, 2022, 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.

The Fund has not disclosed the fair values of other 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 their fair values.

25. 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.

26. GENERAL

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

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

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 6th September 2022.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

Ubl Dedicated Equity Fund

	Resolutions	For	Against	Abstain*
Number	3	3	-	-
Percentage	100%	100%	-	-

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

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

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

UFSF

UBL Financial Sector Fund

INVESTMENT OBJECTIVE

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	BDO Ebrahim & Co., Chartered Accountants
Bankers	Allied Bank Limited Soneri Bank Limited United Bank Limited
Management Co.Rating	AM 1 (VIS Credit Rating Company Limited)

Fund Manager's Report – UBL Financial Sector Fund (UFSF)

- i) **Description of the Collective Investment Scheme category and type**
Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector.
- 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**
KSE-100 Index
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UFSF	1.04%	3.44%	-1.34%	9.24%	-0.21%	-3.74%	5.30%	-1.65%	-1.88%	1.82%	-5.35%	-9.48%	-4.08%
Benchmark	-0.64%	0.77%	-5.31%	2.94%	-2.48%	-1.06%	1.75%	-2.01%	1.05%	0.71%	-4.80%	-3.57%	-12.28%

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

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector. During FY22, the fund posted a return of -4.08%. The fund manager maintained the exposure in local equity market of around 95.8% while exposure in cash stood at 1.6% at the end of Jun'22. The net assets of the fund were PKR 1,027mn at the end of Jun'22.

- vi) **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-22	Jun-21
Equities	96%	89%
T-bills	0%	0%
Cash	2%	10%
Others	3%	1%
Leverage	Nil	Nil

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

FY'22 Return:	-4.08%
Standard Deviation (12m trailing):	15.66%
Sharpe Ratio (12m trailing):	(0.91)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
1,027,251	875,498	17.33	71.9471	75.0080	(4.08)

ix) **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**

Stock Market Review

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

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

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 -----	

- 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 the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

- xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	UFSF
0.0001 - 9,999.9999	320
10,000.0000 - 49,999.9999	37
50,000.0000 - 99,999.9999	11
100,000.0000 - 499,999.9999	11
500,000.0000 & Above	6
Total	385

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

There were no unit splits during the period.

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

Investments are subject to 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

UBL Financial Sector Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	1,027,251	875,498	626,295
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A units - Offer	74.3861	77.5508	70.2153
- Redemption	71.9471	75.0080	67.913
RETURN OF THE FUND - %			
Total Return of the Fund	(4.08)	20.69	(15.28)
Capital Growth (per unit)	(4.08)	13.69	(15.28)
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	-	25-Jun-21	-
Income Distribution	-	7.00	-
AVERAGE ANNUAL RETURN - %			
One Year	(4.08)	20.69	(15.28)
Second Year	8.31	2.71	(13.71)
Third Year	0.44	(2.24)	(12.06)
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class A units - Offer	90.2651	90.1611	100.548
Highest price per unit - Class A units - Redemption	87.3054	87.2049	97.2512
Lowest price per unit - Class A units - Offer	73.1397	68.9952	63.0467
Lowest price per unit - Class A units - Redemption	70.7416	66.733	60.9795

* Front-end load @ 3% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	1.6	10.2	1
Equity Securities	95.83	89.1	92
Others	2.57	0.7	7

PORTFOLIO COMPOSITION BY MARKET - %

Equity Market	100.00	100.00	100.00
Debt	-	-	-

Note:

- The Launch date of Fund is 6 April 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.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL FINANCIAL SECTOR 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 UBL Financial Sector 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, 2022 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.

Badinuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Financial Sector Fund

YEAR ENDED: June 30, 2023

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Financial Sector Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saif Mr. Aslam Sadrudin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadrudin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 625 262

✉ info@ublfunds.com

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

www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umar Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadruddin [*]	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed ^{***}	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin [*]	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik ^{**}	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed ^{***}	Member	Non-Executive Director
Syed Farrukh Zaheem ^{****}	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furtekh Zaem****	Member	Non-Executive Director

* Mr. Aslam Sadrudin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sedia Sared has resigned dated July 19, 2022

**** Syed Furtekh Zaem has resigned dated November 17, 2021

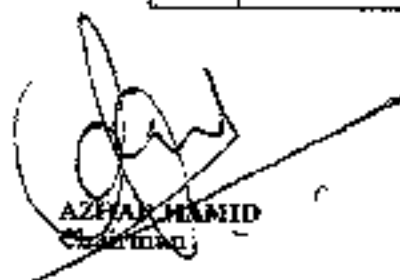
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines or code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


 AZHAR HAMID
 Chairman

Karachi.
 Dated: September 6, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF UBL FINANCIAL SECTOR FUND ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 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, 2019 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of UBL Financial Sector Fund (the Fund) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 of Directors for their review and approval, its related party transactions. 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.

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, 2022.

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 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 2019 (The Code)."

KARACHI

DATED: SEPTEMBER 28, 2022

UDIN: CR20221006712TxoOeML



BDO EBRAHIM & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of UBL Financial Sector Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of 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, 2022, and its financial performance and its cash flows for the year then ended in accordance with approved 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 is the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2022, the investments held by the Fund comprised of equity securities amounting to Rs. 1,003.519 million which represent 95.83% of the total assets of the Fund as at the year end.	Our audit procedures included the following: We evaluated the design and implementation of key controls over investment and tested controls over acquisition, disposals and periodic valuation of investments portfolio.

S.NO	Key audit matter	How the matter was addressed in our audit
	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. Further, the Fund is required to be compliant with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) with respect to investments. In view of the significance of these 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.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at June 30, 2022 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and documented and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. - 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 NBFC Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.

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 Management 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 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, 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

KARACHI

DATED: 26 SEP 2022

UDIN: AR202210067S8yRs3t6p



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UBL FINANCIAL SECTOR FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
ASSETS			
Bank balances	5	16,744	93,113
Investments	6	1,003,519	814,585
Mark-up receivable	7	2,073	579
Deposits and other receivables	8	24,613	5,282
Preliminary expenses and floatation costs	9	184	423
Advance tax	10	40	40
TOTAL ASSETS		<u>1,047,173</u>	<u>914,022</u>
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	18,238	15,335
Payable to Central Depository Company of Pakistan Limited - Trustee	12	199	156
Payable to Securities and Exchange Commission of Pakistan	13	247	214
Accrued expenses and other liabilities	14	1,238	22,819
TOTAL LIABILITIES		<u>19,922</u>	<u>38,524</u>
NET ASSETS		<u>1,027,251</u>	<u>875,498</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,027,251</u>	<u>875,498</u>
CONTINGENCIES AND COMMITMENTS	15		
NUMBER OF UNITS IN ISSUE			
	16	<u>14,277,866</u>	<u>11,672,058</u>
NET ASSETS VALUE PER UNIT			
		<u>71.9471</u>	<u>75.0080</u>

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

**UBL FINANCIAL SECTOR FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
INCOME			
Financial income		4,379	3,562
Dividend income		107,640	102,048
Capital gain on sale of investments - net		3,267	44,868
Unrealised (loss) / gain on remeasurement of investments classified as at fair value through profit or loss	6.1	(144,046)	11,520
Total (loss) / profit		(28,760)	161,998
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	24,729	21,403
Sindh Sales Tax on Management Company's remuneration	11.2	3,215	2,783
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	2,212	1,973
Sindh Sales Tax on Trustee's remuneration		287	257
Annual fee of Securities and Exchange Commission of Pakistan	13.1	247	214
Auditors' remuneration	17	400	341
Brokerage and settlement expenses		3,698	5,045
Allocated expenses		1,236	963
Fees and subscription charges		28	28
Legal and professional charges		193	183
Amortization of preliminary expenses and floatation costs		239	239
Selling and marketing expenses	11.3	23,213	18,482
Total operating expenses		(59,697)	(51,911)
Net (loss) / profit from operating activities		(88,457)	110,087
Reversal / (provision) for Sindh Workers' Welfare Fund	14.1	2,161	(2,161)
Net (loss) / profit for the year before taxation		(86,296)	107,926
Taxation	18	-	-
Net (loss) / profit for the year after taxation		(86,296)	107,926
Allocation of net profit for the year			
Income already paid on units redeemed		-	(21,896)
Net Income available for distribution		-	86,030
Accounting income available for distribution:			
Relating to capital gains		-	52,496
Excluding capital gains		-	33,534
		-	86,030
Earnings per unit	19		

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

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

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

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

**-sd-
Imran Sarwar
Director**

UBL FINANCIAL SECTOR FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees in '000) -----	
Net (loss) / profit for the year	(86,296)	107,926
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(86,296)</u>	<u>107,926</u>

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

For UBL Fund Managers Limited
(Management Company)

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Imran Sarwar
Director

UBL FINANCIAL SECTOR FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,069,867	(194,370)	875,498	859,554	(233,259)	626,295
Issuance of units 16,990,301 units (2021: 27,718,758 units)						
Capital value of units	1,274,409	-	1,274,409	1,882,465	-	1,882,465
Element of income	124,551	-	124,551	360,560	-	360,560
Total proceeds on issuance of units	1,398,960	-	1,398,960	2,243,025	-	2,243,025
Redemption of 14,384,493 units (2021: 25,268,714 units)						
Capital value of units	(1,078,952)	-	(1,078,952)	1,716,075	-	1,716,075
Element of income	(81,960)	-	(81,960)	(3,720,623)	(21,896)	(3,742,519)
Total payments on redemption of units	(1,160,912)	-	(1,160,912)	(2,004,547)	(21,896)	(2,026,443)
Total comprehensive (loss) / income for the year	-	(86,296)	(86,296)	-	107,926	107,926
Distribution for the year ended June 30, 2021 at Rs. 7 per unit	-	-	-	(28,165)	(47,140)	(75,305)
Net assets at the end of the year	1,307,915	(280,666)	1,027,251	1,069,867	(194,370)	875,498
Undistributed loss brought forward comprises of:						
Realised loss		(205,890)	(205,890)		(76,930)	(76,930)
Unrealised gain		11,520	11,520		(156,329)	(156,329)
Total undistributed loss brought forward		(194,370)	(194,370)		(233,259)	(233,259)
Income available for distribution:						
Relating to capital gains		-	-		52,496	52,496
Excluding capital gains		-	-		33,534	33,534
		-	-		86,030	86,030
Distribution for the year ended June 30, 2021 at Rs. 7 per unit		-	-		(47,141)	(47,141)
Net loss for the year		(86,296)	(86,296)		-	-
Undistributed loss carried forward		(280,666)	(280,666)		(194,370)	(194,370)
Undistributed loss carried forward comprises of:						
Realised loss		(136,620)	(136,620)		(205,890)	(205,890)
Unrealised (loss) / gain		(144,046)	(144,046)		11,520	11,520
Total undistributed loss carried forward		(280,666)	(280,666)		(194,370)	(194,370)
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			75.0080			67.9130
Net assets value per unit at the end of the year			71.9471			75.0080

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

UBL FINANCIAL SECTOR FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / profit for the year before taxation	(86,296)	107,926
Adjustments for:		
Financial income	(4,379)	(3,562)
Dividend income	(107,640)	(102,048)
Capital gain on sale of investments - net	(3,267)	(44,868)
Provision for Sindh Workers' Welfare Fund	(2,161)	2,161
Unrealised loss / (gain) on remeasurement of investments classified as at fair value through profit or loss	144,046	(11,520)
	26,599	(159,837)
Cash used in operations before working capital changes	(59,697)	(51,911)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(329,713)	(162,344)
Preliminary expenses and floatation costs	239	239
Deposits and prepayments	(19,332)	34,451
Advance tax	-	(1)
	(348,806)	(127,655)
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	2,903	10,255
Payable to Central Depository Company of Pakistan Limited - Trustee	43	36
Annual fee payable to Securities and Exchange Commission of Pakistan	33	57
Accrued expenses and other liabilities	(19,420)	7,544
	(16,441)	17,892
Profit received on bank balances	2,887	4,238
Dividend received	107,640	102,048
Net cash used in operating activities	(314,417)	(55,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,398,960	2,243,025
Payments against redemption of units	(1,160,912)	(2,004,547)
Income already paid on units redeemed	-	(21,896)
Dividend paid	-	(75,305)
Net cash generated from financing activities	238,048	141,277
Net (decrease) / increase in cash and cash equivalents	(76,369)	85,889
Cash and cash equivalents at the beginning of the year	93,113	7,224
Cash and cash equivalents at the end of the year	16,744	93,113

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

UBL FINANCIAL SECTOR FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Financial Sector Fund (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 February 21, 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on March 12, 2018 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). 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 equity scheme (sector specific) and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units were initially offered to public on IPO dated April 05, 2018 and 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-ended sector (equity) scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential, preferably in financial sector.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the trustee of the Fund.
- 1.6 VIS Credit Rating Company Limited has assigned an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2021.
- 1.7 Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this connection, the Management Company submitted restated Trust Deed of the Fund which was duly registered during the year on August 16, 2021.

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 as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the 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 and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where 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 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 year 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 measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

Provision for taxation

For details please refer notes 4.6 and 18 to these financial statements.

Sindh Workers' Welfare Fund

For details please refer note 14.1 to these financial statements.

Other assets

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

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022 but not relevant to the Fund

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

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 17	Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.

Financial assets	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

4.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 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.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, deposits, loans, advances, other receivables and bank balances.

4.2.3 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.

4.2.4 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.

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.4 Provisions

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

4.5 Collaterals

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

4.6 Taxation

The income of the Fund is exempt from income tax under clause 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 does not account for 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 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 Preliminary expenses and floatation cost

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 five years commencing from the date of plan, in accordance with the Trust Deed of the Fund and NBFC Regulations.

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

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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

- 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.
- Profit on bank balances is recorded on accrual basis.

4.13 Transactions with related parties / connected persons

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

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

	Note	2022 (Rupees in '000)	2021
5 BANK BALANCES			
Cash at bank			
In savings accounts	5.1	<u>16,744</u>	<u>93,113</u>
5.1 Profit rates on these savings accounts range between 5.50% to 10.75% per annum (2021: 5.5% to 6.5% % per annum). This includes an amount of Rs.16.215 million (2021: Rs. 92.585 million) held by a related party (United Bank Limited) on which return in earned at the rates ranging from 5.50% to 10.75 (2021: 5.5% to 6.5% per annum).			

6 INVESTMENTS

Financial assets classified as at fair value through profit or loss

Quoted equity securities	6.1	<u>1,003,519</u>	<u>814,585</u>

6.1 Quoted equity securities

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

Name of investee company	Number of shares				Balance as at June 30, 2022			Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total value of investment	Investment as percentage of paid up capital of investee company
	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss) on revaluation of investments				
	-----Number of shares-----				----- (Rupees in '000) -----						

COMMERCIAL BANKS

Allied Bank Limited		940,950	-	413,500	527,450	39,110	36,394	(2,716)	69,771	4%	4%	0.05%
Bank Al Falah Limited	6.1.1	1,557,697	5,846,247	2,767,455	4,636,489	155,942	148,368	(7,574)	50,127	14%	15%	0.26%
United Bank Limited		1,124,021	1,345,370	693,876	1,775,515	233,973	200,864	(33,109)	137,355	20%	20%	0.15%
Habib Bank Limited	6.1.1	954,776	1,371,000	967,328	1,358,448	162,265	124,081	(38,184)	116,836	12%	12%	0.09%
MCB Bank Limited		378,511	670,921	1,049,367	65	10	8	(2)	60,497	0%	0%	0.00%
Bank Al Habib Limited		1,877,305	478,290	280,355	2,075,240	145,935	120,488	(25,447)	131,637	12%	12%	0.19%
The Bank Of Punjab		57,000	3,918,875	3,975,875	-	-	-	-	479	0%	0%	0.00%
Faysal Bank Limited		13,000	5,747,000	375,000	5,385,000	133,194	124,178	(9,016)	221	12%	12%	0.35%
Habib Metropolitan Bank		1,124,000	746,500	377,500	1,493,000	62,961	58,302	(4,659)	45,634	6%	6%	0.14%
Meezan Bank Limited		944,512	1,298,053	893,594	1,348,971	166,175	152,407	(13,768)	109,006	15%	15%	0.08%
		8,971,772	21,422,256	11,793,850	18,600,178	1,099,565	965,090	(134,475)	721,563	94%	96%	

INSURANCE

Adamjee Insurance Company Limited		2,236,260	360,500	1,574,000	1,022,760	41,833	32,278	(9,555)	92,738	3%	3%	0.29%
IGI Holdings		-	54,000	-	54,000	5,886	5,981	95	-	1%	1%	0.04%
		2,236,260	414,500	1,574,000	1,076,760	47,719	38,259	(9,460)	92,738	4%	4%	

INVESTMENT BANK

Arif Habib Limited		3,500	350	-	3,850	284	171	-113	284	0%	0%	0.01%
		2,239,760	414,850	1,574,000	1,080,610	48,003	38,430	(9,573)	93,022	4%	4%	
Total - June 30, 2022		11,211,532	21,837,106	13,367,850	19,680,788	1,147,565	1,003,519	(144,046)	814,585	98%	100%	
Total - June 30, 2021		10,989,617	23,250,818	23,028,903	11,211,532	803,065	814,585	11,520	595,852	93%	100%	

- 6.1.1 The above securities include 990,000 shares pledged with National Clearing Company of Pakistan Limited having market value (in aggregate) amounting to Rs. 37.021 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	Note	2022 (Rupees in '000)	2021
7	MARK-UP RECEIVABLE		
	Markup receivable on:		
	Savings accounts	2,073	579
8	DEPOSITS AND OTHER RECEIVABLES		
	Security deposit with		
	National Clearing Company of Pakistan		
	Limited	2,500	2,500
	Dividend receivable	2,832	-
	Receivable against sales of shares	16,449	-
	Receivable against issuance of units	-	600
	Receivable from the Management Company	2,832	2,182
		24,613	5,282
9	PRELIMINARY EXPENSES AND FLOATATION COSTS		
	Preliminary expenses and floatation costs	423	662
	Amortisation during the year	(239)	(239)
	Balance as at June 30, 2022	184	423

- 9.1 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 five years commencing from April 06, 2018 as per the requirements set out in the Trust Deed.

10 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, 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 Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. Management Company is confident that the amount will be refunded to the Fund.

	Note	2022 (Rupees in '000)	2021
11	PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY		
Remuneration payable (including Sindh Sales Tax)	11.1 & 11.2	2,128	1,558
Allocated expenses payable		211	634
Selling and marketing expenses payable	11.3	15,595	12,234
Sales load payable		292	899
Conversion charges payable		12	10
		<u>18,238</u>	<u>15,335</u>

11.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. During the year, the Management Company has charged fees at the rate of 2% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

11.3 In accordance with Circular 11 dated July 5, 2019, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except funds of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit of the Fund. During the year, the Management Company has charged the aforementioned expenses, at the rate of 1.93% per annum of the average daily net assets during the year.

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

Trustee fee payable (including Sindh Sales Tax)	12.1 & 12.2	<u>199</u>	<u>156</u>

12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed as per the tariff specified therein, based on the average net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

Earlier the tariff structure applicable to the Fund as at June 30, 2019 was as follows:

Upto Rs. 1 billion	Rs. 0.7 million or 0.20% p.a. of NAV,
On an amount exceeding Rs. 1 billion	Rs. 2.0 million plus 0.10% p.a. of NAV

- 12.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the trustee fee through the Sindh Sales Tax on Services Act, 2011.

	Note	2022 (Rupees in '000)	2021
13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	13.1	247	214
13.1 In accordance with S.R.O. 685 (I)/2019, dated June 28, 2019, the Fund has charged the SECP fees at the rate of the fee to 0.02% of the daily annual net assets. The fee is payable annually in arrears.			
14 ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable against purchase of investments		-	17,234
Auditors' remuneration payable		253	323
Brokerage expense payable		274	707
Capital gains tax payable		326	317
Payable against legal fees and professional charges		83	111
Provision for Sindh Workers' Welfare Fund	14.1	-	2,161
Other payable		301	1,968
		<u>1,238</u>	<u>22,819</u>

14.1 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds amounting to Rs. 2.161 million, for the period from April 06, 2018 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (2021: Nil).

	2022	2021
	----- (Number of units) -----	
16 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	11,672,058	9,222,014
Add: units issued	16,990,301	27,718,758
Less: units redeemed	(14,384,493)	(25,268,714)
Total units in issue at the end of the year	<u>14,277,866</u>	<u>11,672,058</u>

17 AUDITORS' REMUNERATION

Annual audit fee	195	165
Fee for half yearly review	78	66
Fee for the review of compliance with the requirements of the Code of Corporate Governance	37	31
Fee for other certifications / services	40	33
Out of pocket expenses and sales tax	50	46
	<u>400</u>	<u>341</u>

18 TAXATION

The income of the Fund is exempt from 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 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as it has incurred a net loss during the year.

19 EARNINGS PER UNIT

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

20 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 4.83% (after adjusting reimbursement from the Management Company) as on June 30, 2022 and this includes 0.33% representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Equity Fund.

21 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, the financial assets carried on the statement of assets and liabilities are categorised either as 'Amortised cost' or 'at fair value through profit or loss'. The financial liabilities carried on the statement of assets and liabilities are categorised as at amortised cost i.e. liabilities other than 'at fair value through profit or loss'.

Particulars	As at June 30, 2022		
	Amortised cost	Financial assets 'at fair value through profit or loss'	Total

----- Rupees in '000 -----

Financial assets

Bank balances	16,744	-	16,744
Investments	-	1,003,519	1,003,519
Mark-up / interest receivable	2,073	-	2,073
Deposits and other receivables	24,613	-	24,613
	<u>43,430</u>	<u>1,003,519</u>	<u>1,046,949</u>

Particulars	As at June 30, 2022		
	Amortised Cost	Financial liabilities 'at fair value through profit or loss'	Total

----- Rupees in '000 -----

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	17,993	-	17,993
Payable to the Central Depository Company of Pakistan			
Limited - Trustee	176	-	176
Accrued expenses and other liabilities	911	-	911
	<u>19,080</u>	<u>-</u>	<u>19,080</u>

Particulars	As at June 30, 2021		
	Amortised cost	Financial assets 'at fair value through profit or loss'	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	93,113	-	93,113
Investments	-	814,585	814,585
Mark-up / interest receivable	579	-	579
Deposits and other receivables	5,282	-	5,282
	<u>98,974</u>	<u>814,585</u>	<u>913,559</u>

Particulars	As at June 30, 2021		
	Amortised cost	Financial liabilities 'at fair value through profit or loss'	Total
----- Rupees in '000 -----			
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	15,156	-	15,156
Payable to the Central Depository Company of Pakistan Limited - Trustee	138	-	138
Accrued expenses and other liabilities	20,341	-	20,341
	<u>35,635</u>	<u>-</u>	<u>35,635</u>

22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGE

June 30, 2022 (Percentage)

1	EFG Hermes Pakistan Limited	9.14%
2	Topline Securities (Private) Limited	9.06%
3	Optimus Capital Management (Pvt) Limited	8.78%
4	JS Global Capital Limited.	7.48%
5	Alfalah Clsa Securities (Private) Limited	6.49%
6	Intermarket Securities Limited	5.81%
7	DJM Securites Pvt Limited	4.65%
8	AKIK Capital Pvt Ltd	4.29%
9	Al habib Capital Market (Pvt.) Limited	4.24%
10	Alfa Adhi Securities (Pvt.) Limited.	3.44%
		<u>63.39%</u>

June 30, 2021 (Percentage)

1	JS Global Capital Limited	15.42%
2	BMA Capital Management Limited	7.57%
3	Intermarket Securities Limited	7.11%

**June 30, 2021
(Percentage)**

4	Alfalah CLSA Securities (Private) Limited	6.97%
5	DJM Securities (Private) Limited	6.14%
6	ABA Ali Habib Securities (Private) Limited	5.68%
7	Optimus Capital Management (Private) Limited	5.59%
8	Topline Securities (Private) Limited	5.34%
9	EFG Hermes Pakistan Limited	5.25%
10	NAEL Capital (Private) Limited	4.66%
		69.73%

23 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	CEO	26.1	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20.9	CFA, MBA
3	Irfan Nepal	Chief Dealer	28	EMBA, MA
4	Hadi Hassan Muki	Head of Risk Management, Compliance and Quality Assurance	22	B.com (CA Foundation)
5	Mubashir Anis	Head of Equity and Advisor to Equity Sales	10	BSC, CFA
6	Muhammad Ahmed	Deputy Head Research	4	BS, CFA
7	Shabih ul Hasnain	Fund Manager /Senior Research Analyst	4.9	BBA, CFA level II

Mubashir Anis is the Fund Manager of the Fund. He is also the Fund Manager of UBL Stock Advantage Fund, UBL Dedicated Equity Fund and UBL Pakistan Enterprise Exchange Traded Fund.

24 PATTERN OF UNIT HOLDING

Category	June 30, 2022		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	360	2,166,319	15.17%
Associated Companies and Key Executive	5	4,560,993	31.94%
Insurance companies	1	790,199	5.53%
Public limited companies	-	-	0.00%
Retirement funds	13	6,128,704	42.92%
Others	6	631,651	4.42%
	385	14,277,866	100%

Category	June 30, 2021		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	186	1,854,175	15.89%
Associated Companies and Key Executive	10	8,013,646	68.66%
Insurance companies	1	201,321	1.72%
Public limited companies	1	427,005	3.66%
Retirement funds	11	867,130	7.43%
Others	3	308,782	2.65%
	212	11,672,059	100%

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), Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.

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 year end are as follows:

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	(Rupees in '000)					
Transactions during the year ended June 30, 2022						
Units issued (in Units)	3,042,182	41,571	-	-	163,985	-
Units redeemed (in Units)	2,788,225	41,571	-	-	168,186	-
Profit on savings accounts	-	4,351	-	-	-	-
Bank charges	-	51	-	-	-	-
Units issued (in Rupees '000)	249,000	3,286	-	-	13,168	-
Units redeemed (in Rupees '000)	229,171	3,113	-	-	14,219	-
Purchase of equity securities	-	184,800	-	-	-	-
Sale of equity securities	-	90,164	-	-	-	-
Sales load paid	18,725	-	-	-	-	-
Dividend Received	-	28,966	-	-	-	-
Remuneration (including Sindh Sales Tax)	27,944	-	2,212	-	-	-
Allocated expenses	1,236	-	-	-	-	-
Selling and marketing expenses	23,213	-	-	-	-	-
CDS Expense	-	-	64	-	-	-
Transactions during the year ended June 30, 2021						
Units issued (in Units)	5,112	5,696	-	-	419	-
Units redeemed (in Units)	6,522	30	-	-	408	-
Profit on savings accounts	-	3,484	-	-	-	-
Bank charges	-	1	-	-	-	-
Units issued (in Rupees '000)	396,000	470,704	-	-	33,433	-
Units redeemed (in Rupees '000)	510,688	2,360	-	-	32,622	-
Sale of equity securities	-	100,316	-	0	-	-
Sales load paid	1,290	-	-	-	-	-
Dividend paid	-	93,928	-	-	112	-
Remuneration (including Sindh Sales Tax)	24,186	-	2,230	-	-	-
Allocated expenses	963	-	-	-	-	-
Selling and marketing expenses	18,452	-	-	-	-	-
CDS Expense	-	-	66	-	-	-
Balances held as at June 30, 2022						
Units held (in Units)	253,957	8,036,219	-	-	16,518	-
Units held (in Rupees '000)	18,271	578,183	-	-	1,188	-
Bank balances	-	16,215	-	-	-	-
Profit receivable	-	2,043	-	-	-	-
Investments	-	137,355	-	-	-	-
Remuneration payable	2,128	-	199	-	-	-
Allocated expenses payable	211	-	-	-	-	-
Selling and marketing expense payable	15,595	-	-	-	-	-
Sales load payable	292	-	-	-	-	-
Conversion charges payable	12	-	-	-	-	-
Receivable from the Management Company	2,832	-	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	----- (Rupees in '000) -----					
Balances held as at June 30, 2021						
Units held (in Units)	-	14,354	-	-	21	-
Units held (in Rupees '000)	-	1,076,663	-	-	1,554	-
Bank balances	-	92,585	-	-	-	-
Profit receivable	-	577	-	-	-	-
Investments	-	137,355	-	-	-	-
Remuneration payable	1,558	-	156	-	-	-
Allocated expenses payable	634	-	-	-	-	-
Selling and marketing expense payable	12,234	-	-	-	-	-
Sales load payable	899	257	-	-	-	-
Conversion charges payable	10	-	-	-	-	-

26 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	July 21, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	Total meetings attended
Name of Directors:								
Mr. Azhar Hamid	✓	✓	N/A	✓	*	✓	✓	6
Mr. Arif Akmal Saifie	✓	N/A	✓	N/A	✓	✓	✓	5
Mr. Aslam Sadruddin*	N/A	N/A	N/A	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	N/A	6
Mr. Muhammad Rizwan Malik**	N/A	N/A	N/A	N/A	N/A	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	N/A	N/A	N/A	N/A	N/A	N/A	1
Syed Furukh Zaeem****	✓	✓	✓	N/A	N/A	N/A	N/A	3
Name of Key Executives								
Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 1, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

27 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.

27.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio by following the internal guidelines established 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.

27.1.1 Currency risk

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

27.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on 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 is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 5.50% to 10.75% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs 0.16744 million (2021: Rs 0.931 million).

b) Sensitivity analysis for fixed rate instruments

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

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

Particulars	June 30, 2022					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%					
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5 - 10.75	16,744	16,744	-	-	-
Investments		1,003,519	-	-	-	1,003,519
Mark-up / interest receivable		2,073	-	-	-	2,073
Deposits and other receivables		24,613	-	-	-	24,613
Sub total		1,046,949	16,744	-	-	1,030,205
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		17,993	-	-	-	17,993
Payable to the Central Depository Company of Pakistan Limited - Trustee		176	-	-	-	176
Accrued expenses and other liabilities		911	-	-	-	911
Sub total		19,080	-	-	-	19,080
On-balance sheet gap (a)		1,027,869	16,744	-	-	1,011,125
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			16,744	-	-	
Cumulative interest rate sensitivity gap			16,744	-	-	

Particulars	June 30, 2021					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%					
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5 - 6.5	93,113	93,113	-	-	-
Investments		814,585	-	-	-	814,585
Mark-up / interest receivable		579	-	-	-	579
Deposits and other receivables		5,282	-	-	-	5,282
Sub total		913,559	93,113	-	-	820,446
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		15,156	-	-	-	15,156
Payable to the Central Depository Company of Pakistan Limited - Trustee		138	-	-	-	138
Accrued expenses and other liabilities		20,341	-	-	-	20,341
Sub total		35,635	-	-	-	35,635
On-balance sheet gap (a)		877,924	93,113	-	-	784,811
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			93,113	-	-	
Cumulative interest rate sensitivity gap			93,113	-	-	

27.1.3 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 is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as Financial Asset at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations, 2008 also limit investment in individual equity securities of not more than 20% of net assets of the Fund or issued capital of the investee company.

In case of 5% increase / decrease in the fair value of the Fund's equity securities on June 30, 2022, net income for the year would increase / decrease by Rs. 50.176 million (2021: Rs 40.729 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as at 'Fair value through profit or loss'.

27.2 Liquidity risk

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

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

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

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

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

An interval of six working days between the receipt of a redemption request and issuance of units against it 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 year / period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	June 30, 2022		
	Upto three months	More than three months and upto one	Over one year
	Rupees in '000		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	17,993	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	176	-	-
Accrued expenses and other liabilities	911	-	-
Total liabilities	19,080	-	-

Particulars	June 30, 2021		
	Upto three months	More than three months and upto one	Over one year
	Rupees in '000		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	15,156	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	138	-	-
Accrued expenses and other liabilities	20,341	-	-
Total liabilities	35,635	-	-

27.3 Credit risk

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

Management of credit risk

The Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to 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, the NBFC regulations and guidelines given by the SECP from time to time.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

27.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2022:

Balances with banks by rating category

Name of the bank	Rating agency	Balances held by the Fund as at June 30, 2022	Latest available published rating as at June 30, 2022
Rupees in '000			
Allied Bank Limited	PACRA	5	AAA
United Bank Limited	VIS	16,215	AAA
Soneri Bank Limited	PACRA	524	AA-
		<u>16,744</u>	

Balances with banks by rating category

Name of the bank	Rating agency	Balances held by the Fund as at June 30, 2021	Latest available published rating as at June 30, 2021
Rupees in '000			
Allied Bank Limited	PACRA	5	AAA
United Bank Limited	VIS	92,585	AAA
Soneri Bank Limited	PACRA	524	AA-
		<u>93,114</u>	

27.3.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2022	2021
Rating by rating category	----- (Percentage) -----	
AAA	97%	99%
AA-	3%	1%
	<u>100%</u>	<u>100%</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 asset balances are held with a single bank. The management believes that these banks are reputed institution.

28 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:

- Monitor 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.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair value measurements), 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)

As at June 30, 2022, the following financial instruments of the Fund are carried at fair value:

Particulars	Note	June 30, 2022						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		-----Rupees in '000-----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments		1,003,519	-	1,003,519	1,003,519	-	-	1,003,519
		1,003,519	-	1,003,519	1,003,519	-	-	1,003,519
Financial assets not measured at fair value		29.1						
Bank balances		-	16,744	16,744				
Profit / mark-up receivable		-	2,073	2,073				
Deposits and other receivables		-	24,613	24,613				
		-	43,430	43,430				
Financial liabilities not measured at fair value		29.1						
Payable to Management Company		-	17,993	17,993				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	176	176				
Accrued expenses and other liabilities		-	911	911				
		-	19,080	19,080				

Particulars	Note	June 30, 2021						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		-----Rupees in '000-----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments		814,585	-	814,585	814,585	-	-	814,585
		814,585	-	814,585	814,585	-	-	814,585
Financial assets not measured at fair value	29.1							
Bank balances		-	93,113	93,113				
Profit / mark-up receivable		-	579	579				
Deposits and other receivables		-	5,282	5,282				
		-	98,974	98,974				
Financial liabilities not measured at fair value	29.1							
Payable to the Management Company		-	15,156	15,156				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	138	138				
Accrued expenses and other liabilities		-	20,341	20,341				
		-	35,635	35,635				

29.1 Valuation techniques

For level 1 investments at fair value through profit or loss' - 'Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

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

29.2 Transfers during the year

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurements.

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company on 6th September 2022.

31 GENERAL

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

For UBL Fund Managers Limited (Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

Ubl Financial Sector Fund

	Resolutions	For	Against	Abstain*
Number	4	4	-	-
Percentage	100%	100%	-	-

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

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

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

UGIF

UBL Growth and Income Fund

INVESTMENT OBJECTIVE

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Ernst & Young Ford Rhodes, Chartered Accountants
Bankers	Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited JS Bank Limited Khushhali Bank Ltd. MCB Bank Limited National Bank of Pakistan Samba Bank Limited Silk Bank Limited Sindh Bank Limited Summit Bank Limited Telenor Microfinance Bank Limited The Bank of Punjab United Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	A+(f) (VIS)

Fund Manager's Report – UBL Growth and Income Fund (UGIF)

i) Description of the Collective Investment Scheme category and type

Aggressive Fixed Income / Open-end

ii) Statement of Collective Investment Scheme's investment objective

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, longterm, 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

Average of 1 year KIBOR rates.

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UGIF	8.85%	21.41%	6.50%	6.64%	3.48%	9.71%	8.90%	9.78%	10.19%	3.78%	9.35%	12.39%	9.67%
Benchmark	7.80%	7.77%	8.06%	8.97%	9.84%	11.51%	11.44%	10.99%	11.97%	13.43%	14.86%	15.52%	11.01%

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

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted return of 9.67% p.a. during FY22 vs benchmark return of 11.01%. Its fund size stood at PKR 1,434mn at end of Jun22. The weighted average time to maturity of the fund was 0.95 years at the end of FY22. The fund manager decided to take major exposure in Cash and TFCs at the end of FY22.

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 NAV)	Jun-22	Jun-21
Term Finance Certificates/ Sukuks	16%	10%
Commercial Paper	6%	0%
Cash	74%	28%
T-Bills	0%	5%
PIB - Floater	0%	17%
PIB - Fixed	0%	1%
Others	4%	2%
Placements with Banks	0%	7%
Spread Transaction	0%	30%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	9.67%
Standard Deviation (12m trailing):	1.38%
Sharpe Ratio (12m trailing):	(0.41)

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)			Rupees		
1,433,787	1,794,691	(20.11)	85.1156	85.0286	0.10

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

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

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

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

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

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

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

- i) **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 -----		
Jun 27, 2022		128,033	8.1297	93.1583	85.0286

- ii) **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**

The sale of units of UGIF are temporarily suspended w.e.f. 12-10-2011 until further notice. However there will be no restriction on any redemptions / and / or conversion-out requests from UGIF.

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

Range of Units	Number of Investors
	UGIF
0.0001 - 9,999.9999	1,617
10,000.0000 - 49,999.9999	76
50,000.0000 - 99,999.9999	27
100,000.0000 - 499,999.9999	27
500,000.0000 & Above	6
Total	1,753

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

- vi) **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

UBL Growth and Income Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	1,433,787	1,794,689	877,591
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Income units - Offer *	86.5583	86.4741	86.4099
- Redemption	85.1156	85.0286	84.9655
Growth units - Offer	86.5583	86.4741	86.4099
- Redemption **	85.1156	85.0286	84.9655
RETURN OF THE FUND - %			
Total Return of the Fund	9.67	10.85	13.59
Capital Growth (per unit)	0.11	0.08	(0.14)
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	27-Jun-22	28-Jun-21	26-Jun-20
Income Distribution	8.1297	9.1504	11.6753
AVERAGE ANNUAL RETURN - %			
One Year	9.67	10.85	13.59
Second Year	12.22	12.22	10.77
Third Year	10.80	10.80	8.92
Fourth Year	9.40	9.40	8.38
Fifth Year	8.87	8.87	9.12
Sixth Year	9.41	9.41	9.59
Seventh Year	9.77	9.77	10.84

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Income units - Offer *	94.7831	95.7078	98.4239
Highest price per unit - Income units - Redemption *	93.2033	94.1080	96.7787
Highest price per unit - Growth units - Offer *	94.7831	95.7078	98.4239
Highest price per unit - Growth units - Redemption *	93.2033	94.1080	96.7787
Lowest price per unit - Income units - Offer *	86.4701	86.3692	86.4099
Lowest price per unit - Income units - Redemption *	85.0289	84.9255	84.9655
Lowest price per unit - Growth units - Offer *	86.4701	86.3692	86.4099
Lowest price per unit - Growth units - Redemption *	85.0289	84.9255	84.9655

* Front-end load @1.5% 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	74.06	28.20	35.00
Placements & Term Deposit Receipts	0.00	7.20	0.00
TFCs, Sukuks, Government securities, Commercial papers	15.92	32.30	58.00
Spread Transaction	0.00	30.00	-
Others	10.00	2.30	7.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt market	100	100	100

Note:

- The Launch date of Fund is 02 March 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.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GROWTH & 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 UBL Growth & 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, 2022 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.

Badhtuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi; September 26, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2009 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Growth and Income Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Growth and Income Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saifi Mr. Aslam Saddruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saddruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 11 825 262

✉ info@ublfunds.com

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www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saeed
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saeed	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Furrakh Zaem****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furukh Zameen***	Member	Non-Executive Director

* Mr. Aslam Sodruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sadia Farid has resigned dated July 19, 2021

**** Syed Furukh Zameen has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMID
Chairman

Karachi.
Dated: September 6, 2022

To the unitholders of UBL Growth and Income Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of UBL Growth and Income Fund (the Fund) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 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 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 of Directors for their review and approval, its related party transactions. 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.

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 30 June 2022.



Chartered Accountants

Place: Karachi

Date: 30 September 2022

UDIN Number: CR202210191J1K0K9r3Z

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Growth and Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Growth and Income Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, 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
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of debt instruments) held by the Fund represent 96% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund.



Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.
- 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.



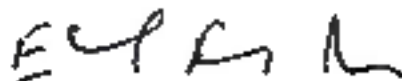
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Karachi

UDIN Number: AR202210191LouvArC×K

UBL GROWTH AND INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
ASSETS			
Bank balances	6	1,111,434	592,261
Investments	7	335,011	1,457,506
Advance tax	8	3,495	3,463
Mark-up receivable	9	25,383	17,243
Deposits, prepayments, dividend and other receivables	10	25,392	27,395
Total assets		1,500,715	2,097,868
LIABILITIES			
Payable to the Management Company	11	8,076	8,134
Payable to the Trustee	12	102	125
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	325	279
Accrued expenses and other liabilities	14	58,425	294,641
Total liabilities		66,928	303,179
NET ASSETS		1,433,787	1,794,689
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,433,787	1,794,689
CONTINGENCIES AND COMMITMENTS	16		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		16,845,170	21,106,895
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		85.1156	85.0286

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GROWTH AND INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
INCOME			
Financial income on:			
- Bank balances		46,248	18,734
- Term deposit receipts		2,244	437
- Government Securities		75,195	54,426
- Term finance certificates / Sukuk		23,637	33,229
- Commercial papers		3,764	-
Dividend income		12,394	2,984
Unrealised gain on revaluation of investments classified as			
'At fair value through profit or loss' - net		2,839	1,052
Gain / (loss) on redemption / sale of investments classified as			
'At fair value through profit or loss' - net		(13,454)	603
Gain / (loss) from spread transactions - net		(212)	23,589
Other income		6,914	2,531
Total income		159,569	137,585
Reversal of provision against debt securities - net	7.7	7,776	35,390
EXPENSES			
Remuneration of the Management Company	11.1	10,597	9,838
Sales tax on management fee	11.2	1,378	1,279
Allocated expenses by the Management Company	11.3	9,401	4,187
Selling and marketing expenses	11.4	7,275	5,589
Remuneration of the Trustee	12.1	1,220	1,048
Sales tax on remuneration of the Trustee	12.2	159	136
Annual fee to SECP	13	325	279
Brokerage and settlement charges		2,062	6,994
Auditors' remuneration	17	292	238
Legal and professional charges		1,982	715
Bank charges and other expenses		305	308
Total expenses		34,996	30,611
Net income for the year from operating activities		132,349	142,364
Reversal /(provision) for Sindh Workers' Welfare Fund (SWWF)	14.2	19,112	(2,794)
Net income for the year before taxation		151,461	139,570
Taxation	18	-	-
Net income for the year after taxation		151,461	139,570
<i>Allocation of net income for the year:</i>			
Net income for the year after taxation		151,461	139,570
Income already paid on units redeemed		(65,371)	(51,526)
		86,090	88,044
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	14,442
- Excluding capital gains		86,090	73,602
		86,090	88,044

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GROWTH AND INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Net income for the year after taxation	151,461	139,570
Other comprehensive income for the year:	-	-
Total comprehensive income for the year	151,461	139,570

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GROWTH AND INCOME FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	151,461	139,570
Adjustments for:		
Financial income	(151,088)	(106,826)
Unrealised (gain) on revaluation of investments classified as 'designated at fair value through profit or loss' - net	(2,839)	(1,052)
(Gain) / loss on maturity / sale of investments classified as 'designated at fair value through profit or loss' - net	13,454	(603)
(Gain) / loss from spread transactions - net	212	(23,589)
Reversal of provision against debt securities - net	(7,776)	(35,390)
(Reversal) / provision for Sindh Workers' Welfare Fund (SWWF)	(19,112)	2,794
	(167,149)	(164,666)
(Increase) / decrease in assets		
Investments	969,444	(703,819)
Advance tax	(32)	369
Advance, deposits and other receivables	2,003	9,515
	971,415	(693,935)
(Decrease) / increase in liabilities		
Payable to the Management Company	(58)	5,844
Payable to the Trustee	(23)	60
Annual fee payable to the SECP	46	(15)
Accrued and other liabilities	(217,104)	238,791
	(217,139)	244,680
Finance income received	142,948	109,307
Net cash generated from operating activities	881,536	(365,044)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	3,378,162	5,393,271
Cash dividend paid to unit holders	(128,033)	(168,332)
Net payment against redemption of units	(3,762,492)	(4,447,411)
Net cash generated from financing activities	(512,363)	777,528
Net increase / (decrease) in cash and cash equivalents	369,173	412,484
Cash and cash equivalents at beginning of the year	742,261	329,777
Cash and cash equivalents at end of the year	1,111,434	742,261
Cash and cash equivalents		
Bank balances	1,111,434	592,261
Term deposit receipts - 3 months	-	150,000
	1,111,434	742,261

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GROWTH AND INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022			June 30, 2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net assets at beginning of the year	2,276,177	(481,488)	1,794,689	1,360,121	(482,530)	877,591
Amount received on issuance of 38,170,338 units (2021: 60,540,771) units						
Capital value	3,245,570	-	3,245,570	5,143,877		5,143,877
Element of income during the year:						
- Relating to net income for the year after taxation	132,592	-	132,592	249,394		249,394
	3,378,162	-	3,378,162	5,393,271		5,393,271
Amount paid on redemption of 42,432,063 units (2021: 49,762,660) units						
Capital value	(3,607,939)	-	(3,607,939)	(4,228,109)		(4,228,109)
Element of income during the year:						
- Relating to net income for the year after taxation	(89,182)	(65,371)	(154,553)	(167,776)	(51,526)	(219,302)
	(3,697,121)	(65,371)	(3,762,492)	(4,395,885)	(51,526)	(4,447,411)
Total comprehensive income for the year	-	151,461	151,461	-	139,570	139,570
Distribution during the year Rs 8.1297 per unit declared on June 27, 2022 as cash dividend (2021: Rs.9.1504 per unit)	(43,244)	(84,789)	(128,033)	(81,330)	(87,002)	(168,332)
Net income / (loss) for the year less distribution	(43,244)	66,672	23,428	(81,330)	52,568	(28,762)
Net assets at end of the year	1,913,974	(480,187)	1,433,787	2,276,177	(481,488)	1,794,689
Undistributed income brought forward:						
- Realised	-	(482,540)	(482,540)	-	(481,083)	(481,083)
- Unrealised	-	1,052	1,052	-	(1,447)	(1,447)
	-	(481,488)	(481,488)	-	(482,530)	(482,530)
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	14,442	14,442
- Excluding capital gains	-	86,090	86,090	-	73,602	73,602
	-	86,090	86,090	-	88,044	88,044
Distribution during the year	-	(84,789)	(84,789)	-	(87,002)	(87,002)
Undistributed loss carried forward	-	(480,187)	(480,187)	-	(481,488)	(481,488)
Undistributed loss carried forward						
- Realised	-	(483,026)	(483,026)	-	(482,540)	(482,540)
- Unrealised	-	2,839	2,839	-	1,052	1,052
	-	(480,187)	(480,187)	-	(481,488)	(481,488)
	--- (Rupees) ---			--- (Rupees) ---		
Net assets value per unit at beginning of the year	85.0286			84.9655		
Net assets value per unit at end of the year	85.1156			85.0286		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

**UBL GROWTH AND INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Growth and Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed, dated December 21, 2004 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont road, Civil lines, Karachi.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act, 2020 for registration. Subsequently on August 27, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an aggressive fixed income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the fund.
- 1.4** The investment objective of the Fund is to investing in medium to long- term fixed income instruments as well as short- tenor money market instruments and seeks to generate competitive, long- term, risk-adjusted returns.
- 1.5** As per the offering document, the Fund shall invest in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, certificates of investments (COIs), marginal trading system (MTS), spread transactions (including spread on equity transactions) and other money market instruments.
- 1.6** VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021 and A+(f) to the Fund on January 13, 2022.
- 1.7** 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. 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 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

4.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, 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 and other purposes.

4.3 Financial assets

4.3.1 Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

4.3.2 Classification

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Subsequent Measurement

Debt instruments at Amortized Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective interest rate.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

4.3.3 Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be

4.4 Derecognition

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

4.5 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.

4.6 Offsetting of financial assets and liabilities

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

4.7 Provisions

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

4.8 Taxation

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

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.

4.9 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

4.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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 circulation at the year end.

4.12 Revenue recognition

- Gain or loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances and government securities is recognised on an effective interest rate method.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 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.

4.15 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.

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

Element of income represents the difference between NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the 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 the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

5. 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)
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
6 BANK BALANCES			
In current accounts	6.1	135	50
In deposit accounts	6.2	<u>1,111,299</u>	<u>592,211</u>
		<u>1,111,434</u>	<u>592,261</u>

6.1 These include a balances of Rs. 0.07 (2021: Rs. 0.05) million held with United Bank Limited, related party, respectively.

6.2 These carry mark-up at the rates ranging between 12.25% to 16.60% per annum (2021:4.50% to 7.85% per annum). This includes a balance of Rs.5.59 million (2021: Rs.98.286 million) and Rs.0.02 million (2021: 0.02 million) held with United Bank Limited and Khushhali Bank Limited (related parties) respectively.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
7 INVESTMENTS			

Investments by Category

Fair value through profit or loss

Government securities - Treasury Bills	7.1	-	97,224
Government securities - Pakistan Investment Bonds	7.2	-	374,719
Quoted Equity securities (Spread Transaction)	7.3	-	629,741
Debt securities - quoted	7.4	50,178	181,981
Debt securities - unquoted	7.4	<u>188,777</u>	<u>23,841</u>
		238,955	1,307,506

At amortised cost

Term Deposit Receipt		-	150,000
Commercial paper	7.5	<u>96,056</u>	<u>-</u>
		96,056	150,000
		<u>335,011</u>	<u>1,457,506</u>

7.1 Government Securities - Treasury Bills - 'At Fair Value Through Profit or Loss'

Government Securities - Treasury Bills - At Fair Value Through Profit or Loss						June 30, 2022				
Particulars	Note	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised Gain	Market value as a % of net assets	Market value as a % of total investments
----- (Number of holding) -----						----- (Rupees in '000) -----			----- % -----	
Market treasury bills - 12 months		-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills - 6 months		1,000,000	1,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills - 3 months		-	107,530,000	107,530,000	-	-	-	-	-	-
June 30, 2022						-	-	-	-	-
June 30, 2021						97,203	97,224	21	5.42%	6.67%

7.2 Government Securities - Pakistan Investment Bonds - 'At Fair Value Through Profit or Loss'

Particulars	Note	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised Gain / (loss)	Market value as a % of net assets	Market value as a % of total investments
----- (Number of holding) -----					----- (Rupees in '000) -----			----- % -----		
Pakistan Investment Bonds - 3 years		1,500,000	14,035,000	15,535,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years		250	-	250	-	-	-	-	-	-
Pakistan Investment Bonds - 10 years		2,000,000	7,500,000	9,500,000	-	-	-	-	-	-
June 30, 2022						-	-	-	-	-
June 30, 2021						375,258	374,719	(539)	20.88%	25.71%

7.3 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at June 30, 2022			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2021	Purchased during the period	Sold during the period	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain			
					(Rupees in '000)			%		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:										
Oil and gas exploration companies										
Oil and Gas Development Company Limited	1,310,000	55,000	1,365,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	324,000	97,500	421,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and gas marketing companies										
Pakistan State Oil Company Limited	63,000	581,500	644,500	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,955,500	1,442,500	3,398,000	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	15,500	39,000	54,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Engineering										
Aisha Steel Mills Limited	626,500	154,000	780,500	-	-	-	-	-	-	-
Amreli Steels Limited	39,500	199,500	239,000	-	-	-	-	-	-	-
International Industries Limited	-	-	-	-	-	-	-	-	-	-
International Steels Limited	210,000	513,500	723,500	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Refinery										
Pakistan Refinery Limited	-	-	-	-	-	-	-	-	-	-
National Refinery Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Commercial banks										
The Bank of Punjab	303,000	-	303,000	-	-	-	-	-	-	-
Habib Bank Limited	92,500	25,000	117,500	-	-	-	-	-	-	-
Bank Alfalah Limited	-	-	-	-	-	-	-	-	-	-
MCB Bank Limited	-	-	-	-	-	-	-	-	-	-
Meezan Bank Limited	-	-	-	-	-	-	-	-	-	-
United Bank Limited	-	135,000	135,000	-	-	-	-	-	-	-
National Bank of Pakistan	1,000	-	1,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Chemical										
Engro Polymer & Chemicals Limited	-	-	-	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Food and personal care products										
Fauji Foods Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at June 30, 2022			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2021	Purchased during the period	Sold during the period	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain			
					----- (Rupees in '000) -----			----- % -----		
Textile composite										
Gul Ahmed Textile Mills Limited	-	-	-	-	-	-	-	-	-	-
Nishat Chunian Limited	51,500	130,000	181,500	-	-	-	-	-	-	-
Nishat Mills Limited	128,500	36,500	165,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Automobile assembler										
Gandhara Industries Limited	-	-	-	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Automobile parts and accessories										
The General Tyre & Rubber Company of Pakistan Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Power generation and distribution										
The Hub Power Company Limited	349,000	108,500	457,500	-	-	-	-	-	-	-
Kot Addu Power Company Limited	616,500	822,500	1,439,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Technology and communication										
Avanceon Limited	-	1,007,000	1,007,000	-	-	-	-	-	-	-
NetSol Technologies Limited	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Fertilizer										
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	-
Engro Corporation Limited	-	-	-	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	1,165,000	-	1,165,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cement										
D.G. Khan Cement Company Limited	887,500	307,000	1,194,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	425,000	200,000	625,000	-	-	-	-	-	-	-
Lucky Cement Limited	-	32,000	32,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,283,000	1,895,000	3,178,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	-	-	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	-	-	-	-	-	-	-	-	-
Pioneer Cement Limited	207,500	65,000	272,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total as at June 30, 2022					-	-	-			
Total as at June 30, 2021					629,120	629,741	621			

7.4 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'
(face value of Rs.5,000 each unless otherwise stated)

Particulars	Note	Number of certificates					Balance as at June 30, 2022			Market	Market value
		As at July 01, 2021	Purchased during the year	Matured during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	value as a % of net assets	as a % of total investments
							----- (Rupees in '000) -----			----- % -----	
<u>Quoted</u>											
Commercial banks											
Samba Bank Limited - TFC (March 01, 2021)		850	-	-	350	500	49,980	50,178	198	3.50%	14.98%
Total debt securities - quoted as at June 30, 2022							49,980	50,178	198		
Total debt securities - quoted as at June 30, 2021							181,641	181,981	340		
<u>Unquoted</u>											
Power Generation and Distribution											
K- Electric Limited		4,000	-	665		3,335	16,933	17,029	96	1.19%	5.08%
Household goods											
New Allied Electronics Industries Limited - TFC (May 15, 2007)		18,000	-	-	-	18,000	18,094	-	-	-	-
Less: Provision for impairment	7.4.1	-	-	-	-	-	(18,094)	-	-	-	-
							-	-	-	-	-
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)		-	-	-	-	-	13,068	-	-	-	-
Less: Provision for impairment	7.4.1	-	-	-	-	-	(13,068)	-	-	-	-
							-	-	-	-	-
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)		10,000	-	-	-	10,000	35,000	-	-	-	-
Less: Provision for impairment	7.4.1	-	-	-	-	-	(35,000)	-	-	-	-
							-	-	-	-	-
Commercial banks											
Bank Alfalah Limited - TFC (January 15, 2021)		5,400	-	-	-	5,400	26,781	24,766	(2,015)	1.73%	7.39%
Bank Al Habib Limited - TFC (September 30, 2021)		-	15,000	-	-	15,000	74,985	77,161	2,176	5.38%	23.03%
Soneri Bank Limited - TFC (July 08, 2015)		10,000	-	-	-	10,000	49,870	51,974	2,104	3.62%	15.51%
							151,636	153,901	2,265	10.73%	45.94%
Jahangir Siddiqui & Co. Ltd. - TFC (July 18, 2017)	7.4.3	10,000	-	-	-	10,000	17,567	17,847	280	1.24%	5.33%
Financial services											
Security Leasing Corporation Limited - Sukuk II (September 19, 2007)		5,000	-	-	-	5,000	5,577	-	-	-	-
Less: Provision for impairment	7.4.1	-	-	-	-	-	(5,577)	-	-	-	-
							-	-	-	-	-
Total debt securities - unquoted as at June 30, 2022							186,137	188,777	2,641		

Total debt securities - unquoted as at June 30, 2021

23,220	23,841	621

Total as at June 30, 2022

236,117	238,955	2,839

Total as at June 30, 2021

204,861	205,822	965

* The nominal value of these TFCs and Sukuks is Rs.100,000 each.

7.4.1 Due to continuous default on repayment of coupon by the issuer, the Fund has classified said investment as non-performing debt securities. The Fund has suspended further accrual of mark-up there against.

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

Name of security	Interest rate per annum	Maturity
Bank Al Habib Limited (September 30, 2021)	6M KIBOR + 0.75%	September 30, 2031
K-Electric Limited (August 03, 2020)	3M KIBOR + 1.70%	August 3, 2027
Bank Alfalah Limited (January 15, 2021)	6M KIBOR + 0.75%	January 15, 2024
Soneri Bank Limited (July 08, 2015)	6M KIBOR + 1.35%	July 8, 2023
Samba Bank Limited (March 01, 2021)	6M KIBOR + 1.35%	March 1, 2031
Jahangir Siddiqui & Co. Ltd. (July 18, 2017)	6M KIBOR + 1.40%	July 18, 2022

7.4.3 During the year the profit payments of this sukkuk were rescheduled resulting in a change of profit payment date from 9 July to 30 June, subsequent profit payments will be made on 6 monthly basis with reference to rescheduled date.

7.5 Commercial Paper - 'At amortised cost'

Name of Investee Company	Issue date	Maturity date	Face Value				Balance as at 30 June 2022
			As at 01 July 2021	Purchased during the year	Matured during the year	As at 30 June 2022	Carrying value
Lucky Electric Power Company Limited	06 May 2022	02 Nov 2022	-	75,000	-	75,000	71,176
Mughal Iron & Steel Industries Limited	26 Jul 2021	21 Jul 2022	-	25,000	-	25,000	24,880
Total as at June 30, 2022			-	100,000	-	100,000	96,056
Total as at June 30, 2021			-	-	-	-	-

7.6 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'
(face value of Rs.5,000 each unless otherwise stated)

Particulars	Note	Number of certificates				Balance as at June 30, 2022			Market value as a % of net assets	Market value as a % of total investments
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain		
						----- (Rupees in '000) -----			----- % -----	
Quoted										
Financial services										
Trust Investment Bank Limited - TFC (July 04, 2008)		23,877	-	-	23,877	44,499				
Less: Provision for impairment	7.6.1					(44,499)				
						-	-	-	-	-
Total debt securities - quoted as at June 30, 2021						-	-	-	-	-
Total debt securities - quoted as at June 30, 2020						-	-	-		
Unquoted										
Household goods										
New Allied Electronics Industries (Private) Limited - TFC (May 15, 2007)		13,000	-	-	13,000	13,068				
Less: Provision for impairment	7.6.1					(13,068)				
						-	-	-	-	-
Chemical										
Agritech Limited - PPTFC (January 14, 2008)		147,000	-	-	147,000	558,988				
Less: Provision for impairment	7.6.1					(558,988)				
						-	-	-	-	-
Agritech Limited - PPTFC (November 30, 2007)		58,000	-	-	58,000	254,223				
Less: Provision for impairment	7.6.1					(254,223)				
						-	-	-	-	-
Agritech Limited - Sukuk (August 06, 2008)		3,800	-	-	3,800	14,453				
Less: Provision for impairment	7.6.1					(14,453)				
						-	-	-	-	-

Particulars	Note	Number of certificates				Balance as at June 30, 2022				
		As at July 01, 2021	Purchased during the year	Sold / matured / written off during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	Market value as a % of net assets	Market value as a % of total investments
						----- (Rupees in '000) -----				
						----- % -----				
Personal goods										
Azgard Nine Limited - PPTFC (December 04, 2007)		33,000	-	33,000	-	49,870				
Less: Provision for impairment						(49,870)				
						-	-	-	-	-
Financial services										
Security Leasing Corporation Limited - Sukuk II (September 19, 2007)		15,000	-	-	15,000	16,451				
Less: Provision for impairment	7.6.1					(16,451)				
						-	-	-	-	-
Total debt securities - unquoted as at June 30, 2022						-	-	-	-	-
Total debt securities - unquoted as at June 30, 2021						-	-	-		

7.6.1 Due to non-recoverability of these investments, the Fund has classified these as non-performing securities and recognized full provision there against.

7.7 REVERSAL OF PROVISION AGAINST DEBT SECURITIES - NET

Pre-IPO placement
Reversal of Provision

Less: Provision for impairment

Note	30 June 2022	30 June 2021
	--- (Rupees in '000) ---	
7.7.1	62,222 (7,776)	60,000
	54,446 (54,446)	60,000 (60,000)
	-	-

7.7.1 This represents Pre-IPO disbursement to Cement Company (the Company) made on January 14, 2008. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement, however, the Company has not yet arranged the IPO. Accordingly, the Management Company decided to suspend mark-up on this placement from October 29, 2008 and has recorded full provision against the said placement (including principal and interest) in accordance with circular no. 33 of 2012 issued by the SECP.

During the year, the Company has paid Rs.13.888 million against the said disbursement out of which Rs.7.776 million and Rs.6.111 million relates to principal and interest respectively. Accordingly, the Management Company has reversed the provision for impairment with the amount received.

7.8 Details of non-compliant investments

Name of non-compliant investment	Type of investment	Note	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying amount as at June 30, 2022	Percentage of total investment	percentage of net assets
						(Number of shares)	(Rupees in '000)		

Azgard Nine Limited	Preference shares	7.8.1	200,000	-	-	200,000	-	-	-

7.8.1 These represents cumulative, non-voting, convertible and redeemable preference shares having a face value of Rs.10 each and carrying a profit rate of 8.95% per annum. These were due for redemption on September 30, 2009 but due to default by the company, management has made full provision of Rs.0.85 million against the outstanding amount.

8. ADVANCE TAX

The income of the fund is exempt under clause 99 of Part I of the Second schedule of the Income Tax Ordinance 2001 and funds are exempt under clause 47(B) of Income Tax Ordinance 2001 from withholding of tax under section 150, 151 and 233 of Income Tax Ordinance 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Income Tax Ordinance, 2001 from Commissioner Inland Revenue. During the year ended 30 June 2016 various withholding agents have deducted advance tax under section 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filling return.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
9. MARK-UP RECEIVABLE			
Mark-up receivable on:			
- Pakistan Investment Bonds		-	6,255
- Term finance certificates and sukuku		10,194	6,975
- Deposit accounts	9.1	15,189	3,939
- Term Deposit Receipt		-	74
		<u>25,383</u>	<u>17,243</u>

9.1 This includes receivable of Rs.1.078 (2021: Rs.0.577) million on balances maintained with United Bank Limited and Rs.1.19 million (2021: Rs.0.0002 million) with Khushhal Bank Limited (related

10. DEPOSITS, PREPAYMENTS, DIVIDEND AND OTHER RECEIVABLES

Advance against NCCPL exposure margin	6,615	6,615
Exposure deposit with National Clearing Company		
Pakistan Limited (NCCPL) - Spread Transactions	4,092	16,549
Security deposit with NCCPL	3,000	3,000
CDC deposit	100	100
Prepaid expenses	140	250
Dividend Receivable	-	516
Other receivables	11,445	365
	<u>25,392</u>	<u>27,395</u>

11. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	11.1	980	1,114
Sales tax on management fee	11.2	127	145
Allocated expenses payable	11.3	1,396	3,552
Selling and marketing expenses payable	11.4	4,329	3,049
Sales load payable		1,149	182
Other payables		95	92
		<u>8,076</u>	<u>8,134</u>

11.1 The Management Company is entitled to remuneration for services rendered to the Fund at the rate of 8% from 01 July 2021 to 04 July 2021 and onward 6.2% of the daily gross earnings with minimum cap of 0.25% and maximum cap of 1.5% of average daily net assets. The remuneration is paid to the Management Company on monthly basis in arrears.

11.2 Sales tax at the rate of 13% (2021:13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

11.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company, based on its own discretion, while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

11.4 In accordance with Regulation 60 of the NBFC Regulations, the AMCs are allowed to charge selling and marketing expenses to all categories of open end mutual funds for the purpose of opening and maintenance of branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels for CIS. Provided that selling and marketing expense may be charged for all categories of funds except fund of funds. The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
12. PAYABLE TO THE TRUSTEE			
Remuneration payable	12.1	91	111
Sales tax on remuneration payable	12.2	11	14
		<u>102</u>	<u>125</u>

12.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2021: 0.075%) per annum of the average daily net assets.

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

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

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the fund is required to pay SECP an amount at the rate of 0.02% (2021: 0.02%) of the average net assets of the fund.

	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021 -----
14. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for indirect duties and taxes	14.1	24,359	24,359
Dividend payable		14,510	22,790
Auditors' remuneration		188	181
Brokerage payable		405	4,780
Withholding tax deducted at source payable		10,085	8,833
Capital gains tax payable		1,192	1,772
Provision for Sindh Workers' Welfare Fund (SWWF)	14.2	-	19,112
Legal and professional charges payable		1,724	98
Transaction charges payable to NCCPL		25	35
Payable against purchase of government securities		-	150,180
Payable against purchase of spread transactions		-	60,843
CDC fee payable to CDC		45	
Zakat Payable		1,162	
Sales load and other payables		4,730	1,658
		<u>58,425</u>	<u>294,641</u>

14.1 Provision for indirect duties and taxes

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are 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 June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 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, 2022 aggregates to Rs.24.36 million (2021: Rs.24.36 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, 2022 would have been higher by Rs.1.45 (2021: Rs.1.15) per unit.

14.2 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, 2014 (SWWF Act) 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 0.50 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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 19.112 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 2.15% as on June 30, 2022 and this includes 0.12% representing Government Levy and SECP Fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an aggressive fixed income scheme.

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (June 30, 2021: Nil).

17. AUDITORS' REMUNERATION

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
Annual audit fee	135	93
Half yearly review fee	59	53
Other certifications and services	32	60
	226	206
Sales tax	18	17
Out of pocket expenses	48	15
	292	238

18. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders as explained above, no provision for taxation has been made in these financial statements during the year.

19. 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, 2022					
Transactions during the year						
Mark-up on bank accounts	-	4,646	-	-	-	-
Units issued	1,022,000	14,800	-	-	17,048	-
Units redeemed	1,129,885	28,909	-	-	22,451	-
Bank charges	-	-	-	-	-	-
Purchase of securities	-	242,300	-	147,401	-	-
Sale of securities	-	238,306	-	-	-	-
Remuneration*	11,975	-	1,379	-	-	-
Expenses allocated by the Management Company	9,401	-	-	-	-	-
Selling and marketing expenses	7,275	-	-	-	-	-
Central Depository Service charges	-	-	132	-	-	-
Dividend paid	-	-	-	-	815	19,136

	June 30, 2021					
Transactions during the year						
Mark-up on bank accounts	-	1,496	-	-	-	-
Units issued	2,044,573	15,070	-	-	36,123	206,424
Units redeemed	1,935,580	-	-	-	21,285	-
Bank charges	-	12	-	-	-	-
Purchase of securities	-	-	-	58,136	-	-
Sale of securities	-	30,189	-	123,378	-	-
Remuneration*	11,117	-	1,184	-	-	-
Expenses allocated by the Management Company	4,187	-	-	-	-	-
Selling and marketing expenses	5,589	-	-	-	-	-
Central Depository Service charges	-	-	244	-	-	-
Dividend paid	9,746	1,336	-	-	2,117	20,847

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	June 30, 2022					
Balances held						
Units held (units in '000)	-	-	-	-	193	2,354
Units held (Rupees in '000)	-	-	-	-	193,026	2,353,897
Bank balances	-	5,657	-	-	-	-
Deposits	-	-	100	-	-	-
Mark-up receivable - bank balances	-	1,078	-	-	-	-
Remuneration payable	1,107	-	102	-	-	-
Expenses allocated by the Management Company	1,396	-	-	-	-	-
Sales load and other payable	1,149	-	-	-	-	-
Selling and marketing	4,329	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
Other payable	95	-	-	-	-	-

	June 30, 2021					
Balances held						
Units held (units in '000)	1,179	162	-	-	251	2,354
Units held (Rupees in '000)	100,284	13,751	-	-	21,365	200,149
Bank balances	-	98,337	-	-	-	-
Deposits	-	-	100	-	-	-
Mark-up receivable - bank balances	-	577	-	-	-	-
Remuneration payable	1,259	-	125	-	-	-
Expenses allocated by the Management Company	3,552	-	-	-	-	-
Sales load and other payable	182	280	-	-	-	-
Selling and marketing	3,049	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
Other payable	92	-	-	-	-	-

* Remuneration for the year is inclusive of sales tax.

		June 30, 2022			
		At fair value	At fair value	At amortised	Total
		through OCI	through profit or loss	cost	
20 Financial instruments by category		----- (Rupees in '000) -----			
Assets					
Bank balances	-	-	1,111,434	1,111,434	
Investments	-	238,955	96,056	335,011	
Mark-up receivable	-	-	25,383	25,383	
Deposits and other receivables	-	-	25,252	25,252	
	-	238,955	1,258,125	1,497,080	

	June 30, 2022			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)			
Liabilities				
Payable to the Management Company	-	-	8,076	8,076
Payable to the Trustee	-	-	102	102
Accrued Expenses and other liabilities	-	-	7,072	7,072
	-	-	15,250	15,250

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)			
Assets				
Balances with banks	-	-	592,261	592,261
Investments	-	1,307,506	150,000	1,457,506
Mark-up receivable	-	-	17,243	17,243
Deposits and other receivables	-	-	27,395	27,395
	-	1,307,506	786,899	2,094,405

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)			
Liabilities				
Payable to the Management Company	-	-	8,134	8,134
Payable to the Trustee	-	-	125	125
Accrued and other liabilities	-	-	217,775	217,775
	-	-	226,034	226,034

21. FINANCIAL RISK MANAGEMENT

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.

The Fund's primary financial assets comprise of balances with banks and at fair value through profit and loss investments, comprising of equity securities of listed companies. The Fund also has dividend receivable, profit receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and SECP and accrued and other liabilities.

21.1 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 other prices.

(i) Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

As at June 30, 2022, the Fund holds variable rate term finance certificates and sukuks which are classified as 'designated at fair value through profit or loss', exposing the Fund to interest 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.2.39 million (2021: Rs.2.06 million).

b) Sensitivity analysis of fixed rate instruments

The Fund's PLS saving accounts are exposed to fixed 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 11.11 (2021: Rs.5.92) million.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

	June 30, 2022					
On-balance sheet financial instruments	Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Up to three months	More than three months			
			and up to one year	More than one year		
Financial assets						
Bank balances	12.25 - 16.6	1,111,299	-	-	135	1,111,434
Investments classified as:						
'at fair value through profit or loss'	9.03 - 16.35	-	-	238,955	-	238,955
Commercial paper		96,056	-	-	-	96,056
Mark-up receivable		-	-	-	25,383	25,383
Deposits and other receivables		-	-	-	25,252	25,252
		1,207,355	-	238,955	50,770	1,497,080
Financial liabilities						
Payable to the Management Company		-	-	-	8,076	8,076
Payable to the Trustee		-	-	-	102	102
Accrued and other liabilities		-	-	-	7,072	7,072
		-	-	-	15,250	15,250
On-balance sheet gap		1,207,355	-	238,955	35,520	1,481,830

June 30, 2021						
On-balance sheet financial instruments	Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		(Rupees in '000)				
Financial assets						
Bank balances	4.5 - 7.85	592,211	-	-	50	592,261
Investments classified as 'at fair value through profit or loss'	4 - 14.704	8,000	110,832	564,933	623,741	1,307,506
Term Deposit Receipt	9	150,000	-	-	-	150,000
Mark-up receivable		-	-	-	17,243	17,243
Deposits and other receivables		-	-	-	27,395	27,395
		<u>750,211</u>	<u>110,832</u>	<u>564,933</u>	<u>668,429</u>	<u>2,094,405</u>
Financial liabilities						
Payable to the Management Company		-	-	-	8,134	8,134
Payable to the Trustee		-	-	-	125	125
Accrued and other liabilities		-	-	-	217,775	217,775
		<u>-</u>	<u>-</u>	<u>-</u>	<u>226,034</u>	<u>226,034</u>
On-balance sheet gap		<u>750,211</u>	<u>110,832</u>	<u>564,933</u>	<u>442,395</u>	<u>1,868,371</u>

There is no off-balance sheet financial instrument that exists as at year ended June 30, 2022 and June 30, 2021.

21.2 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 year. 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.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
<u>June 30, 2022</u>	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	8,076	-	-	-	8,076
Payable to the Trustee	102	-	-	-	102
Accrued and other liabilities	6,902	170	-	-	7,072
Total liabilities	<u>15,080</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>15,250</u>
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
<u>June 30, 2021</u>	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	8,134	-	-	-	8,134
Payable to the Trustee	125	-	-	-	125
Accrued and other liabilities	217,594	164	-	-	217,758
Total liabilities	<u>225,853</u>	<u>164</u>	<u>-</u>	<u>-</u>	<u>226,017</u>

21.3 Credit risk

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

	June 30, 2022 --- (Rupees in '000) ---	June 30, 2021
Bank balances	1,111,434	592,261
Term finance certificates and sukuks	142,899	205,822
Commercial papers	96,056	-

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

Investment in Government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarizes the credit quality of the Fund's portfolio in total as on June 30, 2022 and June 30, 2021:

Bank balances by rating category

AAA	73.26%	3.12%
AA- to AA+	26.58%	96.86%
A- to A+	0.16%	0.02%
Others	0.00%	0.00%
Total	100%	100%

Term finance certificates and sukuks by rating category

AAA	30.43%	13.01%
AA- to AA+	54.06%	62.75%
A- to A+	15.51%	24.24%
Others	0.00%	0.00%
	100%	100%

Commercial papers by rating category

AA- to AA+	100%	0%

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.

21.4 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 behavior. 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.

21.5 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.

22. 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).

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

As at June 30, 2022 and June 30, 2021, the Fund held the following instruments measured at fair values:

	Fair value			Total
	Level 1	Level 2	Level 3	
<u>June 30, 2022</u>	----- (Rupees) -----			
Financial assets measured at fair value through profit or loss				
Debt securities	50,178	188,777	-	238,955
	50,178	188,777	-	238,955

	Fair value			Total
	Level 1	Level 2	Level 3	
<u>June 30, 2021</u>	----- (Rupees) -----			
Financial assets measured at fair value through profit or loss				
Government securities	-	471,943	-	471,943
Quoted Equity securities	629,741	-	-	629,741
Debt securities	181,981	23,841	-	205,822
	<u>811,722</u>	<u>495,784</u>	<u>-</u>	<u>1,307,506</u>

During the year ended June 30, 2022, 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.

The Fund has not disclosed the fair values of other 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 their fair values.

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

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

22.1.2 Investments in term finance and 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.

23. 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.

24. GENERAL

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

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 6th September 2022 by the Board of Directors of the Management Company.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UGSF

UBL Government Securities Fund

INVESTMENT OBJECTIVE

The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	EY Ford Rhodes, Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited National Bank of Pakistan Limited Zarai Taraqiati Bank Limited Soneri Bank Limited
Management Co. Rating	AM1 (VIS)
Fund Rating	AA(f) (VIS)

Fund Manager's Report – UBL Government Securities Fund (UGSF)

- i) **Description of the Collective Investment Scheme category and type**
Income / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.
- 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**
Average of 6M PKRV rates.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UGSF	7.14%	24.07%	3.13%	5.45%	-0.26%	7.99%	11.82%	9.88%	6.84%	7.51%	10.44%	10.64%	9.10%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted return of 9.1% p.a as compared to benchmark return of 10.67% thus underperforming the benchmark by 157bps. Its net assets were PKR 1,115 mn and weighted average maturity of the Fund was decreased to 0.00 years by the end of FY22. The Fund's exposure was mainly invested in PIB Floater at the end of FY22.

- 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-22	Jun-21
Placements with banks	0%	4%
PIB - Floater	0%	50%
PIB - Fixed	0%	1%
GOP Ijarah Sukuk	0%	0%
Reverse Repo	0%	0%
T-Bills	0%	0%
Cash	98%	45%
Others	2%	1%
Leverage	Nil	Nil

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

FY'22 Return:	9.10%
Standard Deviation (12m trailing):	1.49%
Sharpe Ratio (12m trailing):	(0.76)

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
1,114,834	2,035,247	(45.22)	105.8555	105.7783	0.07

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**

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

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

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

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

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

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

- 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>		
30-Jul-21		12,032	0.6094	106.3877	105.7783
27-Aug-21		45,866	2.0456	107.8239	105.7783
23-Sep-21		7,471	0.3328	106.1111	105.7783
29-Oct-21		10,092	0.5234	106.3017	105.7783
28-Jan-22		21,393	1.6181	107.3964	105.7783
25-Feb-22		15,839	0.9004	106.6787	105.7783
25-Mar-22		7,702	0.5294	106.3077	105.7783
29-Apr-22		9,523	0.7796	106.5579	105.7783
27-May-22		9,817	0.8402	106.6185	105.7783
28-Jun-22		10,485	1.0033	106.7816	105.7783

- 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
	UGSF
0.0001 - 9,999.9999	2,973
10,000.0000 - 49,999.9999	138
50,000.0000 - 99,999.9999	18
100,000.0000 - 499,999.9999	15
500,000.0000 & Above	2
Total	3,146

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

There were no unit splits during the period.

xv) Disclosures of circumstances that materially affect any interests of unit holders

Investment are subject to market risk.

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

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

PERFORMANCE TABLE**UBL Government Securities Fund**

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	1,114,834	2,035,248	3,156,763
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer *	107.0517	106.9736	106.8166
- Redemption	105.8555	105.7783	105.6231
RETURN OF THE FUND - %			
Total Return of the Fund	9.10	5.60	14.82
Capital Growth (per unit)	0.42	0.29	0.50
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	Year Ended 30-June-2022	Year Ended 30-June-2021	Year Ended 30-June-2020
Income Distribution	9.1822	5.6117	15.84
AVERAGE ANNUAL RETURN - %			
One Year	9.10	5.60	14.82
Second Year	7.35	10.21	9.03
Third Year	9.84	9.32	7.97
Fourth Year	9.27	8.17	8.17
Since inception	7.39	7.69	7.92
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	109.0423	107.5397	122.6172
Highest price per unit - Class C units - Redemption	107.8239	106.3381	121.2471
Lowest price per unit - Class C units - Offer	106.541	106.7858	106.8166
Lowest price per unit - Class C units - Redemption	105.3505	105.5926	105.6231
* Front-end load @1% is applicable			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	98	45	15
Placements and Term Deposit Receipts	-	4	-
Government securities	0	51	40
Others	2	1	45
PORTFOLIO COMPOSITION BY MARKET - %			
Debt market	100.00	100.00	100.00

Note:

- The Launch date of Fund is 27 July 2011

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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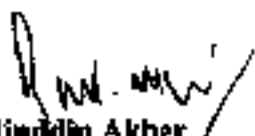
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GOVERNMENT SECURITIES FUND

**Report of the Trustee pursuant to Regulation 41(b) 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 UBL Government Securities 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, 2022 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.


Radiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022





STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Government Securities Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open and collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Government Securities Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 Hameed (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saif Mr. Aslam Sadruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

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7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saife
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Unsir Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saife	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Farukh Zaem****	Member	Non-Executive Director



c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Sadiq	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Razaq Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrukh Zameer****	Member	Non-Executive Director

* Mr. Asim Sabiruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Razaq Malik was appointed as a director with effect from February 7, 2022

*** Mr. Sadia Saeed has resigned dated July 19, 2021

**** Syed Furrukh Zameer has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.



19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMEED
 Chairman

Karachi.
 Dated: September 6, 2022

To the unitholders of UBL Government Securities Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of UBL Government Securities Fund (the Fund) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 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 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 of Directors for their review and approval, its related party transactions. 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.

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 2022.



Chartered Accountants

Place: Karachi

Date: 30 September 2022

UDIN Number: CR202210191uHMKb9hJQ

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Government Securities Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Government Securities Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, 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
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of debt instruments) held by the Fund represent 98% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.



- 2 -

Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.
- 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 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

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2021 were audited by another firm of Chartered Accountants, whose audit report dated 23 September 2021, expressed an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditors' report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Karachi

UDIN Number: AR202210191W75uHgekB

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

		June 30, 2022	June 30, 2021
	Note	(Rupees in '000)	
ASSETS			
Bank balances	6	1,160,028	1,642,718
Investments	7	1,025	2,026,992
Mark-up receivable	8	7,825	12,649
Prepayments and other receivables	9	5,210	715
Advance tax	10	5,180	5,180
TOTAL ASSETS		1,179,268	3,688,254
LIABILITIES			
Payable to the Management Company	11	2,694	4,558
Payable to the Trustee	12	70	158
Payable to Securities and Exchange Commission of Pakistan	13	347	860
Accrued expenses and other liabilities	14	61,323	1,647,430
TOTAL LIABILITIES		64,434	1,653,006
NET ASSETS		1,114,834	2,035,248
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		1,114,834	2,035,248
CONTINGENCIES AND COMMITMENTS			
	15	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		10,531,659	19,240,687
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		105.8555	105.7783

The annexed notes from 1 to 26 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GOVERNMENT SECURITIES FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

		June 30, 2022	June 30, 2021
Note		----- (Rupees in '000) -----	
Income			
	16	168,802	344,510
		(19,047)	(55,503)
	7.2	(51)	(961)
		176	1,539
Total income		149,880	289,585
Expenses			
	11.1	18,710	43,735
	11.2	2,432	5,686
	12.1	1,091	3,160
	12.2	53	-
	18	6,252	4,302
	13.1	347	860
	17	320	354
		404	1,474
		207	581
		309	310
		72	130
Total operating expenses		30,197	60,592
Net income from operating activities		119,683	228,993
Reversal / (provision) for Sindh Workers' Welfare Fund	14.2	31,057	(4,493)
Net income for the year before taxation		150,740	224,500
Taxation	19	-	-
Net income for the year after taxation		150,740	224,500
Allocation of net income for the year			
Net income for the year after taxation		150,740	224,500
Income already paid on units redeemed		(61,280)	(114,543)
Net income for the year available for distribution		89,460	109,957
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		89,460	109,957
		89,460	109,957
Earnings per unit	26.2		

The annexed notes from 1 to 26 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	150,740	224,500
Adjustments for:		
Financial income	(168,802)	(344,510)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	51	961
Capital loss / (gain) on sale of investments - net	19,047	55,503
(Reversal) / provision for Sindh Workers' Welfare Fund	(31,057)	4,493
	(180,761)	(283,553)
Cash used in operations before working capital changes	(30,021)	(59,053)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	1,856,869	(490,593)
Prepayments and other receivables	(4,495)	1,457,330
Advance tax	0	(4)
	1,852,374	966,733
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,864)	(250)
Payable to the Trustee	(88)	(45)
Annual fee payable to Securities and Exchange Commission of Pakistan	(513)	356
Accrued expenses and other liabilities	(1,555,050)	1,252,244
	(1,557,515)	1,252,305
Profit received on bank balances and investments	173,626	429,259
Net cash generated from / (used in) operating activities	438,464	2,589,244
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	8,856,643	28,453,603
Payments against redemption of units	(9,777,574)	(29,580,984)
Dividend paid	(150,223)	(218,634)
Net cash (used in) / generated from financing activities	(1,071,154)	(1,346,015)
Net cash generated from / (used in) financing activities	(632,690)	1,243,229
Cash and cash equivalents at the beginning of the year	1,792,718	549,489
Cash and cash equivalents at the end of the year	1,160,028	1,792,718
CASH AND CASH EQUIVALENTS		
Bank balances	1,160,028	1,642,718
Term deposit receipts	-	150,000
	1,160,028	1,792,718

The annexed notes from 1 to 26 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
Net income for the year	150,740	224,500
Other comprehensive income	-	-
Total comprehensive income for the year	<u>150,740</u>	<u>224,500</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Rizwan Malik
Director

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,831,551	203,697	2,035,248	2,952,966	203,797	3,156,763
Issuance of units: 83,100,496 (2021: 268,263,549 units)						
Capital value	8,790,229	-	8,790,229	28,334,830	-	28,334,830
Element of income	66,414	-	66,414	118,773	-	118,773
Total proceeds on issuance of units	8,856,643	-	8,856,643	28,453,603	-	28,453,603
Redemption of units: 91,809,524 (2021: 278,909,907 units)						
Capital value	(9,711,455)	-	(9,711,455)	(29,459,331)	-	(29,459,331)
Element of loss	(4,839)	(61,280)	(66,119)	(7,110)	(114,543)	(121,653)
Total payments on redemption of units	(9,716,294)	(61,280)	(9,777,574)	(29,466,441)	(114,543)	(29,580,984)
Total comprehensive income for the year	-	150,740	150,740	-	224,500	224,500
Distributions during the year (Note 25)	(61,451)	(88,772)	(150,223)	(108,577)	(110,057)	(218,634)
	(61,451)	61,968	517	(108,577)	114,443	5,866
Net assets at the end of the year	910,449	204,385	1,114,834	1,831,551	203,697	2,035,248
Undistributed income brought forward comprises of:						
Realised gain		204,658	204,658		204,026	204,026
Unrealised loss		(961)	(961)		(229)	(229)
Total undistributed income brought forward		203,697	203,697		203,797	203,797
Income available for distribution:						
Relating to capital gains		-	-		-	-
Excluding capital gains		89,460	89,460		109,957	109,957
		89,460	89,460		109,957	109,957
Distributions during the year:		(88,772)	(88,772)		(110,057)	(110,057)
Undistributed income carried forward		204,385	204,385		203,697	203,697
Undistributed income carried forward comprises of:						
Realised gain		204,436	204,436		204,658	204,658
Unrealised loss		(51)	(51)		(961)	(961)
Total undistributed income carried forward		204,385	204,385		203,697	203,697
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		105.7783			105.6231	
Net assets value per unit at the end of the year		105.8555			105.7783	

The annexed notes from 1 to 26 form an integral part of these financial statements

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL GOVERNMENT SECURITIES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Government Securities Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was previously registered under the "Trust Act, 1882". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act on August 13, 2021. The Trust Deed was executed on May 19, 2011 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on July 07, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. 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 Fund commenced its operations from July 07, 2011.
- 1.4** The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.
- 1.5** VIS Credit Rating Company Limited has assigned an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021 and a stability rating of "AA(f)" to the Fund as at January 13, 2021.
- 1.6** 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. 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.

3. BASIS OF PREPARATION

3.1 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

4.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, 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 and other purposes.

4.3 Financial assets

4.3.1 Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

4.3.2 Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss (FVTPL):

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

A debt instrument is measured at fair value through other comprehensive income (FVOCI) only if it meets both of the following conditions and is not designated as FVTPL:

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

A debt instrument held for trading purposes is classified as measured at FVTPL.

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

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

4.3.3 Subsequent Measurement

Debt instruments at amortised cost

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

Debt instruments at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Debt instruments at fair value through other comprehensive income

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

4.3.4 Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

4.3.5 Derecognition

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

4.3.6 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.4 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.

4.5 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 to realise the assets and settle the liabilities simultaneously.

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 the obligation can be made. Provisions, if any, 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 as cash dividend.

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.

4.8 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

4.9 Issue 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 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 circulation at the year end.

4.11 Revenue recognition

- Gain or loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit / mark-up on bank balances and government securities is recognised on an effective interest rate method.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.13 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.

4.14 Foreign currency transactions

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

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

Element of income represents the difference between NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the 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 the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

5. 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)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
AIP IAS 41 Agriculture -Taxation in fair value measurements	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

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.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

		June 30, 2022	June 30, 2021
6. BANK BALANCES	Note	----- (Rupees in '000) -----	
Current accounts		7	8
Saving accounts	6.1	<u>1,160,021</u>	<u>1,642,710</u>
		<u>1,160,028</u>	<u>1,642,718</u>

6.1 Profit rates on these savings accounts range from 12.25% to 16.60% per annum (June 30, 2021: 5.50% to 7.85% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 12.2 million (June 30, 2021: Rs. 5.644 million).

		June 30, 2022	June 30, 2021
7. INVESTMENTS	Note	----- (Rupees in '000) -----	
Investments by Category			
'At fair value through profit or loss'			
Government Securities - Market Treasury Bills	7.1	-	-
Government Securities - Pakistan Investment Bonds	7.2	1,025	1,876,992
'At amortised cost'			
Term Deposit Receipts	7.3	<u>-</u>	<u>150,000</u>
		<u>1,025</u>	<u>2,026,992</u>

7.1 Government Securities - Treasury Bills - 'At Fair Value Through Profit or Loss'
(Certificates having a nominal value of Rs.100,000 each)

				June 30, 2022				
As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30,2022	Carrying value	Market value	Unrealised loss	Market value as a % of net assets	Market value as a % of total investments
(Number of holding)				(Rupees in '000)			%	
Market Treasury Bills - 12 months	-	7,000	7,000	-	-	-	-	-
Market Treasury Bills - 6 months	-	34,800	34,800	-	-	-	-	-
Market Treasury Bills - 3 months	-	23,000	23,000	-	-	-	-	-
Total as at June 30, 2022				-	-	-	-	-
Total as at June 30, 2021				-	-	-		

7.2 Government Securities - Pakistan Investment Bonds - 'At Fair Value Through Profit or Loss'
(certificates having a nominal value of Rs.100 each)

					June 30, 2022				
Note	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30,2022	Carrying value	Market value	Unrealised (loss) / gain	Market value as a % of net assets	Market value as a % of total investments
(Number of holding)					(Rupees in '000)			%	
Pakistan Investment Bonds									
	2,690,000	2,595,000	5,285,000	-	-	-	-	0.00%	0.00%
Bonds - 10 years									
Bonds - 5 years	7.2.1	3,510,000	3,505,000	7,010,000	5,000	476	424	(52)	0.03%
Bonds - 3 years	7.2.1	12,576,000	28,205,000	40,775,000	6,000	600	601	1	0.05%
Total as at June 30, 2022					1,076	1,025	(51)	0.08%	0.08%
Total as at June 30, 2021					1,876,031	1,876,992	961		

7.2.1 Significant terms and conditions of Pakistan Investment bonds outstanding at the year end are as follows:

Floating rate Instruments

Bonds - 3 years

Issue Date	Number of bonds	Face value (Par value Rs: 100)	Interest rate (Per annum)	Maturity Date
18-Jun-20	6,000	600,000	15.40%	19-Jun-23

Fixed rate Instruments

Bonds - 5 years

Issue Date	Number of bonds	Face value (Par value Rs: 100)	Interest rate (Per annum)	Maturity
15-Oct-20	5,000	500,000	7.50%	15-Oct-25

7.3 Term deposit receipt

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value			
				As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022
				Rupees in '000			
Allied Bank Limited	9.00%	29-Jul-21	AAA	150,000	-	150,000	-
Habib Bank Limited	8.75%	22-Oct-21	AAA	-	50,000	50,000	-
Habib Bank Limited	8.75%	25-Oct-21	AAA	-	150,000	150,000	-
Total as at June 30, 2022				150,000	200,000	350,000	-
Total as at June 30, 2021				-	150,000	-	-

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
8 MARK-UP RECEIVABLE			
Markup / interest receivable on:			
Savings accounts	8.1	7,813	3,352
Pakistan Investment Bonds		12	9,223
Term Deposit Receipts		-	74
		<u>7,825</u>	<u>12,649</u>

- 8.1** This amount include receivable from United Bank Limited (a related party) of Rs.0.136 million as at June 30, 2022 (2021: Rs.0.0124 million).

		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
9 PREPAYMENTS AND OTHER RECEIVABLES			
Prepaid credit rating fees		65	66
Prepaid expense		1	-
Receivable against issuance of units		4,293	649
Other receivable		851	-
		<u>5,210</u>	<u>715</u>

10 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, 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 of refund application.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
11 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	11.1	1,189	2,117
Sales tax on remuneration	11.2	155	275
Sales load payable		327	340
Conversion charges	18	181	175
Back office expense		825	1,634
Other payable		17	17
		<u>2,694</u>	<u>4,558</u>

11.1 As per the regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund calculated on a daily basis with a floor and cap of 1% and 1.25% on average daily net assets, respectively.

11.2 Sindh Sales Tax has been levied at 13% on the management fee charged during the year.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
12 PAYABLE TO THE TRUSTEE			
Trustee fee payable	12.1	62	140
Sales tax on trustee fee	12.2	8	18
		<u>70</u>	<u>158</u>

12.1 Effective from 1st October 2021, the Trustee is entitled to a monthly remuneration out of the Fund property based on an annual tariff of 0.055% p.a of net assets. The fee is payable monthly in arrears.

Earlier than that, the tariff structure applicable to the Fund was revised to 0.060% p.a of the Net Assets as per the notification CDC/CEO/L-112/02/2019, dated June 27, 2019, effective from July 1, 2019.

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

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	13.1	<u>347</u>	<u>860</u>

13.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorised as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the scheme. The fee is payable annually in arrears.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
14 ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable against purchase of investments		-	1,559,809
Federal Exercise Duty payable	14.1	52,558	52,558
Provision for Sindh Workers' Welfare Fund	14.2	-	31,057
Zakat deducted at source payable		347	210
Capital gains tax payable		1,196	824
Auditors' remuneration payable		278	252
Brokerage expense payable		318	380
Sales load payable	14.3	127	1,570
Payable against legal expenses and		98	99
Withholding tax payable		5,770	603
Other payables		631	68
		<u>61,323</u>	<u>1,647,430</u>

- 14.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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.

During the year ended June 30, 2017, 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.

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. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 4.99 per unit (June 30, 2021: Rs. 2.73 per unit).

14.2 Provision For Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year ended June 30, 2022, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 31.057 million, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

- 14.3** This includes sales load payable to United Bank Limited and Al-Ameen Islamic Financial Services (Private) Limited amounting to Rs. 0.117 million (June 30, 2021: Rs. 1.506 million) and Rs. 0.07 million (June 30, 2020: Rs. 0.064)

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingency:

Collective Investment Schemes (CIS) are required to withhold tax being a withholding tax agent as it is a prescribed person under sub section 7 of section 153 of Income Tax Ordinance 2001 (Ordinance) and is required to deduct and deposit withholding tax on payments made by the CIS under the various tax provisions of the ordinance.

During the year ended June 30, 2019, Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice for tax year 2016 dated November 14, 2018 claiming that CIS failed to deduct and deposit withholding tax on payments made by the CIS. Tax counsel on behalf of the CIS responded to show cause notice along with reconciliation and supporting evidence/records on November 23, 2018; however, after change of jurisdiction, the Assessing Officer (AO) without looking into the details already available on the record, passed an ex-parte Order under section 161, 205 & 182 of the Ordinance dated November 29, 2019 whereby an arbitrary demand of Rs.83.413 million including default surcharge of Rs.8.204 million and Penalty of Rs.6.837 million was created against the Fund.

Aggrieved from the order of AO the CIS filed an appeal before the Learned Commissioner Inland Revenue (Appeals-III) (CIR(A)), Karachi on both legal & factual grounds dated December 30, 2019. The said appeal was listed for hearing on January 07, 2021. The Learned CIR(A) vide Appellate Order dated January 15, 2021 annulled the Monitoring Order and remanded the matter to the AO with the direction to pass speaking and judicious order after providing sufficient opportunity of being heard.

In pursuance thereof, appeal effect monitoring proceedings under section 124 & 129 read with sections 161, 205 and 182 of the Ordinance were initiated by the DCIR, which was duly complied with and provided reconciliation along with all supporting documents and records.

The DCIR passed Appeal Effect Monitoring Order under section 124 & 129 read with Sections 161, 205 and 182 of the Ordinance dated December 31, 2021 whereby a default of Tax under section 161 amounting to Rs.4.03 million at rate of 25% under section 150 of the Ordinance along with Default Surcharge of Rs.2.418 million under section 205 and Penalty of Rs.0.403 million under section 182 was created on the alleged ground that no appropriate explanation or documentary evidence (i.e. exemption certificates) in respect of identified parties (as reproduced in the impugned Appeal Effect Order) was furnished by the Fund.

The said Appeal Effect Order was further challenged in appeal before the Learned Commissioner Inland Revenue (Appeals-III), Karachi on both legal and factual grounds. On February 23, 2022, the Learned Appellate Commissioner remanded the matter to DCIR for re-examination / re-verification by holding that the parties / entities as identified in the Appellate Order were not eligible for grant of exemption from withholding tax u/s 150 of the Ordinance as their exemption certificates do not reflect the name of the CIS as withholding agent; whereas confirmed the chargeability of Default Surcharge u/s 205 and deleted the penalty. Further appeal against the said Appellate Order was filed by the CIS before the Learned Appellate Tribunal Inland Revenue on March 8, 2022. No date of hearing has been communicated till date. The Management Company is confident that the outcome of the appeal will be in favor of the CIS.

During the year, Deputy Commissioner Inland Revenue (DCIR) issued a show-cause notice for the tax years 2017 and 2018 dated December 20, 2021, claiming that CIS failed to deduct and deposit withholding tax on payments made by the CIS. On March 30, 2022, DCIR issued orders, based on the reply submitted by our tax advisor, demanding tax amounting to Rs 151,553 and Rs 527,227 for the tax years 2017 and 2018 respectively. DCIR's orders were based on factual inaccuracies; therefore, the CIS filed appeals for tax year 2017 and 2018 with Commissioner (Appeals) against the said orders. As a matter of abundant caution and on the advice of our tax advisor legal counsel, payment against the said orders was made; however, no provision is made in these annual financial statements as the Management Company is confident that the outcome of the appeals will be in favor of the CIS.

15.2 Commitments:

There were no commitments as at June 30, 2022 (June 30, 2021: Nil).

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
16 FINANCIAL INCOME		
Markup / interest income on:		
Bank balances	27,545	34,375
Term deposit receipts	2,378	74
Pakistan Investment Bonds	127,177	285,915
Market Treasury Bills	11,702	24,146
	<u>168,802</u>	<u>344,510</u>

17 AUDITORS' REMUNERATION

Annual audit fee	130	127
Fee for half yearly review	69	68
Other Certification and Services	65	69
	<u>264</u>	<u>264</u>
Out of pocket expense	35	69
Sales tax	21	21
	<u>320</u>	<u>354</u>

18 ALLOCATED EXPENSES

As per Regulation 60(3)(s) of the amended 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 CIS. During the year, the fee is being charged at the rate of 0.1% of the average annual net assets till 12th august 2021. Afterwards the fee is charged at the rate of 0.4% from 13th August 2021.

19 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 Management Company has distributed by way of cash dividend at least 90% of the Fund's net accounting income to its unit holders, accordingly, no provision for taxation has been recognized in these financial statements.

20 TOTAL EXPENSE RATIO

Total expense ratio of the fund is 1.74% as on June 30, 2022 and this includes 0.17% representing Government Levy and SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an income scheme.

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), the Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units 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) -----					
For the year ended June 30, 2022						
Transactions during the year						
Mark-up on bank balances	-	916	-	-	-	-
Bank charges	-	53	-	-	-	-
Units issued	310,699				1,615	
Units redeemed	311,197				1,599	
Sales load paid	2,454	-	-	-	-	-
Dividend paid	5,994	-	-	-	20	-
Purchase of securities	-	95,343	196,274	-	-	-
Sale of securities	-	394,733	-	147,401	-	-
Remuneration *	21,142	-	1,144			
Allocated expenses	6,252	-	-	-	-	-
CDS expense	-	-	6	-	-	-
As at June 30, 2022						
Balances held						
Units held (in units)	-	-	-	-	2,296	-
Units held (in Rupees '000)	-	-	-	-	243	-
Bank balances	-	12,279	-	-	-	-
Remuneration payable	1,344	-	70	-	-	-
Sales load payable	327	93	-	-	-	-
Conversion charges payable	181	-	-	-	-	-
Allocated expenses payable	825	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	137	-	-	-	-
For the year ended June 30, 2021						
Transactions during the year						
Mark-up on bank balances	-	535	-	-	-	-
Bank charges	-	10	-	-	-	-
Units issued	2,367	-	-	-	2,148	-
Units redeemed	2,367	-	-	-	2,167	-
Sales load paid	1,849	-	-	-	-	-
Dividend paid	942	-	-	-	986	-
Purchase of securities	-	11,834	-	499,939	-	-
Sale of securities	-	250,162	-	438,990	-	-
Remuneration *	49,420	-	3,160	-	-	-
Allocated expenses	4,302	-	-	-	-	-
CDS expense	-	-	5	-	-	-
As at June 30, 2021						
Balances held						
Units held (in units)	-	-	-	-	105	-
Units held (in Rupees '000)	-	-	-	-	11	-
Bank balances	-	5,644	-	-	-	-
Remuneration payable	2,117	-	158	-	-	-
Sales load payable	340	1,570	-	-	-	-
Conversion charges payable	175	-	-	-	-	-
Allocated expenses payable	1,634	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	12	-	-	-	-

* Remuneration for the year is inclusive of sales tax

22 Financial instruments by category

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Assets			
Bank balances	-	-	1,160,028
Investments	-	1,025	-
Mark-up receivable	-	-	7,825
Other receivables	-	-	5,144
	-	1,025	1,172,997
			1,174,022

	June 30, 2022		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Liabilities			
Payable to the Management Company	-	-	2,694
Payable to the Trustee	-	-	70
Accrued expenses and other liabilities	-	-	1,452
	-	-	4,216
			4,216

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Assets			
Bank balances	-	-	1,642,718
Investments	-	1,876,992	150,000
Mark-up receivable	-	-	12,649
Other receivables	-	-	649
	-	1,876,992	1,806,016
			3,683,008

	June 30, 2021		
	At fair value through OCI	At fair value through profit or loss	At amortised cost
	(Rupees in '000)		
			Total
Liabilities			
Payable to the Management Company	-	-	4,558
Payable to the Trustee	-	-	158
Accrued expenses and other liabilities	-	-	1,562,178
	-	-	1,566,894
			1,566,894

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, 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.

23.2 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the regulations laid down by the SECP.

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

23.2.1 Foreign Currency risk

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

23.2.2 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) Sensitivity analysis of variable rate instruments

Variable rate instruments held as at June 30, 2022 include Pakistan Investment Bonds. 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. 0.006 (2021: Rs.18) million.

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, 2022 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.

b) Sensitivity analysis for fixed rate instruments

Fixed rate instruments held as at June 30, 2022 include Pakistan Investment Bonds. 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. 0.004 (2021: Rs.0.47) million.

The Fund holds a fixed rate Pakistan Investment Bond having face value of 0.5 million as at June 30, 2022.

The fund's PLS accounts are exposed to fixed rate risk. In case of 100 basis points increase / decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by 11.60 million (2021: 16.43 million).

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

Particulars	----- June 30, 2022 -----					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%		(Rupees in '000)			

On-balance sheet financial instruments

Financial assets

Bank balances	12.25 - 16.6	1,160,028	1,160,021	-	-	7
Investments	7.50 - 15.40	1,025	-	-	1,025	-
Mark-up receivable		7,825	-	-	-	7,825
Other receivables		5,144	-	-	-	5,144
Sub total		1,174,022	1,160,021	-	1,025	12,976

Financial liabilities

Payable to the Management Company		2,694	-	-	-	2,694
Payable to the Trustee		70	-	-	-	70
Accrued expenses and other liabilities		1,452	-	-	-	1,452

Sub total		4,216	-	-	-	4,216
On-balance sheet gap (a)		1,169,806	1,160,021	-	1,025	8,760
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,160,021	-	-	1,025	-
Cumulative interest rate sensitivity gap		1,160,021	-	-	1,025	-

Particulars	June 30, 2021				
	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)		
					Not exposed to interest rate risk

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 7.85	1,642,718	1,642,710	-	-	8
Investments	4 - 14.704	2,026,992	-	-	1,876,992	150,000
Mark-up / interest receivable		12,649	-	-	-	12,649
Other receivables		649	-	-	-	649
Sub total		3,683,008	1,642,710	-	1,876,992	163,306

Financial liabilities

Payable to the Management Company		4,558	-	-	-	4,558
Payable to the Trustee		158	-	-	-	158
Accrued expenses and other liabilities		1,562,178	-	-	-	1,562,178
Sub total		1,566,894	-	-	-	1,566,894

On-balance sheet gap (a)

Off-balance sheet financial instrument

Off-balance sheet gap (b)

Total interest rate sensitivity gap (a) + (b)

Cumulative interest rate sensitivity gap

2,116,114	1,642,710	-	1,876,992	(1,403,588)
-	-	-	-	-
-	-	-	-	-
	1,642,710	-	1,876,992	
	1,642,710	-	1,876,992	

23.2.3 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 is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

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.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

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

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further the Fund also has the ability to suspend redemptions of units with the approval of Board of Directors of the Management Company in extraordinary circumstances. An interval of six working days between the receipt of a redemption request and issuance of against it to the holder provides a cushion in the repayment of on-demand redemption of units. However, during the year no such option was exercised or considered necessary.

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

Particulars	June 30, 2022			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	2,694	-	-	2,694
Payable to the Trustee	70	-	-	70
Accrued expenses and other liabilities	1,452	-	-	1,452
Total liabilities	4,216	-	-	4,216

Particulars	June 30, 2021			
	Upto three months	More than three months and upto one year	Over one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	4,558	-	-	4,558
Payable to the Trustee	158	-	-	158
Accrued expenses and other liabilities	1,562,178	-	-	1,562,178
Total liabilities	1,566,894	-	-	1,566,894

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.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules, the NBFC regulations and guidelines given by the SECP from time to time.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'. Investment in Government securities, however, are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

23.4.1 The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2022	June 30, 2021
	(Percentage)	
Rating by rating category		
AAA	17.37%	99.21%
AA+	0.80%	0.43%
AA-	50.18%	0.32%
AA	31.65%	0.04%
A+	0.00%	0.00%
	100%	100%

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 two Banks. The management believes that these banks are reputed institutions.

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 affect on these financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and 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: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Particulars	June 30, 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Pakistan Investment Bonds	-	1,025	-	1,025
	-	1,025	-	1,025

Particulars	June 30, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Pakistan Investment Bonds	-	1,876,992	-	1,876,992
	-	1,876,992	-	1,876,992

24.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Pakistan Investment Bonds, Fund uses the rates which are derived from PKRV and PKFRV rates at reporting date per certificate multiplied by the number of certificates held as at year end Fund uses the rates prescribed by MUFAP.

24.2 During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurements.

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

25 INTERIM DISTRIBUTION DURING THE YEAR

Date of distribution	June 30, 2022			
	Per unit distribution	Capital value	Undistributed income	Total

-----Rupees in '000-----

July 30, 2021	Re. 0.6094	5,623	6,409	12,032
August 27, 2021	Re. 2.0456	19,866	26,000	45,866
September 23, 2021	Re. 0.3328	3,413	4,058	7,471
October 29, 2021	Re. 0.5234	4,162	5,931	10,093
January 28, 2022	Re. 1.6181	8,127	13,268	21,395
February 25, 2022	Re. 0.9004	7,162	8,677	15,839
March 25, 2022	Re. 0.5294	2,596	5,106	7,702
April 29, 2022	Re. 0.7796	3,497	6,026	9,523
May 27, 2022	Re. 0.8402	3,416	6,401	9,817
June 28, 2022	Re. 1.0033	3,589	6,896	10,485
		61,451	88,772	150,223

Date of distribution	June 30, 2021			
	Per unit distribution	Capital value	Undistributed income	Total

-----Rupees in '000-----

September 04, 2020	Re. 0.6689	21,661	17,700	39,361
September 25, 2020	Re. 0.3844	12,564	9,442	22,006
October 23, 2020	Re. 0.2667	5,192	9,031	14,223
November 27, 2020	Re. 0.5813	14,139	15,570	29,709
December 24, 2020	Re. 0.4555	9,905	11,971	21,876
January 29, 2021	Re. 0.4933	10,024	10,500	20,524
February 26, 2021	Re. 0.4680	8,623	8,791	17,414
March 26, 2021	Re. 0.4744	6,031	5,851	11,882
April 30, 2021	Re. 0.7150	8,774	8,770	17,544
May 28, 2021	Re. 0.5488	6,776	6,598	13,374
June 25, 2021	Re. 0.5554	4,888	5,833	10,721
		108,577	110,057	218,634

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company on September 6, 2022.

26 GENERAL

26.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

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

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

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	3,117	8,729,280	82.89%
Retirement funds	9	1,278,744	12.14%
Associated Company and Key Executives	2	2,296	0.02%
Other	18	521,339	4.95%
	3,146	10,531,659	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name	%
Invest One Markets Limited	22%
Continental Exchange (Pvt) Limited	22%
Bright Capital (Pvt) Limited	21%
Paramount Capital (Pvt) Ltd	12%
BIPL Securities Limited (Formerly KASB Sec)	11%
Arif Habib Limited	4%
Optimus Markets (Pvt.) Ltd.	3%
C&M Management Pvt Limited	1%
Magenta Capital (Pvt) Limited	1%
Icon Securities (Private) Ltd.	1%

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

S.no	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	26.1	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20.9	CFA, MBA
3	Hadi Hassan Mukhi	Head of Risk Management, Compliance and Quality Assurance	22	BCOM (CA Foundation)
4	Muhammad Imran	Head of Investment Advisory	22.7	MBA
5	Muhammad Ahmed	Deputy Head Research	4	BS, CFA
6	Syed Sheeraz Ali	Head of Fixed Income Funds	12.6	BS, CFA

OTHER FUNDS MANAGED BY THE FUND MANAGER

UBL Liquidity Plus Fund
UBL Money Market Fund
UBL Cash Fund
UBL Income Opportunity Fund
UBL Growth And Income Fund
UBL Asset Allocation Fund
UBL Special Savings Fund
Al-Ameen Islamic Cash Fund
Al-Ameen Islamic Sovereign Fund
Al-Ameen Islamic Aggressive Income Fund
Al-Ameen Islamic Special Savings Plan-II
UBL Retirement Saving Funds
Al Ameen Islamic Aggressive Income Fund-I
UBL Special Savings Fund - II
Al-Ameen Islamic Cash Plus-I

(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:

	July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	Total meetings attended
Directors:								
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	✓	7
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	N/A	N/A	N/A	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	N/A	N/A	N/A	N/A	N/A	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	N/A	N/A	N/A	N/A	N/A	x	1
Syed Furrukh Zaeem****	✓	✓	✓	N/A	N/A	N/A	N/A	3
Key Executives:								
Mr. Bilal Javaid	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 1, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

✓ Present
x Absent
N/A Not Applicable

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

VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021 and a stability rating of "AA-(f)" to the Fund as at January 13, 2022.

USSF II

UBL Special Savings Fund II

INVESTMENT OBJECTIVE

UBL Special Savings Fund shall be an open-end Capital Protected Fund that aims to not only provide its unitholders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Yousuf Adil Chartered Accountants
Bankers	Soneri Bank Limited
Management Co.Rating	AM1 (VIS)

Fund Manager's Report – UBL Special Savings Fund - II

UBL Special Savings Plan - VIII (USSP-VIII)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-VIII (USSP-VIII)" is an Allocation Plan under "UBL Special Savings Fund - II". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty (30) Months & beyond from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-VIII	6.56%	9.16%	-0.39%	4.21%	-0.99%	4.95%	11.68%	7.58%	4.96%	5.31%	12.14%	12.15%	6.65%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan VIII (USSP-VIII)" is an Allocation Plan under "UBL Special Savings Fund - II". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty (30) Months from commencement of life of plan. During the period under review, USSP-VIII generated return of 6.65% p.a. as compared to benchmark return of 10.67%. The net assets of the plan were PKR 128 mn as at 30 June 2022.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	49%	59%
PIB - Floater	0%	0%

T-Bills	0%	37%
Cash	47%	2%
Others	4%	3%
Leverage	Nil	Nil

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

FY'22 Return:	6.65%
Standard Deviation (12m trailing):	0.79%
Sharpe Ratio (12m trailing):	(4.54)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
127,556	29,063	338.89%	99.6648	100.2658	-0.60%

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review

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

Tenors	PKRV as at 30th June 2022	PKRV as at 30th June 2021	Change (FY22)
3 Months	14.98	7.28	7.70
6 Months	15.15	7.53	7.62
1 Year	15.30	7.81	7.49

3 years	13.45	8.99	4.46
5 Years	12.93	9.49	3.44
10 Years	12.92	9.94	2.98

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

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

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

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

ix) **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 -----	
28-Sep-21	1,763	Yes	1.2893	101.5551	100.2658
3-Jan-22	1,119	Yes	0.8181	101.0839	100.2658
5-May-22	3,312	Yes	2.551	102.8168	100.2658

23-Jun-22	3,136	Yes	2.45	101.9498	99.4998

- 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
	USSP VIII
0.0001 - 9,999.9999	6
10,000.0000 - 49,999.9999	5
50,000.0000 - 99,999.9999	2
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	0
Total	14

- 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 – UBL Special Saving Fund - II

UBL Special Savings Plan - IX (USSP-IX)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-IX (USSP-IX)" is an Allocation Plan under "UBL Special Savings Fund II". The objective is to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twelve (12) months & beyond from (Commencement of Life of Plan).

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-IX	-	-	-	-	-	-	-	-	-	-	10.97%	8.74%	9.69%
Benchmark	-	-	-	-	-	-	-	-	-	-	14.76%	15.25%	15.00%

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

The "UBL Special Savings Plan-IX (USSP-IX)" is an Allocation Plan under "UBL Special Savings Fund II". The objective is to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twelve (12) months & beyond from (Commencement of Life of Plan). During the period under review, USSP-IX generated return of 10.1% p.a. as compared to benchmark return of 15.0%. The net assets of the plan were PKR 1,796 mn as at 30 June 2022.

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-22	Jun-21
Placements with banks	33%	0%
PIB - Fixed	0%	0%
PIB - Floater	0%	0%
T-Bills	64%	0%
Cash	2%	0%

Others	1%	0%
Leverage	Nil	Nil

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

FY'22 Return: 9.69%

Standard Deviation (12m trailing): 1.16%

Sharpe Ratio (12m trailing): (8.82)

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		
30-Jun-22	30-Jun-2021	Change	30-Jun-22	22-Jun-21	Change
Rupees (000)		%	Rupees		%
1,796,100	-	-	100.0000	-	-

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review

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

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

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

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

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

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

ix) 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 -----		
21-June-2022	-	16,105	0.9033	100.9033	100.0000
24-June-2022	-	2,655	0.1478	100.1478	100.000
30-June-2022	-	5,351	0.2979	100.2979	100.000

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
	USSP-IX
0.0001 - 9,999.9999	69
10,000.0000 - 49,999.9999	75
50,000.0000 - 99,999.9999	22
100,000.0000 - 499,999.9999	20
500,000.0000 & Above	8
Total	194

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.

PERFORMANCE TABLE

UBL Special Savings Fund (USSP VIII)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	127,556	137,200	154,286
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	99.6648	100.2658	101.6827
- Redemption	98.8201	99.1328	99.9592
RETURN OF THE FUND - %			
Total Return of the Fund	6.65	3.99	18.15
Capital Growth (per unit)	(0.44)	(1.36)	12.78
Date of Income Distribution	July 2021-June 2022	-	24-Jun-20
Income Distribution	7.1084	5.4363	5.3660
AVERAGE ANNUAL RETURN - %			
One Year	6.65	3.99	18.15
Since Launch	9.60	11.07	0.00
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	102.7862	104.6010	106.8308
Highest price per unit - Class A units - Redemption	102.3657	103.4190	105.0200
Lowest price per unit - Class A units - Offer	99.1489	100.2148	100.1052
Lowest price per unit - Class A units - Redemption	98.6565	98.9063	98.4084
* Front-end load upto Nil% is applicable Back End Load 1.5% during 1st Year, 1.0% during 2nd Year, Contingent Load 0.75% after 2nd Year, Nil after 30 months.			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	46.88	1.50	30.00
PIBs	48.68	58.70	64.00
Tbills	0.00	36.90	2.00
others	4.44	2.90	4.00
PORTFOLIO COMPOSITION BY MARKET - %			
Debt Market	100.00	100.00	100.00
Note: - The Launch date of Fund is 08 June 2020			

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

UBL Special Savings Fund (USSP IX)

2022

NET ASSETS AS AT 30 JUNE - Rupees in '000 **1,796,101**

NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees

Class A units - Offer *	101.6950
- Redemption	100.0000

RETURN OF THE FUND - %

Total Return of the Fund	10.10
Capital Growth (per unit)	-
Date of Income Distribution	Jun 24, 2022
Income Distribution	0.1478

AVERAGE ANNUAL RETURN - %

One Year	10.10
Since Launch	

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Class A units - Offer	102.5768
Highest price per unit - Class A units - Redemption	100.8671

Lowest price per unit - Class A units - Offer	101.6736
Lowest price per unit - Class A units - Redemption	99.9790

Front-end load upto 1.5% is applicable
Back-end load upto 1.13% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	1.92
Tbills	64.40
others	33.68

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00

Note:

- The Launch date of Fund is May 11, 2022

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'D'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi- 74400, Pakistan.

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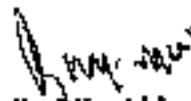
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL SPECIAL SAVINGS FUND-II

**Report of the Trustee pursuant to Regulation 41(b) 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 UBL Special Savings 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, 2022 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.


Badrudin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Special Savings Fund II

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Special Savings Fund II (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saif Mr. Aslam Sadduddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadduddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 11 325 262

✉ info@ublfunds.com

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

www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification.

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifi
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Ruzwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Farukh Zaem****	Member	Non-Executive Director

e) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Anif Akmal Saifie	Member	Non-Executive Director
Mr. Ashar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrulh Zaeem ***	Member	Non-Executive Director

* Mr. Ashim Sadrudin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Mr. Saifia Saeed has resigned dated July 19, 2021

**** Syed Furrulh Zaeem has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 35 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	5	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.



AZHAR HAMID
Chairman

Karachi.
Dated: September 6, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of UBL Special Savings Fund II

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Special Savings Fund II (the Fund) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 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 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. 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.

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, 2022.

**Chartered Accountants****Place:** Karachi**Date:** September 28, 2022**UDIN:** CR202210091HWa5LjGq

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of UBL Special Savings Fund II

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with 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 and UBL Funds Managers Limited (the Management Company) 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.

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Valuation and existence of investment As disclosed in note 6 to the financial statements the investments held by the Fund amounts to Rs. 1,233.87 million as at June 30, 2022. The total investment amount is the significant account balance on the statement of assets and liabilities. This is one of the main drivers of the Fund's performance and thus risk exists on this balance. The Fund invests primarily in government securities (i.e. Market Treasury Bills and Pakistan Investment Bonds) and there is a risk that these investments are incorrectly valued.	In this respect, we performed the following procedures: • reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls; • independently verified existence of investments from the Investor Portfolio Services (IPS) account statement; • performed valuation of investments held as at June 30, 2022 by verifying the average rates quoted on a widely used electronic quotation system (PKRV) rates; and

S. No.	Key audit matter	How the matter was addressed in our audit
	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. In view of the above, we have considered the valuation and existence of investments as a Key Audit Matter. The disclosure regarding the investments are included in note 4.2 and 6 to the financial statements.	differences, if any, identified during our testing that were over our acceptable threshold were investigated further.

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

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements, our auditor's report thereon, the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, our review report thereon and the information related to any other fund.

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 of the Management Company 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 the 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.

Board of Directors of 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 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 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.

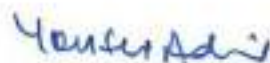
We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where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

Place: Karachi

Date: September 28, 2022

UDIN: AR202210091mJkPDIFX

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

		2022			2021
		USSP-VIII	USSP-IX	Total	USSP-VIII
Note		Rupees in '000			
ASSETS					
Bank balances	5	60,863	34,988	95,851	2,110
Investments	6	63,207	1,170,661	1,233,868	133,159
Term deposit receipts	7	-	600,000	600,000	-
Mark-up receivable	8	3,126	12,287	15,413	2,232
Advance income tax	9	2,583	-	2,583	1,562
Preliminary expenses and floatation costs	10	45	-	45	245
Total assets		129,824	1,817,936	1,947,760	139,308
LIABILITIES					
Payable to UBL Fund Managers Limited - Management Company	11	1,249	5,493	6,742	1,280
Payable to Central Depository Company of Pakistan Limited - Trustee	12	8	133	141	8
Payable to the Securities and Exchange Commission of Pakistan	13	27	43	70	29
Accrued expenses and other liabilities	14	984	8,999	9,983	791
Dividend payable		-	7,167	7,167	-
Total liabilities		2,268	21,835	24,103	2,108
NET ASSETS		127,556	1,796,101	1,923,657	137,200
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		127,556	1,796,101	1,923,657	137,200
Contingencies and commitments		Number of units			
Number of units in issue	16	1,279,846	17,961,011		1,368,371
		Rupees			
Net assets value per unit		99.6648	100.0000		100.2658
Face value per unit		100.0000	100.0000		100.0000

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

UBL SPECIAL SAVINGS FUND II
INCOME STATEMENT
FOR THE YEAR / PERIOD ENDED JUNE 30, 2022

		For the year ended June 30, 2022	For the period from May 11, 2022 to June 30, 2022		For the year ended June 30, 2021
		USSP-VIII	USSP-IX	Total	USSP-VIII
Note ----- Rupees in '000 -----					
INCOME					
Financial income	17	12,049	30,337	42,386	11,233
Loss on sale of investments - net		(193)	(9)	(202)	(544)
Unrealized loss on re-measurement of investment classified as 'financial asset at fair value through profit or loss' - net		-	(6,014)	(6,014)	-
Total income		11,856	24,314	36,170	10,689
EXPENSES					
Remuneration of UBL Fund Managers Limited - Management Company	11.1	1,016	2,137	3,153	1,084
Sindh Sales Tax on remuneration of the Management Company	11.2	132	278	410	141
Allocated expenses	11.3	267	-	267	145
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12	87	133	220	98
Annual fee to the Securities and Exchange Commission of Pakistan	13	27	43	70	29
Brokerage expenses		1	61	62	6
Amortisation of preliminary expenses and floatation costs	10	200	-	200	608
Auditor's remuneration	18	417	30	447	405
Listing and supervisory fee		28	-	28	28
Legal and professional charges		187	27	214	172
Bank charges		7	-	7	4
Total expenses		2,369	2,709	5,078	2,720
Net operating income for the year / period		9,487	21,605	31,092	7,969
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	14.1	273	-	273	(156)
Net income for the year / period before taxation		9,760	21,605	31,365	7,813
Taxation	19	-	-	-	-
Net income for the year / period after taxation		9,760	21,605	31,365	7,813
Allocation of net income for the year / period					
Net income for the year / period after taxation		9,760	21,605	31,365	7,813
Income already paid on units redeemed		(171)	(2)	(173)	(101)
		9,589	21,603	31,192	7,712
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		9,589	21,603	31,192	7,712
		9,589	21,603	31,192	7,712

Earnings per unit 20

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

UBL SPECIAL SAVINGS FUND II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR / PERIOD ENDED JUNE 30, 2022

	For the year ended June 30, 2022	For the period from May 11, 2022 to June 30, 2022		For the year ended June 30, 2021
	USSP-VIII	USSP-IX	Total	USSP-VIII
	----- Rupees in '000 -----			
Net income for the year after taxation	9,760	21,605	31,365	7,813
Other comprehensive income / (loss) for the year / period				
Items that may be reclassified subsequently to income statement				
Unrealised gain / (loss) on re-measurement of investments classified at fair value through other comprehensive income				
- Net change in fair value recognised in other comprehensive income	(1,313)	-	(1,313)	(2,807)
- Realised loss transferred to income statement	193	-	193	544
	(1,120)	-	(1,120)	(2,263)
Items that will not be reclassified subsequently to income statement	-	-	-	-
Total comprehensive income for the year / period	8,640	21,605	30,245	5,550

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

For UBL Fund Managers Limited
(Management Company)

 -sd-
Yasir Qadri
Chief Executive Officer

 -sd-
Umair Ahmed
Chief Financial Officer

 -sd-
Arif Akmal Saif
Director

UBL SPECIAL SAVINGS FUND II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR / PERIOD ENDED JUNE 30, 2022

	For the year ended June 30, 2022				For the period from May 11, 2022 to June 30, 2022				Total				For the year ended June 30, 2021			
	USSP-VIII				USSP-IX								USSP-VIII			
	Capital value	Undistributed income / (accumulated loss)	Unrealised appreciation / (diminution) on re-measurement of investment classified as FVOCI	Total	Capital value	Undistributed income	Unrealised appreciation on re-measurement of investment classified as FVOCI	Total	Capital value	Undistributed income / (accumulated loss)	Unrealised appreciation / (diminution) on re-measurement of investment classified as FVOCI	Total	Capital value	Undistributed income / (accumulated loss)	Unrealised appreciation on re-measurement of investment classified as FVOCI	Total
Rupees in '000																
Net assets at the beginning of the year / period	136,992	(30)	238	137,200	-	-	-	-	136,992	(30)	238	137,200	152,032	(246)	2,501	154,287
Issuance of units (note 16)																
- Capital value	-	-	-	-	1,803,441	-	-	1,803,441	1,803,441	-	-	1,803,441	-	-	-	-
- Element of income	-	-	-	-	2,524	-	-	2,524	2,524	-	-	2,524	-	-	-	-
Total amount received on issuance of units	-	-	-	-	1,805,965	-	-	1,805,965	1,805,965	-	-	1,805,965	-	-	-	-
Redemption of units (note 16)																
- Capital value	(8,876)	-	-	(8,876)	(7,340)	-	-	(7,340)	(16,216)	-	-	(16,216)	(15,147)	-	-	(15,147)
- Element of (income) / loss	-	-	-	-	-	-	-	-	-	-	-	-	107	-	-	107
- relating to other comprehensive income for the year	93	(171)	-	(78)	(17)	(2)	-	(19)	76	(173)	-	(97)	-	(101)	-	(101)
- relating to net income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total amount paid on redemption of units	(8,783)	(171)	-	(8,954)	(7,357)	(2)	-	(7,359)	(16,140)	(173)	-	(16,313)	(15,040)	(101)	-	(15,141)
Total comprehensive income for the year	-	9,760	(1,120)	8,640	-	21,605	-	21,605	-	31,365	(1,120)	30,245	-	7,813	(2,263)	5,550
Distributions for the year / period																
USSP-VIII																
Rs. 1.0495 per unit paid on December 23, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,493)	-	(1,493)
Rs. 4.3868 per unit paid on June 22, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,003)	-	(6,003)
Rs. 1.2893 per unit paid on September 29, 2021	-	(1,119)	-	(1,119)	-	-	-	-	(1,119)	-	-	(1,119)	-	-	-	-
Re. 0.8181 per unit paid on January 4, 2022	-	(3,312)	-	(3,312)	-	-	-	-	(3,312)	-	-	(3,312)	-	-	-	-
Rs. 2.5510 per unit paid on May 6, 2022	-	(1,763)	-	(1,763)	-	-	-	-	(1,763)	-	-	(1,763)	-	-	-	-
Rs. 2.4500 per unit paid on June 24, 2022	-	(3,136)	-	(3,136)	-	-	-	-	(3,136)	-	-	(3,136)	-	-	-	-
USSP-IX																
Rs. 0.9033 per unit paid on June 21, 2022	-	-	-	-	(2,512)	(13,592)	-	(16,104)	(2,512)	(13,592)	-	(16,104)	-	-	-	-
Re. 0.1478 per unit paid on June 24, 2022	-	-	-	-	-	(2,655)	-	(2,655)	-	(2,655)	-	(2,655)	-	-	-	-
Rs. 0.2979 per unit paid on June 30, 2022	-	-	-	-	-	(5,351)	-	(5,351)	-	(5,351)	-	(5,351)	-	-	-	-
Net income for the year / period less distribution	-	430	(1,120)	(690)	(2,512)	7	-	(2,505)	(2,512)	437	(1,120)	(3,195)	-	317	(2,263)	(1,946)
Net assets at the end of the year / period	128,209	229	(882)	127,556	1,796,096	5	-	1,796,101	1,924,305	234	(882)	1,923,657	136,992	(30)	238	137,200
Accumulated loss brought forward comprising of:																
- Realised		(30)				-			(30)					(2,747)		
- Unrealised		-				-			-					2,501		
		(30)				-			(30)					(246)		
Accounting income available for distribution																
- Relating to capital gains		-				-			-					-		
- Excluding capital gains		9,589				21,603			31,192					7,712		
		9,589				21,603			31,192					7,712		
Distributions for the year / period		(9,330)				(21,598)			(30,928)					(7,496)		
Undistributed income / (accumulated loss) carried forward		229				5			234					(30)		
Undistributed income / (accumulated loss) carried forward comprising of:																
- Realised		229				5			234					(30)		
- Unrealised		-				-			-					-		
		229				5			234					(30)		
--- Rupees ---																
Net asset value per unit at the beginning of the year / period				100.2658				100.0000							101.6827	
Net asset value per unit at the end of the year / period				99.6648				100.0000							100.2658	

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifia
Director

UBL SPECIAL SAVINGS FUND II
CASH FLOW STATEMENT
FOR THE YEAR / PERIOD ENDED JUNE 30, 2022

	For the year ended June 30, 2022	For the period from May 11, 2022 to June 30, 2022		For the year ended June 30, 2021	
	USSP-VIII	USSP-IX	Total	USSP-VIII	
Note	Rupees in '000				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year before taxation	9,760	21,605	31,365	7,813	
Adjustments for:					
Financial income	(12,049)	(30,337)	(42,386)	(11,233)	
Loss on sale of investments - net	193	9	202	544	
Unrealized loss on re-measurement of investment classified as financial assets through profit or loss	-	6,014	6,014	-	
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	(273)	-	(273)	156	
Amortisation of preliminary expenses and floatation costs	200	-	200	608	
	(11,929)	(24,314)	(36,243)	(9,925)	
Cash used in operations before working capital changes	(2,169)	(2,709)	(4,878)	(2,112)	
(Increase) / decrease in assets					
Investments	68,639	(1,176,684)	(1,108,045)	(27,823)	
Other receivable	-	-	-	8	
	68,639	(1,176,684)	(1,108,045)	(27,815)	
Increase / (decrease) in liabilities					
Payable to UBL Fund Managers Limited - Management Company	(31)	5,493	5,462	135	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	133	133	(1)	
Payable to the Securities and Exchange Commission of Pakistan	(2)	43	41	19	
Accrued expenses and other payables	466	8,999	9,465	(824)	
	433	14,668	15,101	(671)	
Cash generated from / (used in) operations	66,903	(1,164,725)	(1,097,822)	(30,598)	
Mark-up received on bank balances	2,730	-	2,730	11,919	
Mark-up received on investment in government securities	8,425	18,050	26,475	-	
Income tax paid	(1,021)	-	(1,021)	-	
Net cash flows generated from / (used in) operating activities	77,037	(1,146,675)	(1,069,638)	(18,679)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issuance of units	-	1,803,453	1,803,453	-	
Amount paid on redemption of units	(8,954)	(7,359)	(16,313)	(15,141)	
Dividend paid	(9,330)	(14,431)	(23,761)	(7,496)	
Net cash flows (used in) / generated from financing activities	(18,284)	1,781,663	1,763,379	(22,637)	
Net increase in cash and cash equivalents during the year / period	58,753	634,988	693,741	(41,316)	
Cash and cash equivalents at the beginning of the year	2,110	-	2,110	43,426	
Cash and cash equivalents at the end of the year / period	60,863	634,988	695,851	2,110	
Cash and cash equivalents					
Bank balances	5	60,863	34,988	95,851	2,110
Term deposit receipts	7	-	600,000	600,000	-
Cash and cash equivalents at end of the year / period		60,863	634,988	695,851	2,110

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

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

UBL SPECIAL SAVINGS FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR / PERIOD ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund II 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 June 17, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) for registration on June 19, 2019 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Fund commenced its operations from February 10, 2020.

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 has been categorized by the Management as Capital Protected Fund. The Fund consists of two plans namely, UBL Special Savings Plan-VIII (USSP-VIII) and UBL Special Savings Plan-IX (USSP-IX) (the "Plans") which are listed on the Pakistan Stock Exchange Limited. The Plans aim to not only provide their unit holders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the investors. Capital preservation is for the units held within Plan till thirty (30) months and beyond from commencement of life of plan for USSP-VIII and till twelve (12) months and beyond for USSP-IX.

Class A units are the capital preserved units which are issued in Pre-IPO, IPO and subscription period of USSP-VIII. As per the first supplement to the offering document of the Fund dated December 4, 2019, the subscription period of USSP-VIII was for 60 days until April 3, 2020. The subscription period was extended to June 2, 2020 vide third supplement to the offering document dated March 30, 2020. Back end load is applicable after the subscription period until the completion of 30 months life of the Plan. The duration of the plan is perpetual.

As per ninth supplement to the offering document of the Fund effective from May 10, 2022, the subscription period of USSP-IX was for 60 days following pre-IPO and IPO dated May 10, 2022 till June 15, 2022. During subscription period, units can be purchased at the prevailing NAV. Back end load is applicable after the subscription period until the completion of 12 months life of the plan. The duration of the plan is perpetual.

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.

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

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this connection, the Management Company submitted restated Trust Deed of the Fund which was duly registered during the year on August 16, 2021.

2. BASIS OF PREPARATION

2.1. Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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
- The NBFC Rules, the NBFC Regulations, directives issued by SECP 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, directives issued by the SECP 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, directives issued by the SECP and requirements of the Trust Deed have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

- (i) classification and measurement of financial assets (notes 4.2.1, 4.2.2 and 4.2.5, 6 and 7);
- (ii) impairment of financial assets (note 4.2.3); and
- (iii) provision for taxation (notes 4.6 and 19).

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

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

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

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

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

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022

	Effective from accounting period beginning on or after
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' -	January 01, 2022

Onerous Contracts — cost of fulfilling a contract

- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Initial recognition and measurement

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

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

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- At amortized cost ("AC");
- Fair value through other comprehensive income ("FVTOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

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

Financial asset at FVTPL

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

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

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

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

Business model assessment

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

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

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

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

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

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

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

4.2.4 Derecognition

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

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

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of 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 (PKRV rates) which are based on the remaining tenor of the securities.

4.2.6 Regular way contracts

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

4.2.7 Offsetting of financial assets and liabilities

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

4.3 Derivatives

Derivative instruments are initially 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.

4.4 Provisions

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

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies 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.

4.6 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 period, 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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4C of 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 period as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 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 the SECP) distribution 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 for the 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 year of investment.

4.8 Issuance and redemption of units

Units issued are recorded 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.

4.9 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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Net asset 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.

4.11 Revenue recognition

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

4.12 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.13 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 costs are amortised over a period of thirty months starting from the commencement of life of the Plan as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

4.14 Unit holders' fund

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

5.	BANK BALANCES	Note	2022			2021
			USSP - VIII	USSP - IX	Total	USSP - VIII
			----- Rupees in '000-----			
	In local currency:					
	- Profit and loss sharing accounts		60,863	34,988	95,851	2,110

5.1 Mark-up rates on these profit and loss sharing accounts range between 7.35% to 14.5% (2021: 7% to 8.35%) per annum.

6.	INVESTMENTS		2022			2021
			USSP - VIII	USSP - IX	Total	USSP - VIII
			----- Rupees in '000-----			
	At fair value through other comprehensive income (FVTOCI)					
	Government securities					
	- Pakistan Investment Bonds	6.1	63,207	-	63,207	81,730
	- Market Treasury Bills	6.2	-	-	-	51,429
			63,207	-	63,207	133,159
	At fair value through profit or loss (FVTPL)					
	Government securities - Market Treasury Bills	6.3	-	1,170,661	1,170,661	-
			63,207	1,170,661	1,233,868	133,159

6.1 Pakistan Investment Bonds - (FVTOCI)

6.1.1 Held by USSP-VIII

Issue date	Tenor	Face value				Carrying value as at June 30, 2022 / 2021	Market value as at June 30, 2022 / 2021	Unrealized (diminution) / appreciation as at June 30, 2022 / 2021	Market value as a percentage of		
		As at July 01, 2021 / 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2022 / 2021				Total investments	Net assets	
----- Rupees in '000 -----										----- % -----	
July 12, 2018	3 Years	17,000	-	17,000	-	-	-	-	-	-	
September 19, 2019	3 Years	64,000	-	-	64,000	64,089	63,207	(882)	100.00%	49.55%	
As at June 30, 2022		81,000	-	17,000	64,000	64,089	63,207	(882)	100.00%	49.55%	
As at June 30, 2021		100,000	31,000	50,000	81,000	81,497	81,730	233	61.38%	59.57%	

6.1.2 The Pakistan Investment Bonds carries coupon interest at the rate of 9% per annum (2021: 7.25% to 9%).

6.2 Market Treasury Bills - (FVTOCI)

6.2.1 Held by USSP-VIII

Issue date	Tenor	Face value				Carrying value as at June 30, 2022 / 2021	Market value as at June 30, 2022 / 2021	Unrealized (diminution) / appreciation as at June 30, 2022 / 2021	Market value as a percentage of	
		As at July 01, 2021 / 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2022 / 2021				Total investments	Net assets
						Rupees in '000			%	
February 25, 2021	6 Months	52,000	-	52,000	-	-	-	-	-	-
August 12, 2021	6 Months	-	50,000	50,000	-	-	-	-	-	-
October 21, 2021	3 Months	-	25,000	25,000	-	-	-	-	-	-
April 13, 2022	3 Months	-	50,000	50,000	-	-	-	-	-	-
May 18, 2022	6 Months	-	50,000	50,000	-	-	-	-	-	-
As at June 30, 2022		52,000	175,000	227,000	-	-	-	-	-	-
As at June 30, 2021		4,000	157,000	109,000	52,000	51,424	51,429	5	38.62%	37.48%

6.2.2 Effective yield on market treasury bills for the year ranges from 7.48% to 13% (2021: 7.46% to 7.51%) per annum

6.3 Market Treasury Bills - (FVTPL)

6.3.1 Held by USSP-IX

Issue date	Tenor	Face value				Carrying value as at June 30, 2022 / 2021	Market value as at June 30, 2022 / 2021	Unrealized (diminution) / appreciation as at June 30, 2022 / 2021	Market value as a percentage of	
		As at July 01, 2021 / 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2022 / 2021				Total investments	Net assets
----- Rupees in '000 -----						----- % -----				
December 2, 2021	6 Months	-	1,354,500	1,354,500	-	-	-	-	-	
April 28, 2022	12 Months	-	128,100	-	128,100	114,269	113,541	(728)	9.70%	
April 28, 2022	12 Months	-	500,000	-	500,000	446,291	443,174	(3,117)	37.86%	
June 2, 2022	12 Months	-	700,000	-	700,000	616,115	613,946	(2,169)	52.44%	
As at June 30, 2022		-	2,682,600	1,354,500	1,328,100	1,176,675	1,170,661	(6,014)	100.00%	
									65.18%	

6.3.2 Effective yield on market treasury bills for the period ranges from 13.04% to 15.55% per annum.

7. TERM DEPOSIT RECEIPTS

	USSP-IX			
	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022
	Rupees in '000			
				Value as a percentage of net assets of the fund %
Term deposits receipts	-	600,000	-	600,000
	-	600,000	-	600,000
				33.41%
				33.41%

7.1 The term deposit receipt carry interest at the rate of 15.4% per annum and have maturity of 15 days.

2022			2021
USSP - VIII	USSP - IX	Total	USSP - VIII
Rupees in '000			

8. MARK-UP RECEIVABLE

Mark-up accrued on:

- Profit and loss sharing accounts	1,508	9,502	11,010	36
- Investment in government securities	1,618	-	1,618	2,196
- Term deposit receipts	-	2,785	2,785	-
	3,126	12,287	15,413	2,232

9. ADVANCE INCOME TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 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). Prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001 in prior and current periods. The Management Company is confident that the amount will be refunded to the Fund.

Note	2022			2021
	USSP - VIII	USSP - IX	Total	USSP - VIII
	Rupees in '000			

10. PRELIMINARY EXPENSES AND FLOATATION COSTS

Deferred formation cost at July 01		245	-	245	853
Amortisation during the year	10.1	(200)	-	(200)	(608)
Unamortised formation cost at June 30		45	-	45	245

10.1 The provisions of the Trust Deed and NBFC Regulations require the amortisation of preliminary expenses and floatation costs up to 1.5% of the net assets at the close of IPO capital of the Fund. This cost is amortised over 30 months period.

Note	2022			2021
	USSP - VIII	USSP - IX	Total	USSP - VIII
	Rupees in '000			

11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	11.1	87	1,408	1,495	94
Sindh Sales Tax on remuneration payable to the Management Company	11.2	11	183	194	12
Back end load payable		95	-	95	94
Sales load payable		-	3,902	3,902	-
Allocated expenses payable	11.3	46	-	46	70
Payable against formation cost		1,010	-	1,010	1,010
		1,249	5,493	6,742	1,280

- 11.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. The remuneration is payable to the Management Company monthly in arrears. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.75% (2021: 0.75%) per annum of daily net assets for USSP-VIII and 1% per annum of daily net assets for USSP-IX.
- 11.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 11.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 30) prescribed by the SECP vide SRO 639 (I) / 2019 dated June 20, 2019 is complied with. During the year, the Management Company has charged the Fund at the following rates;

USSP - VIII

- From July 1, 2021 to August 12, 2021 - 0.1% per annum of average daily net assest
- From August 13, 2021 to June 30, 2022 - 0.21% per annum of average daily net assets

For 2021, the same was charged at 0.1% per annum of average daily net assets of the Plan.

USSP - IX

The Management Company has not charged the allocated expenses during the period.

		2022			2021
		USSP - VIII	USSP - IX	Total	USSP - VIII
Note		Rupees in '000			
12. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE					
Remuneration payable to the Trustee	12.1	7	118	125	7
Sindh Sales Tax on remuneration of Trustee	12.2	1	15	16	1
		8	133	141	8

- 12.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.065% from July 01 to September 30, 2021 and 0.055% from October 01, 2021 to June 30, 2022 (2021: 0.065%) per annum of average daily net assets of the Funds during the year / period. The remuneration is payable on monthly basis in arrears.
- 12.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund as annual fee.

		2022			2021
		USSP - VIII	USSP - IX	Total	USSP - VIII
Note		Rupees in '000			
14. ACCRUED EXPENSES AND OTHER LIABILITIES					
Auditor's remuneration payable		308	30	338	291
Withholding tax payable		471	3,694	4,165	-
Annual listing fee payable		55	-	55	55
Legal and professional charges payable		76	27	103	98
Provision for Sindh Workers' Welfare Fund	14.1	-	-	-	273
Sales load payable to others		-	5,187	5,187	-
Brokerage payable		1	61	62	-
Other payables		73	-	73	74
		984	8,999	9,983	791

- 14.1** During the year, the Sindh Revenue Board (SRB) through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 0.27 million (net of current period reversal), for the period from February 10, 2020 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. No provision for SWWF was recognised by the Fund on or after August 13, 2021.

15. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

16. NUMBER OF UNITS IN ISSUE

	For the year ended June 30, 2022	For the period from May 11, 2022 to June 30, 2022	For the year ended June 30, 2021
	USSP - VIII	USSP - IX	USSP - VIII
	----- Number of units -----		
Total units in issue at the beginning of the year / period	1,368,371	-	1,517,331
Units issued during the year / period	-	18,034,408	-
Units redeemed during the year / period	(88,525)	(73,397)	(148,960)
Total units in issue at the end of the year / period	1,279,846	17,961,011	1,368,371

17. FINANCIAL INCOME

Mark-up / interest income on:

	For the year ended June 30, 2022	For the period from May 11, 2022 to June 30, 2022		For the year ended June 30, 2021
	USSP - VIII	USSP - IX	Total	USSP - VIII
	----- Rupees in '000 -----			
- Profit and loss sharing accounts	4,202	9,502	13,704	785
- Market Treasury Bills	2,463	18,050	20,513	2,471
- Pakistan Investment Bonds	5,384	-	5,384	7,977
- Term deposit receipt	-	2,785	2,785	-
	12,049	30,337	42,386	11,233

18. AUDITOR'S REMUNERATION

Annual audit fee	160	20	180	163
Fee for half yearly review	90	-	90	82
Fee for review of compliance with the requirements of the Code of Corporate Governance	51	-	51	46
Fee for other certifications / services	51	-	51	46
Out of pocket expenses and Sindh Sales Tax	65	10	75	68
	417	30	447	405

19. 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 as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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. During the year ended June 30, 2022, the Fund has distributed by way of cash dividend at minimum 90 percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

20. EARNINGS PER UNIT

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

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2022			2021
	USSP - VIII	USSP - IX	Total	USSP - VIII
	----- Rupees in '000 -----			
Financial assets				
At fair value through other comprehensive income				
Investments	63,207	-	63,207	133,159
At fair value through profit or loss				
Investments	-	1,170,661	1,170,661	-
At amortized cost				
Bank balances	60,863	34,988	95,851	2,110
Term deposit receipt	-	600,000	600,000	-
Mark-up receivable	3,126	12,287	15,413	2,232
	<u>127,196</u>	<u>1,817,936</u>	<u>1,945,132</u>	<u>137,501</u>
Financial liabilities				
At amortized cost				
Payable to UBL Fund Managers Limited				
- Management Company	1,249	5,493	6,742	1,280
Payable to Central Depository Company of Pakistan				
Limited - Trustee	8	133	141	8
Accrued expenses and other liabilities	513	118	631	518
Dividend payable	-	7,167	7,167	-
	<u>1,770</u>	<u>12,911</u>	<u>14,681</u>	<u>1,806</u>

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

The 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 currency risk, as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2022.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on bank balances, Pakistan Investment Bonds and Market Treasury Bills. 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

USSP-VIII

The plan variable interest rate risk arises from bank balances in profit and loss sharing accounts. The net income for the year would have increased / decreased by Rs. 0.609 million (2021: Rs. 0.021 million) had the interest rates increased / decreased by 100 basis points, with all other variables held constant.

USSP-IX

The plan variable interest rate risk arises from bank balances in profit and loss sharing accounts. The net income for the year would have increased / decreased by Rs. 0.350 million (2021: nil) had the interest rates increased / decreased by 100 basis points, with all other variables held constant.

b) Sensitivity analysis for fixed rate instruments

USSP-VIII

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

In case of 100 basis points increase in interest rates on June 30, 2022, with all other variables held constant, the other comprehensive income for the period and the net assets would have been lower by Rs. 0.178 million.

In case of 100 basis points decrease in interest rates on June 30, 2022, with all other variables held constant, the other comprehensive income for the period and the net assets would have been higher by Rs. 0.098 million.

USSP-IX

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

In case of 100 basis points increase in interest rates on June 30, 2022, with all other variables held constant, the net income for the period and the net assets would have been lower by Rs. 9.021 million.

In case of 100 basis points decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the period and the net assets would have been higher by Rs. 9.165 million.

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

2022						
USSP-VIII						
Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
%	Rupees in '000					
On-balance sheet financial instruments						
Financial assets						
Investments	9%	63,207	-	-	63,207	-
Bank balances	7.35% - 14.5%	60,863	60,863	-	-	-
Mark-up receivable		3,126	-	-	-	3,126
		127,196	60,863	-	63,207	3,126
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		1,249	-	-	-	1,249
Payable to the Central Depository Company of of Pakistan Limited - Trustee		8	-	-	-	8
Accrued expenses and other liabilities		512	-	-	-	512
		1,769	-	-	-	1,769
On-balance sheet gap (a)		125,427	60,863	-	63,207	1,357
Off-balance sheet financial instrument						
		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)						
		60,863	-	63,207	1,357	
Cumulative interest rate sensitivity gap						
		60,863	-	63,207	1,357	

2021

USSP-VIII

Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%	----- Rupees in '000 -----				

On-balance sheet financial instruments

Financial assets

Investments

7.24% - 8.53%

133,159	-	51,429	81,730	-
2,110	2,110	-	-	-
2,232	-	-	-	2,232

Bank balances

7% - 8.35%

Accrued mark-up

137,501	2,110	51,429	81,730	2,232

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company

1,280	-	-	-	1,280
8	-	-	-	8
518	-	-	-	518
1,806	-	-	-	1,806

Payable to the Central Depository Company of

of Pakistan Limited - Trustee

Accrued expenses and other liabilities

On-balance sheet gap (a)

135,695	2,110	51,429	81,730	426

Off-balance sheet financial instrument

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

2,110	51,429	81,730	426

Cumulative interest rate sensitivity gap

2,110	51,429	81,730	426

2022					
USSP-IX					
Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%	----- Rupees in '000 -----				

On-balance sheet financial instruments

Financial assets at fair value through other comprehensive income

Investments	13.04% - 15.55%	1,170,661	-	1,170,661	-	-
Bank balances	7.35% - 14.5%	34,988	34,988	-	-	-
Term deposit receipt	15.40%	600,000	600,000	-	-	-
Mark-up receivable		12,287	-	-	-	12,287
		1,817,936	634,988	1,170,661	-	12,287

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	5,493	-	-	-	5,493
Payable to the Central Depository Company of of Pakistan Limited - Trustee	133	-	-	-	133
Accrued expenses and other liabilities	118	-	-	-	118
Dividend payable	7,167	-	-	-	7,167
	12,911	-	-	-	12,911

On-balance sheet gap (a)

1,805,025	634,988	1,170,661	-	(624)

Off-balance sheet financial instrument

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

634,988	1,170,661	-	(624)

Cumulative interest rate sensitivity gap

634,988	1,170,661	-	(624)

22.1.3 Other price risk

Other price 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 (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. As at June 30, 2022, the Fund does not hold any security which exposes the Fund to other price risk.

22.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from term deposit receipts, bank balances and mark-up receivable.

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. 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, Fund's Trust Deed, the requirements of the NBFC Rules and the NBFC Regulations, and the guidelines / directives given by the SECP from time to time.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2022 and June 30, 2021 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2022 and June 30, 2021:

USSP-VIII

Name of Financial Institution	Balances held by the Fund as at June 30, 2022	Latest available published ratings at June 30, 2022	Rating agency
Rupees in '000			
Bank balances and mark- up receivable thereon			
Soneri Bank Limited	62,371	AA-	PACRA

Name of Financial Institution	Balances held by the Fund as at June 30, 2021	Latest available published ratings at June 30, 2021	Rating Agency
Rupees in '000			
Bank balances and mark- up receivable thereon			
Soneri Bank Limited	2,146	AA-	PACRA

USSP-IX

Name of Financial Institution	Balances held by the Fund as at June 30, 2022	Latest available published ratings at June 30, 2022	Rating Agency
Rupees in '000			
Bank balances and mark- up receivable thereon			
Soneri Bank Limited	44,300	AA-	PACRA
United Bank Limited	190	AAA	VIS
	44,490		

Name of Financial Institution	Balances held by the Fund as at June 30, 2022	Latest available published ratings at June 30, 2022	Rating agency

Rupees in '000

Term deposit receipt and mark-up receivable thereon

United Bank Limited	<u>602,785</u>	AAA	VIS

Concentration of credit risk

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

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

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

	USSP-VIII			
	Total	Upto three months	Over three months and upto one year	Over one year
June 30, 2022				
	----- Rupees in '000 -----			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	1,249	1,249	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	8	-	-
Accrued expenses and other liabilities	512	512	-	-
	<u>1,769</u>	<u>1,769</u>	-	-
Net assets attributable to redeemable units	<u>127,556</u>	<u>127,556</u>	-	-

USSP-VIII				
	Total	Upto three months	Over three months and upto one year	Over one year
June 30, 2021	----- Rupees in '000 -----			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	1,280	1,280	-	-
Payable to the Central Depository Company of of Pakistan Limited - Trustee	8	8	-	-
Accrued expenses and other liabilities	518	518	-	-
	1,806	1,806	-	-
Net assets attributable to redeemable units	137,200	137,200	-	-

USSP-IX				
	Total	Upto three months	Over three months and upto one year	Over one year
June 30, 2022	----- Rupees in '000 -----			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	5,493	5,493	-	-
Payable to the Central Depository Company of of Pakistan Limited - Trustee	133	133	-	-
Accrued expenses and other liabilities	118	118	-	-
Dividend payable	7,167	7,167	-	-
	12,911	12,911	-	-
Net assets attributable to redeemable units	1,796,101	1,796,101	-	-

Above financial liabilities do not carry any mark-up and are secured.

23. UNITS 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 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 of the Management Company 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.

24. FAIR VALUE MEASUREMENT

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.

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

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

The estimated fair value of all other financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

		USSP-VIII			
June 30, 2022		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets measured at fair value					
Government securities		-	63,207	-	63,207
		-	63,207	-	63,207

June 30, 2021

Financial assets measured at fair value

Government securities	-	133,159	-	133,159
	-	133,159	-	133,159

		USS-IX			
June 30, 2022		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets measured at fair value					
Government securities		-	1,170,661	-	1,170,661
		-	1,170,661	-	1,170,661

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

25. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S.No.	Name	Designation	Qualification	Experience in years
1	Yasir Qadri	Chief Executive Officer	MBA	26
2	Syed Suleman Akhtar	Chief Investment Officer	CFA, MBA	21
3	Muhammad Imran	Head of Investment Advisory	MBA	23
4	Hadi Hassan Muki	Head of Risk Management, Compliance and Quality Assurance	B.com (CA Foundation)	22
5	Syed Sheeraz Ali	Head of Fixed Income Funds	BS, CFA I	13
6	Muhammad Ahmed	Deputy Head Research	BS, CFA	4

25.1 Syed Sheeraz Ali is the Fund manager of the Fund. He is also the Fund Manager of UBL Growth Savings Fund, UBL Retirement Savings Fund, UBL Special Savings Plan VI, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Special Savings Plan-II, UBL Cash Fund , Al-Ameen Islamic Aggressive Income Fund, UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Plan II, UBL Special Savings Plan III, UBL Special Savings Plan IV, UBL Special Savings Plan V, Al-Ameen Islamic Cash Plan-I, Al-Ameen Islamic Aggressive Income Plan I, Al-Ameen Islamic Sovereign Fund.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top brokers during the year / period ended June 30, 2022

	USSP-VIII	USSP-IX
	----- % -----	
1 Optimus Markets (Private) Limited	100.00	-
2 Magenta Capital (Private) Limited	-	20.15
3 C&M Management (Private) Limited	-	79.85
	<u>100.00</u>	<u>100.00</u>

Top brokers during the year ended June 30, 2021

The Fund did not engage any broker during the year. All of the investments transactions have been directly executed.

27. PATTERN OF UNIT HOLDING

USSP-VIII				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	%
June 30, 2022				
Individuals	13	279,846	27,891	21.87%
NBFC	1	1,000,000	99,665	78.13%
	<u>14</u>	<u>1,279,846</u>	<u>127,556</u>	<u>100.00%</u>
June 30, 2021				
Individuals	19	368,371	36,934	26.92%
NBFC	1	1,000,000	100,266	73.08%
	<u>20</u>	<u>1,368,371</u>	<u>137,200</u>	<u>100.00%</u>
USSP-IX				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
June 30, 2022				
Individuals	190	17,653,996	1,765,400	98.29%
Retirement funds	4	307,015	30,701	1.71%
	<u>194</u>	<u>17,961,011</u>	<u>1,796,101</u>	<u>100.00%</u>

28. TRANSACTIONS 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.

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

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

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

28.1 Details of transactions with related parties / connected persons during the period and balances held with them at the year ended June 30, 2022 are as follows:

USSP-VIII						
Particulars	Management Company	Associated companies and others*	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties**
----- For the year ended June 30, 2022 -----						
----- Rupees in '000 -----						
<u>Transactions during the year</u>						
Remuneration (including Sindh Sales Tax)	1,148	-	87	-	-	-
Allocated expenses	267	-	-	-	-	-
Dividend paid	7,108	-	-	-	142	-
----- As at June 30, 2022 -----						
----- Units in '000 -----						
<u>Balances held</u>						
Units held	1,000	-	-	-	20	-
----- Rupees in '000 -----						
Value of units held	99,665	-	-	-	1,993	-
Remuneration payable (including SST)	98	-	8	-	-	-
Allocated expenses payable	46	-	-	-	-	-
Payable against formation cost	1,010	-	-	-	-	-
Sales load payable	-	-	-	-	-	-
----- For the year ended June 30, 2021 -----						
----- Units in '000 -----						
<u>Transactions during the year</u>						
Units issued	1,000	-	-	-	-	-
----- Rupees in '000 -----						
Value of units issued	100,000	-	-	-	-	-
Dividend paid	5,436	-	-	-	-	-
Remuneration (including Sindh Sales Tax)	1,225	-	98	-	-	-
Allocated expenses	145	-	-	-	-	-
----- As at June 30, 2021 -----						
----- Units in '000 -----						
<u>Balances held</u>						
Units held	1,000	-	-	-	-	-
----- Rupees in '000 -----						
Value of units held	100,266	-	-	-	-	-
Remuneration payable (including SST)	106	-	8	-	-	-
Allocated expenses payable	70	-	-	-	-	-
Payable against formation cost	1,010	-	-	-	-	-
Back end load payable	94	-	-	-	-	-

USSP-IX

Particulars	Management Company	Associated companies and others*	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties**

----- For the year ended June 30, 2022 -----

----- Units in '000 -----

Transactions during the year

Units issued	-	-	-	-	-	5,052

----- Rupees in '000 -----

Value of units issued	-	-	-	-	-	505,206
Dividend paid	-	-	-	-	-	6,780
Remuneration (including Sindh Sales Tax)	2,415	-	133	-	-	-
Placement of term deposit receipt	-	600,000	-	-	-	-
Interest on term deposit receipt	-	2,785	-	-	-	-

----- As at June 30, 2022 -----

----- Units in '000 -----

Balances held

Units held	-	-	-	-	-	5,052

----- Rupees in '000 -----

Value of units held	-	-	-	-	-	505,206
Remuneration payable (including SST)	1,591	-	133	-	-	-
Sales load payable	3,902	-	-	-	-	-
Term deposit receipt	-	600,000	-	-	-	-
Bank balance	-	190	-	-	-	-
Mark-up receivables	-	2,785	-	-	-	-

* 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.

29. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

No. 132	No. 133	No. 134	No. 135	No. 136	No. 137	No. 138	Total
July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	meetings attended

Directors:

Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3

Key Executives:

Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 03, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 01, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

30. TOTAL EXPENSE RATIO

The total expense ratio of the USSP-VIII is 1.75% (2021: 1.99%) which includes 0.12% (2021: 0.23%) representing Government Levy, Sindh Workers' Welfare Fund, and the SECP fee. Total expense ratio of USSP-IX is 0.18% which includes 0.02% representing Government Levy, Sindh Workers' Welfare Fund, and the SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Capital Protected Fund.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on 6th September 2022

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UMMF

UBL Money Market Fund

INVESTMENT OBJECTIVE

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	A.F. Ferguson & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Sindh Bank Limited Habib Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA+(f) (VIS)

Fund Manager's Report – UBL Money Market Fund (UMMF)

- i) **Description of the Collective Investment Scheme category and type**
Money Market / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.
- 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**
70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks.**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UMMF	6.35%	14.43%	6.49%	6.48%	5.95%	9.09%	9.02%	8.01%	9.00%	7.61%	11.44%	14.11%	9.39%
Benchmark	6.72%	6.71%	6.83%	7.20%	7.88%	9.16%	9.27%	9.55%	10.31%	11.46%	12.94%	13.45%	9.28%

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

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated return of 9.39% p.a. as compared to benchmark return of 9.28% thus outperforming the benchmark by 11bps. Its net assets were PKR 3,482 mn and weighted average time to maturity of the Fund was 10 days at the end of FY22. The fund manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents.

- 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-22	Jun-21
Placements with Banks	0%	18%
Commercial Paper	4%	0%
PIBs	0%	0%
T-Bills	0%	0%
Cash	94%	81%
Others	2%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	9.39%
Standard Deviation (12m trailing):	0.74%
Sharpe Ratio (12m trailing):	(1.14)

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
3,482,253	3,199,552	8.84%	100.7597	100.6810	0.08%

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:

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

Tenors	PKRV as at 30th June 2022	PKRV as at 30th June 2021	Change (FY22)
3 Months	14.98	7.28	7.70
6 Months	15.15	7.53	7.62
1 Year	15.30	7.81	7.49

3 years	13.45	8.99	4.46
5 Years	12.93	9.49	3.44
10 Years	12.92	9.94	2.98

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

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

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

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

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

June 29, 2022		273,700	9.3643	110.0453	100.6810

- 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**

The fund has been re-categorized as money market scheme from income scheme and accordingly the pricing mechanism of the scheme has been changed from forward to backward pricing mechanism.

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

Range of Units	Number of Investors
	UMMF
0.0001 - 9,999.9999	2,697
10,000.0000 - 49,999.9999	333
50,000.0000 - 99,999.9999	59
100,000.0000 - 499,999.9999	48
500,000.0000 & Above	9
Total	3,146

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

There were no unit splits during the period.

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

Investment are subject to market risk.

- xvi) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

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

PERFORMANCE TABLE

UBL Money Market Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	3,482,253	3,199,552	5,049,781
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer	101.8983	101.8187	101.8523
- Redemption	100.7597	100.6810	100.7142
RETURN OF THE FUND - %			
Total Return of the Fund	9.39	6.32	12.12
Capital Growth (per unit)	0.09	(0.02)	0.57
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	29-Jun-22	21-Jun-21	28-Jun-20
Income Distribution	9.3643	6.3877	12.20
AVERAGE ANNUAL RETURN - %			
One Year	9.39	6.32	12.12
Second Year	9.22	9.22	8.59
Third Year	8.99	8.03	7.80
Forth Year	8.03	7.50	7.27
Fifth Year	7.50	7.11	7.39
Sixth Year	7.11	7.23	7.39
Since inception	8.11	8.35	8.55
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	111.245	108.0758	114.1277
Highest price per unit - Class C units - Redemption	110.002	106.8682	112.8525
Lowest price per unit - Class C units - Offer	101.8187	101.6357	101.8143
Lowest price per unit - Class C units - Redemption	100.681	100.5	100.6767

* Front-end load @ 1% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	92.84	80.80	99
Placements and Term Deposit Receipts	4.00	18.50	0
Others	3.16	0.70	1

PORTFOLIO COMPOSITION BY MARKET - %

Debt market	100	100	100

Note:

- The Launch date of Fund is 14 Oct 2010

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-113-500
Fax: (92-21) 34326021 - 25
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(b) 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 UBL Money Market 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, 2022 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.

Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Money Market Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Money Market Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Soofi Mr. Aslam Sadduddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadduddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 826 262

✉ info@ublfunds.com

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

www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhl (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Furrukh Zaem****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Afzal Saini	Member	Non-Executive Director
Mr. Ahtash Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrulh Zameer***	Member	Non-Executive Director

* Mr. Aslam Sadduddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sadia Saeed has resigned dated July 19, 2022

**** Syed Furrulh Zameer has resigned dated November 17, 2022

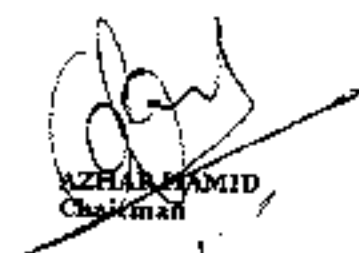
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 5, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/33. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.



AZHAR HAMID
Chairman

Karachi
Dated: September 6, 2022



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of UBL Money Market Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Money Market Fund (the Fund) for the year ended June 30, 2022. The Management Company of the Fund has opted to voluntarily comply with the requirements of regulation 36 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 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 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. 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.

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, 2022.

A.F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 29, 2022

UDIN: CR202210061yEWN18Vku

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of UBL Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 4 to the annexed financial statements)	
	Bank balances constitute the most significant component of the net asset value (NAV). Banks balances of the Fund as at June 30, 2022 amounted to Rs. 3,354.687 million. The existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - obtained independent confirmations for verifying the existence of bank balances as at June 30, 2022 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and - obtained bank reconciliation statements and tested reconciling items on a sample basis.





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 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 and Board of Directors of the Management Company 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.

Board of directors of 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 management.



A.F. FERGUSON & CO.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 29, 2022

UDIN: AR202210061yulqQsX49

**UBL MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022**

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
ASSETS			
Bank balances	4	3,354,687	2,633,635
Investments	5	142,351	600,489
Profit receivable	6	62,514	14,605
Deposits, prepayments and other receivables	7	207	199
Advance tax	8	2,476	1,713
Total assets		3,562,235	3,250,641
LIABILITIES			
Payable to UBL Fund Managers Limited - the Management Company	9	13,269	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	175	181
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	631	624
Dividend payable		-	1,185
Accrued expenses and other liabilities	12	65,907	39,243
Total liabilities		79,982	51,089
NET ASSETS		3,482,253	3,199,552
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,482,253	3,199,552
CONTINGENCIES AND COMMITMENTS			
	13	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	14	34,559,980	31,779,115
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		100.7597	100.6810

The annexed notes 1 to 30 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Aslam Sadruddin
Director

UBL MONEY MARKET FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ------(Rupees in '000)-----	2021
Income			
Profit on bank balances		150,619	80,093
Profit on term deposit receipts		12,326	2,769
Profit on letter of placements		12,989	11,804
Profit on commercial papers		3,454	-
Profit on market treasury bills		144,840	132,400
Loss on sale of investments - net		(10,772)	(1,767)
Total income		313,456	225,299
Expenses			
Remuneration of UBL Fund Managers Limited - the Management Company	9.1	15,866	11,370
Sindh sales tax on remuneration of the Management Company	9.2	2,063	1,478
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	1,806	2,028
Sindh sales tax on remuneration of the Trustee	10.2	235	264
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	631	624
Allocated expenses	9.4	10,343	4,336
Annual rating fee		221	214
Annual listing fee		27	28
Auditors' remuneration	15	746	658
Legal and professional charges		738	709
Bank charges		210	146
Brokerage and settlement expenses		463	439
Selling and marketing expense	9.3	14,750	9,362
Total operating expenses		48,099	31,656
Net operating income for the year		265,357	193,643
Reversal of provision / (provision) for Sindh Workers' Welfare Fund (SWWF) - net	12.2	19,634	(3,799)
Net profit for the year before taxation		284,991	189,844
Taxation	16	-	-
Net profit for the year after taxation		284,991	189,844
Allocation of net income for the year			
Net profit for the year after taxation		284,991	189,844
Income already paid on units redeemed		(106,983)	(79,392)
		178,008	110,452
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		178,008	110,452
		178,008	110,452
Earnings per unit	17		

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Aslam Sadruddin
Director

**UBL MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	----- (Rupees in '000) -----	
Net profit for the year after taxation	284,991	189,844
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>284,991</u></u>	<u><u>189,844</u></u>

The annexed notes 1 to 30 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Aslam Sadruddin
Director

**UBL MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----					
Net assets at the beginning of the year	3,187,646	11,906	3,199,552	5,037,666	12,115	5,049,781
Issuance of 58,627,562 (2021: 70,445,088) units						
- Capital value	5,902,662	-	5,902,662	7,094,821	-	7,094,821
- Element of income	225,494	-	225,516	198,513	-	198,513
Total amount received on issuance of units	6,128,156	-	6,128,178	7,293,334	-	7,293,334
Redemption of 55,846,697 (2021: 88,805,681) units						
- Capital value	(5,622,699)	-	(5,622,699)	(8,943,992)	-	(8,943,992)
- Element of loss	(127,086)	(106,983)	(234,069)	(153,948)	(79,392)	(233,340)
Total amount paid on redemption of units	(5,749,785)	(106,983)	(5,856,768)	(9,097,940)	(79,392)	(9,177,332)
Total comprehensive income for the year	-	284,991	284,991	-	189,844	189,844
Distribution for the year Rs. 9.3643 per unit declared on June 29, 2022 (2021: Rs. 6.3877 per unit declared on June 21, 2021)	(97,888)	(175,812)	(273,700)	(45,414)	(110,661)	(156,075)
Net assets at the end of the year	<u>3,468,129</u>	<u>14,102</u>	<u>3,482,253</u>	<u>3,187,646</u>	<u>11,906</u>	<u>3,199,552</u>
Undistributed income brought forward						
- Realised income		11,906			12,115	
- Unrealised income		-			-	
		<u>11,906</u>			<u>12,115</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		178,008			110,452	
		<u>178,008</u>			<u>110,452</u>	
Distribution for the year Rs. 9.3643 per unit declared on June 29, 2022 (2021: Rs. 6.3877 per unit declared on June 21, 2021)		(175,812)			(110,661)	
Undistributed income carried forward		<u><u>14,102</u></u>			<u><u>11,906</u></u>	
Undistributed income carried forward						
- Realised income		14,102			11,906	
- Unrealised income		-			-	
		<u><u>14,102</u></u>			<u><u>11,906</u></u>	
Net asset value per unit at the beginning of the year		(Rupees)			(Rupees)	
		<u>100.6810</u>			<u>100.7142</u>	
Net asset value per unit at the end of the year		<u><u>100.7597</u></u>			<u><u>100.6810</u></u>	

The annexed notes 1 to 30 form an integral part of these financial statements.

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

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

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

**-sd-
Aslam Sadrudin
Director**

**UBL MONEY MARKET FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022	2021
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year before taxation		284,991	189,844
Adjustments for:			
Profit on bank balances		(150,619)	(80,093)
Profit on term deposit receipts		(12,326)	(2,769)
Profit on letter of placements		(12,989)	(11,804)
Profit on commercial papers		(3,454)	(132,400)
Profit on market treasury bills		(144,840)	-
Loss on sale of investments - net		10,772	1,767
(Reversal of provision) / provision for Sindh Workers' Welfare Fund - net		(19,634)	3,799
		(333,090)	(221,500)
Increase in assets			
Investments		(152,634)	(2,256)
Deposits, prepayments and other receivables		(8)	(1)
		(152,642)	(2,257)
Increase / (decrease) in liabilities			
Payable to UBL Fund Managers Limited - the Management Company		3,413	1,219
Payable to Central Depository Company of Pakistan Limited - the Trustee		(6)	(143)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		7	(273)
Accrued expenses and other liabilities		46,298	(43,474)
		49,712	(42,671)
Profit received		276,319	240,068
Advance tax paid / deducted		(763)	(63)
Net cash generated from operating activities		124,527	163,421
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units (excluding refund of capital)		6,030,290	7,247,920
Amount paid against redemption of units		(5,856,768)	(9,177,332)
Cash distribution to unit holders		(176,997)	(112,051)
Net cash used in financing activities		(3,475)	(2,041,463)
Net increase / (decrease) in cash and cash equivalents		121,052	(1,878,042)
Cash and cash equivalents at the beginning of the year		3,233,635	5,111,677
Cash and cash equivalents at the end of the year	19	3,354,687	3,233,635

The annexed notes 1 to 30 form an integral part of these financial statements.

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

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

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

**-sd-
Aslam Sadrudin
Director**

UBL MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Money Market Fund (the Fund), was established under the Trust Deed executed between UBL Fund Managers Limited (wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 10, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) 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 October 14, 2010. The investment objective of the Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.
- 1.2** During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 30, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an asset management company by the SECP under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.4** The units are offered for subscription on a continuous basis to the general public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund has been categorised as an open ended 'Money Market Fund' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 dated March 6, 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited.
- 1.5** The Management Company and the Fund have been reaffirmed a quality rating of AM1 dated December 31, 2021 (2021: AM1 dated December 31, 2020) and AA+(f) dated January 13, 2022 (2021: AA+(f) dated January 7, 2021) by VIS Credit Rating Company Limited respectively.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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
 - the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the 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 the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been disclosed in these financial statements.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

Items included in the 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.

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results 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. Revisions to accounting estimates are recognised in the year in which the estimate is 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 estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented.

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.

3.2 Financial assets

3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP in accordance with the provisioning policy duly approved by the Board of Directors. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required by the SECP's circular.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 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 are recognised in the income statement.

3.2.5 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. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3 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. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.4 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.

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.

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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on enacted tax rates.

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 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, income distributed through bonus units shall not be taken into account.

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.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as at the close of the business day, less any duties, taxes, changes on redemption and provision for transaction costs, if applicable.

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

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset 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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 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.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Unrealised gains / (losses) 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 these arise;
- Profit on bank balances, term deposit receipts, letter of placements is recorded on an accrual basis; and
- Income from investment in government securities and commercial papers is recognised on an accrual basis using effective interest rate method.

3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
4 BANK BALANCES			
- Savings accounts	4.1	3,354,633	2,633,580
- Current accounts		54	55
		<u>3,354,687</u>	<u>2,633,635</u>

- 4.1** The interest rates on these balances range from 12.25% to 17.25% (2021: 4.5% to 7.85%) per annum. These include an amount held with a related party (United Bank Limited) amounting to Rs. 43.747 million (2021: Rs. 53.186 million) on which return is earned at 15.50% (2021: 5.5%) per annum.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Commercial papers	5.1	142,351	-
Government securities - Market treasury bills	5.2	-	489
Term deposit receipts	5.3	-	600,000
Letter of placements	5.4	-	-
		<u>142,351</u>	<u>600,489</u>

5.1 Commercial papers

Name of the investee company	Rating	Maturity date	Profit rate	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of	
								Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments of the Fund
			%					(Rupees 000)			%	
Lucky Electric Power Company Limited - CP-2	A-1+, PACRA	November 02, 2022	15.60%	-	150,000	-	150,000	142,351	142,351	-	4.09%	100.00%
K-Electric Limited - CP XIX	A-1, VIS	January 12, 2022	7.19%	-	185,000	185,000	-	-	-	-	-	-
Total as at June 30, 2022								<u>142,351</u>	<u>142,351</u>	<u>-</u>	<u>4.09%</u>	<u>100.00%</u>
Total as at June 30, 2021								-	-	-	-	-

5.2 Government securities - Market treasury bills

Issue date	Tenor	Face value				Market value as at June 30, 2022	Market value as a percentage of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022		total investments of the Fund	net assets of the Fund
(Rupees in '000)						(%)		
January 28, 2021	6 months	-	300,000	300,000	-	-	-	-
April 8, 2021	6 months	-	200,000	200,000	-	-	-	-
April 22, 2021	6 months	500	1,724,500	1,725,000	-	-	-	-
May 20, 2021	6 months	-	1,350,000	1,350,000	-	-	-	-
June 3, 2021	6 months	-	2,904,000	2,904,000	-	-	-	-
July 15, 2021	6 months	-	45,000	45,000	-	-	-	-
July 29, 2021	6 months	-	1,000,000	1,000,000	-	-	-	-
August 12, 2021	6 months	-	250,000	250,000	-	-	-	-
August 26, 2021	6 months	-	150,000	150,000	-	-	-	-
December 2, 2021	6 months	-	1,200,000	1,200,000	-	-	-	-
December 30, 2021	6 months	-	9,700,000	9,700,000	-	-	-	-
January 27, 2022	6 months	-	500,000	500,000	-	-	-	-
February 10, 2022	6 months	-	1,000,000	1,000,000	-	-	-	-
March 10, 2022	6 months	-	9,830,000	9,830,000	-	-	-	-
April 22, 2021	3 months	-	2,200,000	2,200,000	-	-	-	-
May 20, 2021	3 months	-	750,000	750,000	-	-	-	-
July 15, 2021	3 months	-	500,000	500,000	-	-	-	-
July 29, 2021	3 months	-	500,000	500,000	-	-	-	-
September 23, 2021	3 months	-	350,000	350,000	-	-	-	-
October 21, 2021	3 months	-	782,000	782,000	-	-	-	-
December 2, 2021	3 months	-	1,600,000	1,600,000	-	-	-	-
December 30, 2021	3 months	-	200,000	200,000	-	-	-	-
January 13, 2022	3 months	-	3,850,000	3,850,000	-	-	-	-
January 27, 2022	3 months	-	4,740,000	4,740,000	-	-	-	-
February 10, 2022	3 months	-	1,000,000	1,000,000	-	-	-	-
April 7, 2022	3 months	-	1,200,000	1,200,000	-	-	-	-
April 21, 2022	3 months	-	2,000,000	2,000,000	-	-	-	-
As at June 30, 2022		500	49,825,500	49,826,000	-	-	-	-
As at June 30, 2021					500	489	0.08%	0.02%

5.3 Term deposit receipts

Name of the investee company	Issue date	Maturity date	Profit rate	As at July 1, 2021	Placed during the year	Matured during the year	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of		
										total investments of the Fund	net assets of the Fund
			%	(Rupees in 000)						%	
Bank Alfalah Limited	June 15, 2021	July 15, 2021	7.90%	300,000	-	300,000	-	-	-	-	
Allied Bank Limited	June 29, 2021	July 29, 2021	9.00%	300,000	-	300,000	-	-	-	-	
Bank Alfalah Limited	August 12, 2021	October 5, 2021	7.80%	-	200,000	200,000	-	-	-	-	
Habib Bank Limited	September 24, 2021	October 22, 2021	8.75%	-	250,000	250,000	-	-	-	-	
Bank Alfalah Limited	October 14, 2021	November 22, 2021	8.15%	-	300,000	300,000	-	-	-	-	
Bank Alfalah Limited	November 22, 2021	December 17, 2021	8.90%	-	250,000	250,000	-	-	-	-	
Bank Alfalah Limited	December 16, 2021	January 4, 2022	9.40%	-	250,000	250,000	-	-	-	-	
As at June 30, 2022				600,000	1,250,000	1,850,000	-	-	-	-	
As at June 31, 2021							600,000	600,000	100%	18.76%	

5.4 Letter of placements

Name of the investee company	Issue date	Maturity date	Profit	As at July	Placed	Matured	Carrying	Market	Market value as a	
			rate	1, 2021	during the	during the	value as at	value as at	total	net assets
			%	(Rupees in 000)						%
Saudi Pak Industrial & Agricultural Investment Company Limited	July 19, 2021	September 23, 2021	7.25%	-	250,000	250,000	-	-	-	-
Pak Brunei Investment Company Limited	August 16, 2021	August 17, 2021	7.15%	-	200,000	200,000	-	-	-	-
Pair Investment Company Limited	August 20, 2021	September 20, 2021	7.20%	-	200,000	200,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	October 11, 2021	October 15, 2021	7.50%	-	60,000	60,000	-	-	-	-
Pair Investment Company Limited	November 5, 2021	December 3, 2021	7.60%	-	100,000	100,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	November 10, 2021	November 11, 2021	7.90%	-	50,000	50,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	November 15, 2021	November 18, 2021	8.00%	-	50,000	50,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	November 22, 2021	November 26, 2021	9.05%	-	250,000	250,000	-	-	-	-
Pak Oman Investment Company Limited	November 22, 2021	November 26, 2021	9.00%	-	275,000	275,000	-	-	-	-
Pak Brunei Investment Company Limited	November 23, 2021	November 24, 2021	9.00%	-	240,000	240,000	-	-	-	-
Pak Oman Investment Company Limited	December 2, 2021	December 7, 2021	9.00%	-	300,000	300,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	December 7, 2021	December 10, 2021	9.30%	-	300,000	300,000	-	-	-	-
Pak Oman Investment Company Limited	December 7, 2021	December 10, 2021	9.25%	-	100,000	100,000	-	-	-	-
Pak Kuwait Takaful Company Limited	January 5, 2022	January 27, 2022	10.25%	-	300,000	300,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	January 6, 2022	January 27, 2022	10.25%	-	300,000	300,000	-	-	-	-
Pak Brunei Investment Company Limited	January 7, 2022	January 27, 2022	10.20%	-	300,000	300,000	-	-	-	-
Pak Oman Investment Company Limited	January 13, 2022	January 14, 2022	10.30%	-	350,000	350,000	-	-	-	-
Pak Oman Investment Company Limited	January 13, 2022	January 14, 2022	10.30%	-	350,000	350,000	-	-	-	-
Pak Brunei Investment Company Limited	April 12, 2022	April 21, 2022	12.45%	-	250,000	250,000	-	-	-	-
Pak Brunei Investment Company Limited	May 9, 2022	May 10, 2022	12.85%	-	200,000	200,000	-	-	-	-
Pak Oman Investment Company Limited	May 10, 2022	May 11, 2022	12.90%	-	200,000	200,000	-	-	-	-
Pak Brunei Investment Company Limited	May 11, 2022	May 12, 2022	13.15%	-	200,000	200,000	-	-	-	-
Pak Brunei Investment Company Limited	May 12, 2022	May 13, 2022	13.15%	-	200,000	200,000	-	-	-	-
Pak Oman Investment Company Limited	May 13, 2022	May 16, 2022	12.95%	-	200,000	200,000	-	-	-	-
Pak Oman Investment Company Limited	May 16, 2022	May 17, 2022	12.65%	-	200,000	200,000	-	-	-	-
Pak Oman Investment Company Limited	May 17, 2022	May 18, 2022	12.65%	-	200,000	200,000	-	-	-	-
As at June 30, 2022				-	5,625,000	5,625,000	-	-	-	-
As at June 31, 2021				-	-	-	-	-	-	-

	Note	2022	2021	
		----- (Rupees in '000) -----		
6	PROFIT RECEIVABLE			
	Profit receivable on:			
	Bank balances	6.1	62,514	13,418
	Term deposit receipts		-	1,187
			<u>62,514</u>	<u>14,605</u>

6.1 Profit receivable on bank balances include an amount due from a related party (United Bank Limited) amounting to Rs. Nil million (2021: Rs. 0.173 million).

7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	2022	2021
		(Rupees in '000)	(Rupees in '000)
	Prepaid fees	106	98
	CDS deposit	100	100
	Other receivables	1	1
		<u>207</u>	<u>199</u>

8 ADVANCE TAX

As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances, term deposit receipts, market treasury bills, commercial papers and letters of placement paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its Circular C. No.1 (43) DG (WHT) / 2008 - Vol.II - 66417 - R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on bank balances, term deposit receipts, market treasury bills, commercial papers and letters of placement amounting to Rs. 2.476 million (2021: Rs. 1.713 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank balances, term deposit receipts, market treasury bills, commercial papers and letters of placement have been shown as advance tax under assets as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO UBL FUND MANAGERS LIMITED - THE MANAGEMENT COMPANY	Note	2022	2021
			----- (Rupees in '000) -----	-----
	Remuneration payable to the Management Company	9.1	2,195	910
	Sindh sales tax on remuneration payable to the Management Company	9.2	285	118
	Sales load and other payables		406	1,917
	Selling and marketing expenses payable	9.3	8,253	4,272
	Allocated expenses payable	9.4	2,130	2,639
			<u>13,269</u>	<u>9,856</u>

- 9.1** During the current year, the Management Company charged its remuneration at the rate of 5% of gross earnings, subject to floor and capping of 0.15% and 1% per annum of the average daily net assets (2021: 5% of gross earnings, subject to floor and capping of 0.15% and 1% per annum of the average daily net assets). The remuneration is payable to the Management Company monthly in arrears.
- 9.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 9.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.3% per annum of the average daily net assets of the Fund from July 1, 2021 till September 2, 2021 and 0.5% per annum of the average daily net assets of the Fund from September 3, 2021 till June 30, 2022 keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations. During the year ended June 30, 2021, selling and marketing expenses were charged at the rate of 0.3% per annum of the average daily net assets of the Fund.
- 9.4** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company, based on its own discretion, while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, has charged its fees on following rates:

2022				
Rate applicable from July 1, 2021 to August 12, 2021	Rate applicable from August 13, 2021 to August 22, 2021	Rate applicable from August 23, 2021 to September 02, 2021	Rate applicable from September 03, 2021 to December 30, 2021	Rate applicable from December 31, 2021 to June 30, 2022
0.15% per annum of average daily net assets	1.15% per annum of average daily net assets	0.4% per annum of average daily net assets	0.2% per annum of average daily net assets	0.4% per annum of average daily net assets

2021			
Rate applicable from July 1, 2020 to March 10, 2021	Rate applicable from March 11, 2021 to May 6, 2021	Rate applicable from May 7, 2021 to May 24, 2021	Rate applicable from May 25, 2021 to June 30, 2021
0.1% per annum of average daily net assets	0.25% per annum of average daily net assets	0.35% per annum of average daily net assets	0.15% per annum of average daily net assets

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE			
Remuneration payable to the Trustee	10.1	155	160
Sindh sales tax on Trustee remuneration	10.2	20	21
		<u>175</u>	<u>181</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the current year, the Fund has charged Trustee fee at the rate of 0.065% per annum of average daily net assets of the Fund effective from July 1, 2021 to October 13, 2021 and at the rate of 0.055% per annum of average daily net assets of the Fund from October 14, 2021 till June 30, 2022. During the year ended June 30, 2021, Trustee fee was charged at the rate of 0.065% per annum of average daily net assets of the Fund.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	11.1	<u>631</u>	<u>624</u>

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2021: 0.02%) per annum of the average daily net assets of the Fund.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		510	469
Withholding tax payable		30,967	335
Capital gain tax payable		12,205	2,980
Legal and professional charges payable		627	95
Sales load payable		8,592	4,706
Brokerage payable		604	411
Zakat deducted at source		2,894	1,099
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	12.1	387	387
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	12.1	9,112	9,112
Provision for Sindh Workers' Welfare Fund	12.2	-	19,634
Other payables		<u>9</u>	<u>15</u>
		<u>65,907</u>	<u>39,243</u>

12.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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.

During the year ended June 30, 2017, 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 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 (SCP) which is pending adjudication.

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 for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 9.112 million (2021: Rs. 9.112 million) is being retained in these financial statements of the Fund as the matter is pending before the SCP. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2022 would have been higher by Re. 0.2637 per unit (2021: Re. 0.2867 per unit).

- 12.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of 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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF in the financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Going forward, no provision for SWWF has been recognised in these financial statements of the Fund.

13 CONTINGENCIES AND COMMITMENTS

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

	2022	2021
	----- Number of units -----	
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	31,779,115	50,139,708
Add: Units issued during the year	58,627,562	70,445,088
Less: Units redeemed during the year	(55,846,697)	(88,805,681)
Total units in issue at the end of the year	<u>34,559,980</u>	<u>31,779,115</u>

	2022	2021
	----- (Rupees in '000) -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	344	313
Fee for half yearly review	170	154
Fee for review of compliance with the requirements of the Code of Corporate Governance	60	54
Fee for other certifications / services	67	61
Out of pocket expenses and sales tax	105	76
	<u>746</u>	<u>658</u>

16 TAXATION

The income of the Fund is exempt from 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 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

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.

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the Management Company, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based for the year ended June 30, 2022 is 1.53% (2021: 1.14%) which includes 0.09% (2021: 0.20%) representing government levies on the Fund such as Provision for Sindh Workers' Welfare Fund (if any), sales tax and annual fee payable to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

	Note	2022	2021
		------(Rupees in '000)-----	
19 CASH AND CASH EQUIVALENTS			
Bank balances	4	3,354,687	2,633,635
Term deposit receipts	5	-	600,000
		<u>3,354,687</u>	<u>3,233,635</u>

20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2022		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	3,354,687	-	3,354,687
Investments	-	142,351	142,351
Profit receivable	62,514	-	62,514
Deposits and other receivables	101	-	101
	<u>3,417,302</u>	<u>142,351</u>	<u>3,559,653</u>
Financial liabilities			
Payable to UBL Fund Managers Limited - the Management Company	13,269	-	13,269
Payable to Central Depository Company of Pakistan Limited - the Trustee	175	-	175
Accrued expenses and other liabilities	10,342	-	10,342
	<u>23,786</u>	<u>-</u>	<u>23,786</u>
Particulars	As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	2,633,635	-	2,633,635
Investments	-	600,489	600,489
Profit receivable	14,605	-	14,605
Deposit and other receivable	101	-	101
	<u>2,648,341</u>	<u>600,489</u>	<u>3,248,830</u>
Financial liabilities			
Payable to UBL Fund Managers Limited - the Management Company	9,856	-	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee	181	-	181
Dividend payable	1,185	-	1,185
Accrued expenses and other liabilities	5,696	-	5,696
	<u>16,918</u>	<u>-</u>	<u>16,918</u>

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of the members of the investment committee of the Fund as at June 30, 2022 are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	26	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	21	CFA, MBA
3	Hadi Hassan Mukhi	Head of Risk Management, Compliance and Quality Assurance	22	BCOM, CA (Foundation)
4	Muhammad Imran	Head of Investment Advisory	23	MBA
5	Muhammad Ahmed	Deputy Head Research	4	BS, CFA
6	Syed Sheeraz Ali	Head of Fixed Income Funds	13	BS, CFA I

21.1 The name of the Fund Manager is Syed Sheeraz Ali. Other funds being managed by the Fund Manager are as follows:

- Al-Ameen Islamic Asset Allocation Fund
- Al-Ameen Islamic Aggressive Income Fund
- Al-Ameen Islamic Cash Fund
- Al-Ameen Islamic Retirement Savings Fund
- Al-Ameen Islamic Sovereign Fund
- UBL Asset Allocation Fund
- UBL Cash Fund
- UBL Growth & Income Fund
- UBL Government Securities Fund
- UBL Income Opportunity Fund
- UBL Liquidity Plus Fund
- UBL Retirement Savings Fund

22 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2022		
	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000)	
Individuals	3,105	3,313,073	95.14%
Insurance companies	1	4,907	0.14%
Retirement funds	11	151,503	4.35%
Associated company and key executives	4	1,526	0.04%
Public limited companies	2	1	0.00%
Others	23	11,243	0.33%
	<u>3,146</u>	<u>3,482,253</u>	<u>100.00%</u>

Category	June 30, 2021		
	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000)	
Individuals	2,645	2,451,820	76.63%
Associated company and key executives	7	6,730	0.21%
Insurance companies	1	5,541	0.17%
NBFCs	2	57,793	1.81%
Retirement funds	20	237,514	7.42%
Public limited companies	3	4	0.0001%
Others	18	440,150	13.76%
	<u>2,696</u>	<u>3,199,552</u>	<u>100.00%</u>

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

23.1 Connected persons include United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the Management Company) and funds under its management, 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), directors and officers of the Management Company and unit holders owning 10% or more of the net assets of the Fund.

23.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges 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.

- 23.3** Remuneration of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 23.4** Remuneration of the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 23.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 23.6** Details of transactions with connected persons / related parties during the year and balances as at the end of the year are as follows:

For the year ended June 30, 2022					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
(Units in '000)					
Units issued	266	-	-	4,061	2,676
Units redeemed	264	-	-	4,112	-
(Rupees in '000)					
Profit on savings accounts	2,542	-	-	-	-
Bank charges	182	-	-	-	-
Value of units issued	28,417	-	-	424,958	282,457
Value of units redeemed	28,279	-	-	430,396	-
Purchase of securities	743,634	-	-	-	-
Sale of securities	-	-	169,007	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	15,866	-	-	-	-
Sindh sales tax on remuneration of the Management Company	2,063	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	1,806	-	-	-
Sindh sales tax on remuneration of the Trustee	-	235	-	-	-
Selling and marketing expenses	14,750	-	-	-	-
Allocated expenses	10,343	-	-	-	-
CDS expense	-	21	-	-	-
Dividend paid	17	-	-	131	36,372

For the year ended June 30, 2021					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
(Units in '000)					
Units issued	16	-	601	3,844	-
Units redeemed	112	-	4,048	4,249	-
(Rupees in '000)					
Profit on savings accounts	943	-	-	-	-
Bank charges	55	-	-	-	-
Value of units issued	1,600	-	63,938	403,846	-
Value of units redeemed	11,343	-	420,457	444,601	-
Purchase of securities	1,271,132	-	908,343	-	-
Sale of securities	894,608	-	2,253,914	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	11,370	-	-	-	-
Sindh sales tax on remuneration of the Management Company	1,478	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	2,028	-	-	-
Sindh sales tax on remuneration of the Trustee	-	264	-	-	-
Selling and marketing expenses	9,362	-	-	-	-
Allocated expenses	4,336	-	-	-	-
CDS expense	-	14	-	-	-
Dividend paid	-	-	3,607	550	-

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

** These include transactions in relation to the entities where common directorship exist as at the reporting date.

*** These include transactions in relation to those directors, key executives and other connected persons / related parties that exist as at the reporting date.

----- As at June 30, 2022 -----						
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***	
----- (Units in '000) -----						
Balances held						
Units held	-	2	-	574	15	4,206
----- (Rupees in '000) -----						
Value of units held	-	202	-	57,836	1,511	423,795
Bank balances	-	43,747	-	-	-	-
Profit receivable on bank balances	-	-	-	-	-	-
CDS deposit	-	-	100	-	-	-
Remuneration payable to the Management Company	2,195	-	-	-	-	-
Sindh sales tax on remuneration payable to the Management Company	285	-	-	-	-	-
Remuneration payable to the Trustee	-	-	155	-	-	-
Sindh sales tax on Trustee remuneration	-	-	20	-	-	-
Sales load other payable	406	5,530	-	-	-	-
Selling and marketing expenses payable	8,253	-	-	-	-	-
Allocated expenses payable	2,130	-	-	-	-	-

----- As at June 30, 2021 -----					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
----- (Units in '000) -----					
Balances held					
Units held	-	-	574	87	-
----- (Rupees in '000) -----					
Value of units held	-	-	57,793	8,724	-
Bank balances	-	53,186	-	-	-
Profit receivable on bank balances	-	173	-	-	-
CDS deposit	-	-	100	-	-
Remuneration payable to the Management Company	910	-	-	-	-
Sindh sales tax on remuneration payable to the Management Company	118	-	-	-	-
Remuneration payable to the Trustee	-	-	160	-	-
Sindh sales tax on Trustee remuneration	-	-	21	-	-
Sales load payable	1,917	4,706	-	-	-
Selling and marketing expenses payable	4,272	-	-	-	-
Allocated expenses payable	2,639	-	-	-	-

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

** These include balances in relation to the entities where common directorship exist as at the reporting date.

*** These include balances in relation to those directors, key executives and other connected persons / related parties that exist as at the reporting date.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and profit rate risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations, and the directives issued by the SECP.

24.1 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 the market risk through diversification of the investment portfolio and 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 price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign 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.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks and investments in term deposit receipts and Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in savings accounts on which interest rate range between 12.25% to 17.25% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 33.547 million (2021: Rs. 26.336 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investment in commercial papers. As of June 30, 2022, in case of 100 basis points increase / decrease in interest rates, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 1.424 million (2021: Rs. 6 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in 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 financial instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

Particulars	2022					Total
	Effective interest 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) -----						
Financial assets						
Bank balances	12.25% - 17.25%	3,354,633	-	-	54	3,354,687
Investments	16.63%	-	142,351	-	-	142,351
Profit receivable		-	-	-	62,514	62,514
Deposit and other receivables		-	-	-	101	101
Sub total		3,354,633	142,351	-	62,669	3,559,653
Financial liabilities						
Payable to UBL Fund Managers Limited - the Management Company		-	-	-	13,269	13,269
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	175	175
Accrued expenses and other liabilities		-	-	-	10,342	10,342
Sub total		-	-	-	23,786	23,786
On-balance sheet gap (a)		3,354,633	142,351	-	38,883	3,535,867
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		3,354,633	142,351	-		
Cumulative profit rate sensitivity gap		3,354,633	3,496,984	3,496,984		

Particulars	----- 2021 -----					Total
	Effective interest 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) -----						
Financial assets						
Bank balances	4.5% - 7.85%	2,633,580	-	-	55	2,633,635
Investments	7.45% - 9.00%	600,000	489	-	-	600,489
Profit receivable		-	-	-	14,605	14,605
Deposit and other receivables		-	-	-	101	101
Sub total		3,233,580	489	-	14,761	3,248,830
Financial liabilities						
Payable to UBL Fund Managers Limited - the Management Company		-	-	-	9,856	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	181	181
Dividend payable		-	-	-	1,185	1,185
Accrued expenses and other liabilities		-	-	-	5,696	5,696
Sub total		-	-	-	16,918	16,918
On-balance sheet gap (a)		3,233,580	489	-	(2,157)	3,231,912
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		3,233,580	489	-		
Cumulative profit rate sensitivity gap		3,233,580	3,234,069	3,234,069		

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Fund does not have any financial instruments which are subject to price risk.

24.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of cash redemption requests on a regular basis. Units are redeemable at the unit 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 disposed of and 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 to 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. Further, the Fund did not withhold any redemption requests during the year.

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 year to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Payable to UBL Fund Managers Limited - the Management Company	13,269	-	-	-	-	13,269
Payable to Central Depository Company of Pakistan Limited - the Trustee	175	-	-	-	-	175
Accrued expenses and other liabilities	9,832	510	-	-	-	10,342
23,276	510	-	-	-	-	23,786

2021						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Payable to UBL Fund Managers Limited - the Management Company	9,856	-	-	-	-	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee	181	-	-	-	-	181
Dividend payable	1,185	-	-	-	-	1,185
Accrued expenses and other liabilities	5,227	469	-	-	-	5,696
16,449	469	-	-	-	-	16,918

24.3 Credit risk

24.3.1 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 as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Bank balances	3,354,687	3,354,687	2,633,635	2,633,635
Investments	142,351	142,351	600,489	600,000
Profit receivable	62,514	62,514	14,605	14,605
Deposits and other receivables	101	101	101	101
	3,559,653	3,559,653	3,248,830	3,248,341

The maximum exposure to credit risk before any enhancement as at June 30, 2022 is the carrying amount of the financial assets. Investment in government securities, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

24.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its balances with banks, investment in commercial papers and profit accrued on bank balances.

The credit rating profile of balances with banks and investment in commercial papers are as follows:

Rating	% of financial assets exposed to credit risk	
	2022	2021
Bank balances and accrued profit		
AAA	94.97%	80.02%
AA+	0.01%	0.93%
AA	1.02%	0.11%
Commercial papers		
A-1+	4.00%	0.00%
Term deposit receipts		
AAA	-	9.23%
AA+	-	9.23%

24.3.3 Concentration on credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

25 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by 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 objectives when managing unit holders' fund are 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 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 and to redeem and issue units in accordance with the constitutive documents of the Fund which includes the Fund's ability to restrict redemptions. The Fund did not withheld any redemption during the current year.

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 such as 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.

26 FAIR VALUE MEASUREMENT

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

26.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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 the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS

Financial assets 'at fair value through profit or loss'

Commercial papers*

2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
-	142,351	-	142,351

ASSETS

Financial assets 'at fair value through profit or loss'

Market Treasury Bills

Term deposit receipts**

2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
-	489	-	489
-	600,000	-	600,000
-	600,489	-	600,489

* The valuation of commercial papers have been carried out based on amortisation of commercial papers to their fair values as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit rating.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

27 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

Name of Broker:

June 30, 2022
Percentage

BIPL Securities Limited	16.57
Continental Exchange (Private) Limited	16.30
Alfalah CLSA Securities (Private) Limited	10.34
Paramount Capital (Private) Limited	9.43
Arif Habib Limited	8.99
Optimus Markets (Private) Limited	8.01
Magenta Capital (Private) Limited	7.53
Pearl Securities Limited	6.14
Bright Capital (Private) Limited	4.14
ICON Securities (Private) Limited	3.87

Name of Broker:

June 30, 2021
Percentage

Invest One Markets Limited	21.38
Bright Capital (Private) Limited	19.62
Continental Exchange (Private) Limited	15.11
Vector Capital (Private) Limited	8.62
ICON Securities (Private) Limited	8.43
BIPL Securities Limited (Formerly KASB SEC)	7.87
Magenta Capital (Private) Limited	6.03
Arif Habib Limited	4.58
Paramount Capital (Private) Limited	4.26
Currency Market Associates (Private) Limited	2.75

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Particulars	July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	Total meetings attended
Name of Director:								
Mr. Azhar Hamid	Yes	Yes	No	Yes	Yes	Yes	Yes	6
Mr. Arif Akmal Saifie	Yes	No	Yes	No	Yes	Yes	Yes	5
Mr. Aslam Sadruddin*	No	No	No	Yes	Yes	Yes	Yes	4
Mr. Imran Sarwar	Yes	Yes	Yes	Yes	Yes	Yes	No	6
Mr. Muhammad Rizwan Malik**	No	No	No	No	No	Yes	Yes	2
Mr. Yasir Qadri	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Ms. Huma Pasha	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Ms. Sadia Saeed***	Yes	No	No	No	No	No	No	1
Syed Furrukh Zaeem****	Yes	Yes	Yes	No	No	No	No	3
Name of Key Executives:								
Mr. Bilal Javaid*****	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Mr. Umair Ahmed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 1, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

29 GENERAL

29.1 Figures have been rounded off to the thousand of Rupees unless otherwise stated.

29.2 CORRESPONDING FIGURES

Comparative figures have been re-arranged and re-classified in these financial statements, wherever necessary, for the purpose of better presentation and disclosure. There have been no significant reclassifications in these financial statements during the current year.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 6th September 2022 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Aslam Sadruddin
Director

ULPF

UBL Liquidity Plus Fund

INVESTMENT OBJECTIVE

ULPF is an open-end Money Market Fund, investing in a diversified portfolio of low risk assets. The Fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Yousuf Adil, Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank Of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA+(f)

Fund Manager's Report – UBL Liquidity Plus Fund (ULPF)

- i) **Description of the Collective Investment Scheme category and type**
Money Market / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
ULPF is an open-end Money Market Fund, investing in a diversified portfolio of low risk assets. The Fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.
- 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**
70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
ULPF	7.38%	10.27%	7.51%	7.34%	6.98%	10.33%	10.60%	9.46%	10.99%	9.92%	13.18%	16.12%	10.48%
Benchmark	6.72%	6.71%	6.83%	7.20%	7.88%	9.16%	9.27%	9.55%	10.31%	11.46%	12.94%	13.45%	9.28%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
UBL Liquidity Plus Fund (ULPF) is an open end Money Market Fund with investment objective to provide attractive daily returns while maintaining comparatively high liquidity. ULPF yielded return of 10.48%p.a. during FY22 as compared to benchmark return of 9.28% thus outperformed the benchmark by 120bps. Major exposure was maintained in cash at the end of Jun22, thus maintaining high portfolio quality. The net assets of the fund were PKR 48,583mn and weighted average maturity of the Fund was ~1.75 days at the end FY22. The asset allocation was made as such to ensure high liquidity is kept intact.
- 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-22	Jun-21
Placements with Banks	10%	17%
Placements with DFIs	0%	0%
T-Bills	0%	0%
Cash	89%	83%
Others	1%	1%
Leverage	Nil	Nil

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

FY'22 Return:	10.48%
Standard Deviation (12m trailing):	0.32%
Sharpe Ratio (12m trailing):	0.77

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
48,583,230	30,493,749	59.32%	101.1324	101.0427	0.09%

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:

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

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

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

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

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

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

- 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	
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	Rupees (000)			----- Rupees -----	
11-Jul-21		68,952	0.2302	101.2729	101.0427
25-Jul-21		85,232	0.2833	101.326	101.0427

8-Aug-21		77,942	0.2729	101.3156	101.0427
22-Aug-21		161,058	0.5522	101.5949	101.0427
5-Sep-21		60,400	0.2655	101.3082	101.0427
14-Sep-21		38,053	0.1735	101.2162	101.0427
19-Sep-21		32,862	0.1095	101.1522	101.0427
3-Oct-21		94,767	0.3137	101.3564	101.0427
17-Oct-21		62,992	0.2928	101.3355	101.0427
31-Oct-21		59,973	0.2688	101.3115	101.0427
14-Nov-21		52,587	0.2752	101.3179	101.0427
28-Nov-21		49,224	0.2591	101.3018	101.0427
12-Dec-21		65,795	0.3238	101.3665	101.0427
16-Dec-21		22,315	0.1032	101.1459	101.0427
19-Dec-21		22,031	0.0985	101.1412	101.0427
20-Dec-21		7,537	0.0328	101.0755	101.0427
12-Jan-22		213,945	0.7365	101.7792	101.0427
30-Jan-22		132,814	0.5166	101.5593	101.0427
13-Feb-22		94,990	0.381	101.4237	101.0427
27-Feb-22		60,014	0.3509	101.3936	101.0427
13-Mar-22		90,801	0.3818	101.4245	101.0427
14-Mar-22		10,731	0.0319	101.0746	101.0427
24-Mar-22		130,337	0.3207	101.3634	101.0427
5-Apr-22		110,004	0.3743	101.417	101.0427
17-Apr-22		66,082	0.3644	101.4071	101.0427
8-May-22		115,605	0.5979	101.6406	101.0427
22-May-22		144,076	0.4564	101.4991	101.0427
5-Jun-22		275,670	0.6076	101.6503	101.0427
28-Jun-22		508,708	1.0266	102.0693	101.0427

- 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
	ULPF
0.0001 - 9,999.9999	7,326
10,000.0000 - 49,999.9999	457
50,000.0000 - 99,999.9999	136
100,000.0000 - 499,999.9999	172
500,000.0000 & Above	83
Total	8,174

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

There were no unit splits during the period.

xv) Disclosures of circumstances that materially affect any interests of unit holders

Investment are subject to market risk.

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

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

PERFORMANCE TABLE**UBL Liquidity Plus Fund**

	2022	2021	2020	2019
NET ASSETS AS AT 30 JUNE - Rupees in '000	48,583,230	30,493,749	19,465,281	6,837,326
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees				
Class C units - Offer	101.1324	101.0427	100.9783	100.7804
- Redemption	101.1324	101.0427	100.9783	100.7804
RETURN OF THE FUND - %				
Total Return of the Fund	10.48	6.97	12.63	8.66
Capital Growth (per unit)	0.58	0.32	0.90	0.87
Date of Income Distribution	-	-	-	-
Income Distribution	-	-	-	8.2762
Date of Income Distribution	July 2021 - June 2022	-	-	-
Income Distribution	10.0016	6.7117	11.843	5.551
AVERAGE ANNUAL RETURN - %				
One Year	10.48	6.97	12.63	8.66
Second Year	9.80	9.80	10.65	7.09
Third Year	9.42	9.42	8.93	6.80
Forth Year	8.44	8.44	8.26	6.48
Fifth Year	8.00	8.00	7.71	6.89
Sixth Year	7.59	7.59	7.85	7.08
Since Inception	8.87	8.77	8.91	8.60
OFFER / REPURCHASE DURING THE YEAR- Rupees				
Highest price per unit - Class C units - Offer	101.3665	101.3665	101.6249	101.2361
Highest price per unit - Class C units - Redemption	101.3665	101.3665	101.6249	101.2361
Lowest price per unit - Class C units - Offer	100.9783	100.9783	100.7804	100.6682
Lowest price per unit - Class C units - Redemption	100.9783	100.9783	100.7804	100.6682
PORTFOLIO COMPOSITION - %				
Percentage of Net Assets as at 30 June				
PORTFOLIO COMPOSITION BY CATEGORY - %				
Bank Balances	89	83	80	86
Placement with Banks/DFIs	10	17	3	12
Government securities	-	0	16	-
Other	1	0	1	2
PORTFOLIO COMPOSITION BY MARKET - %				
Debt market	100	100	100	100

Note:

- The Launch date of Fund is 21 June 2009.

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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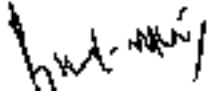
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL LIQUIDITY PLUS 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 UBL Liquidity Plus 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, 2022 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.


Badinuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Liquidity Plus Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Liquidity Plus Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saifi Mr. Aslam Sadruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Sadruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

☎ +92 21 111 828 282

✉ info@ublfunds.com

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

www.ublfunds.com



7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifio
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qadus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below, -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifio	Member	Non-Executive Director
Mr. Aslam Sadduddin [*]	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed ^{***}	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadduddin [*]	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik ^{**}	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed ^{***}	Member	Non-Executive Director
Syed Furrukh Zaheem ^{****}	Member	Non-Executive Director



c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Salfie	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrakh Zameen***	Member	Non-Executive Director

* Mr. Aslam Badruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sadia Saeed has resigned dated July 19, 2021

**** Syed Furrakh Zameen has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The Independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2.33. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMID
 Chairman

Karachi.
 Dated: September 6, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of UBL Liquidity Plus Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Liquidity Plus Fund (the Fund) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 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 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. 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.

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, 2022.



Chartered Accountants

Place: Karachi

Date: September 28, 2022

UDIN: CR202210091cviDdQbm8

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of UBL Liquidity Plus Fund

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with 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 and UBL Funds Managers Limited (the Management Company) 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. We have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements, our auditor's report thereon, the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, our review report thereon and the information related to any other fund.

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 of the Management Company 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 the 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.

Board of Directors of 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 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 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

Place: Karachi**Date:** September 28, 2022**UDIN:** AR202210091xENCEAIIIL

UBL LIQUIDITY PLUS FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

		2022	2021
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
ASSETS			
Bank balances	5	43,855,709	25,412,206
Placements, certificates of investment and term deposit receipts	6	4,800,000	5,200,000
Investments	7	-	-
Mark-up receivable	8	123,214	62,815
Security deposit, prepayment and other receivables	9	36,459	5,689
Advance income tax	10	4,474	4,414
Total assets		48,819,856	30,685,124
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	12,941	15,153
Payable to Central Depository Company of Pakistan Limited - Trustee	12	2,496	1,522
Payable to the Securities and Exchange Commission of Pakistan	13	5,547	4,096
Dividend payable		-	1,989
Accrued expenses and other liabilities	14	215,641	168,615
Total liabilities		236,625	191,375
NET ASSETS		48,583,231	30,493,749
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		48,583,231	30,493,749
Contingencies and commitments	15	----- Number of units -----	
Number of units in issue	16	480,392,331	301,790,755
		----- Rupees -----	
Net asset value per unit		101.1324	101.0427
Face value per unit		100.0000	100.0000

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

**UBL LIQUIDITY PLUS FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

		2022	2021
	Note	Rupees in '000	
INCOME			
Financial income	17	3,034,592	1,512,969
(Loss) / gain on sale of investments - net		(46,595)	1,789
Total income		2,987,997	1,514,758
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	65,843	44,028
Sindh Sales Tax on remuneration of the Management Company	11.2	8,559	5,724
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	18,057	15,027
Annual fee of the Securities and Exchange Commission of Pakistan	13	5,547	4,096
Bank charges		341	591
Auditor's remuneration	18	816	769
Brokerage and settlement expenses		3,448	2,660
Allocated expenses	11.3	12,088	20,213
Selling and marketing expenses	11.4	8,426	-
Legal and professional charges		619	191
Fee and subscription charges		275	267
Listing fee		25	28
Total expenses		124,044	93,594
Net operating income for the year		2,863,953	1,421,164
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	14.2	82,911	(27,866)
Net income for the year before taxation		2,946,864	1,393,298
Taxation	19	-	-
Net income for the year after taxation		2,946,864	1,393,298
Allocation of net income for the year			
Net income for the year after taxation		2,946,864	1,393,298
Income already paid on units redeemed		(682,849)	(115,257)
		2,264,015	1,278,041
Accounting income available for distribution			
- Relating to capital gains		-	225
- Excluding capital gains		2,264,015	1,277,816
		2,264,015	1,278,041
Earnings per unit	20		

The annexed notes 1 to 32 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

**UBL LIQUIDITY PLUS FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	----- Rupees in '000 -----	
Net income for the year after taxation	2,946,864	1,393,298
Other comprehensive income for the year		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	<u>2,946,864</u>	<u>1,393,298</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

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

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Arif Akmal Saifie
Director

UBL LIQUIDITY PLUS FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	30,339,580	154,169	30,493,749	19,328,240	137,041	19,465,281
Issuance of 2,718,181,432 units (2021: 1,005,533,399 units)						
- Capital value	274,652,391	-	274,652,391	101,537,053	-	101,537,053
- Element of income	737,215	-	737,215	147,771	-	147,771
Total amount received on issuance of units	275,389,606	-	275,389,606	101,684,824	-	101,684,824
Redemption of 2,539,579,856 units (2021: 896,509,529 units)						
- Capital value	(256,606,006)	-	(256,606,006)	(90,528,008)	-	(90,528,008)
- Element of income	(42,649)	(682,849)	(725,498)	(4,277)	(115,257)	(119,534)
Total amount paid on redemption of units	(256,648,655)	(682,849)	(257,331,504)	(90,532,285)	(115,257)	(90,647,542)
Total comprehensive income for the year	-	2,946,864	2,946,864	-	1,393,298	1,393,298
Interim distributions during the year (note 30)	(671,678)	(2,243,806)	(2,915,484)	(141,199)	(1,260,913)	(1,402,112)
Net income for the year less distribution	(671,678)	703,058	31,380	(141,199)	132,385	(8,814)
Net assets at the end of the year	48,408,853	174,378	48,583,231	30,339,580	154,169	30,493,749
Undistributed income brought forward comprising of:						
- Realised		154,169			135,806	
- Unrealised		-			1,235	
		154,169			137,041	
Accounting income available for distribution						
- Related to capital gains		-			225	
- Excluding capital gains		2,264,015			1,277,816	
		2,264,015			1,278,041	
Distributions during the year		(2,243,806)			(1,260,913)	
Undistributed income carried forward		174,378			154,169	
Undistributed income carried forward comprising of:						
- Realised		174,378			154,169	
- Unrealised		-			-	
		174,378			154,169	
			--- Rupees ---			--- Rupees ---
Net asset value per unit at the beginning of the year			101.0427			100.9783
Net asset value per unit at the end of the year			101.1324			101.0427

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

**UBL LIQUIDITY PLUS FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,946,864	1,393,298
Adjustments for:		
Financial income	(3,034,592)	(1,512,969)
Loss / (gain) on sale of investments - net	46,595	(1,789)
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	(82,911)	27,866
	(3,070,908)	(1,486,892)
Cash used in operations before working capital changes	(124,044)	(93,594)
(Increase) / decrease in assets		
Placements, certificates of investment and term deposit receipts		
Investments	(46,595)	3,121,972
Security deposit, prepayment and other receivables	(30,770)	609
	(77,365)	3,122,581
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(2,212)	7,481
Payable to Central Depository Company of Pakistan Limited - Trustee	974	776
Payable to the Securities and Exchange Commission of Pakistan	1,451	2,142
Accrued expenses and other liabilities	129,937	(25,019)
	130,150	(14,620)
Cash (used in) / generated from operations	(71,259)	3,014,367
Mark-up received on bank balances	1,541,044	536,670
Mark-up received on placements, certificates of investment and term deposit receipts	541,928	134,713
Mark-up received on investments	891,221	816,112
Advance tax paid	(60)	(2,420)
Net cash generated from operating activities	2,902,874	4,499,442
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	274,717,928	101,543,625
Amount paid on redemption of units	(257,331,504)	(90,647,542)
Dividends paid	(2,245,795)	(1,259,071)
Net cash generated from financing activities	15,140,629	9,637,012
Net increase in cash and cash equivalents during the year	18,043,503	14,136,454
Cash and cash equivalents at the beginning of the year	30,612,206	16,475,752
Cash and cash equivalents at the end of the year	48,655,709	30,612,206
Cash and cash equivalents		
Bank balances	5 43,855,709	25,412,206
Placements, certificates of investment and term deposit receipts	6 4,800,000	5,200,000
	48,655,709	30,612,206

The annexed notes 1 to 32 form an integral part of these financial statements.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

**UBL LIQUIDITY PLUS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Liquidity Plus 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 May 07, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2009 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Ethics Regulations, 2008 (NBFC Regulation). The Fund commenced its operations from June 21, 2009.

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-end mutual fund categorised as money market scheme 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 also be redeemed by surrendering them to the Fund at the option of the unit holder.

The investment objective of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.

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

VIS Credit Rating Company has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company on December 31, 2021 and assigned a stability rating of "AA+(f)" to the Fund as on January 13, 2022.

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this connection, the Management Company submitted restated Trust Deed of the Fund which was duly registered during the year on August 27, 2021.

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 as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the related Companies Ordinance, 1984; and
- The NBFC Rules, the NBFC Regulations, directives issued by the SECP 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, directives issued by the SECP 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, directives issued by the SECP and requirements of the Trust Deed have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

- (i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2, 6 and 7);
- (ii) Impairment of financial assets (note 4.2.3); and
- (iii) Provision for taxation (notes 4.6 and 19).

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

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

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

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

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

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

	Effective from accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Initial recognition and measurement

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

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

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- At amortized cost ("AC");
- Fair value through other comprehensive income ("FVTOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

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

Financial asset at FVTPL

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

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

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

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

Business model assessment

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

Following three business models are defined under the IFRS 9:

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

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

4.2.2.2 Financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

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

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

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

4.2.4 Derecognition

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

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

4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of 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 (PKRV rates) which are based on the remaining tenor of the securities.

4.2.6 Regular way contracts

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

4.2.7 Offsetting of financial assets and liabilities

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

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

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

4.6 Taxation

The income of the Fund is exempt from income tax under clause 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 period, 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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4C of 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 period as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 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 the SECP) distribution 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 for the 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 year of investment.

4.8 Issuance and redemption of units

Units issued are recorded 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.

4.9 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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Net assets value per unit

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Markup on investments in government securities is recognised using effective yield method.
- Income on bank balances is recognised on time proportionate basis.

4.12 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

	Note	2022 ----- Rupees in '000 -----	2021
5. BANK BALANCES			
In local currency:			
- Savings accounts	5.1	23,655,496	25,412,193
- Current accounts		20,200,213	13
		43,855,709	25,412,206

- 5.1 Mark-up rates on these savings accounts range between 12.25% to 16.60% per annum (2021: 5.5% to 9.00% per annum). These include an amount held by a related party, United Bank Limited, amounting to Rs. 62.18 million (2021: Rs. 35.30 million) on which return is earned at 12.25% (2021: 5.5%) per annum.

		2022	2021
	Note	----- Rupees in '000 -----	
6.	PLACEMENTS, CERTIFICATES OF INVESTMENT AND TERM DEPOSIT RECEIPTS		

Financial assets at amortised cost

Term deposits receipts	6.1	4,800,000	5,200,000
Letter of placements	6.2	-	-
Certificate of investments	6.3	-	-
		4,800,000	5,200,000

6.1 **Term deposits receipts**

Name of company	Maturity date	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Value as a percentage of net assets
		----- Rupees in '000 -----				%
Bank Alfalah Limited	2-Jul-21	1,900,000	-	1,900,000	-	-
Bank Alfalah Limited	15-Jul-21	500,000	-	500,000	-	-
Allied Bank Limited	29-Jul-21	2,800,000	-	2,800,000	-	-
Bank Alfalah Limited	5-Oct-21	-	2,850,000	2,850,000	-	-
Habib Bank Limited	22-Oct-21	-	2,950,000	2,950,000	-	-
Bank Alfalah Limited	22-Nov-21	-	2,100,000	2,100,000	-	-
Bank Alfalah Limited	16-Dec-21	-	1,900,000	1,900,000	-	-
Bank Alfalah Limited	4-Jan-22	-	1,900,000	1,900,000	-	-
Habib Bank Limited	13-Jan-22	-	1,500,000	1,500,000	-	-
Faysal Bank Limited	31-Jan-22	-	1,500,000	1,500,000	-	-
Allied Bank Limited	31-Mar-22	-	1,300,000	1,300,000	-	-
Allied Bank Limited	5-Apr-22	-	2,000,000	2,000,000	-	-
Allied Bank Limited	15-Apr-22	-	2,000,000	2,000,000	-	-
Bank Alfalah Limited	30-Jun-22	-	4,000,000	4,000,000	-	-
Habib Bank Limited	6-Jul-22	-	3,000,000	-	3,000,000	6.17%
Habib Bank Limited	8-Jul-22	-	1,800,000	-	1,800,000	3.70%
As at June 30, 2022		5,200,000	28,800,000	29,200,000	4,800,000	9.88%
As at June 30, 2021		-	7,400,000	2,200,000	5,200,000	17.05%

6.1.1 Term deposit receipts carry interest rates ranging from 7.62% to 17.15% (2021: 7.62% to 9%) per annum.

6.2 Letter of placements

Name of company	Maturity date	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Value as a percentage of net assets
----- Rupees in '000 -----						%
Pak Kuwait Takaful Company Limited	16-Dec-21	-	1,800,000	1,800,000	-	-
Pak Oman Investment Company Limited	16-Dec-21	-	1,800,000	1,800,000	-	-
Pak Brunei Investment Company Limited	16-Dec-21	-	1,800,000	1,800,000	-	-
Pak Oman Investment Company Limited	15-Dec-21	-	1,800,000	1,800,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	15-Dec-21	-	700,000	700,000	-	-
Pak Brunei Investment Company Limited	15-Dec-21	-	1,800,000	1,800,000	-	-
Pak Kuwait Takaful Company Limited	15-Dec-21	-	1,800,000	1,800,000	-	-
Pak Brunei Investment Company Limited	10-Dec-21	-	1,800,000	1,800,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	10-Dec-21	-	1,920,000	1,920,000	-	-
Pak Oman Investment Company Limited	10-Dec-21	-	1,900,000	1,900,000	-	-
Pak Kuwait Takaful Company Limited	10-Dec-21	-	1,800,000	1,800,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	7-Dec-21	-	1,800,000	1,800,000	-	-
Pak Kuwait Takaful Company Limited	7-Dec-21	-	1,800,000	1,800,000	-	-
Pak Brunei Investment Company Limited	7-Dec-21	-	1,800,000	1,800,000	-	-
Pak Oman Investment Company Limited	7-Dec-21	-	1,800,000	1,800,000	-	-
Pak Brunei Investment Company Limited	24-Nov-21	-	300,000	300,000	-	-
Pak Oman Investment Company Limited	26-Nov-21	-	400,000	400,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	26-Nov-21	-	1,000,000	1,000,000	-	-
Pak Brunei Investment Company Limited	22-Nov-21	-	900,000	900,000	-	-
Pak Oman Investment Company Limited	22-Nov-21	-	100,000	100,000	-	-
Pak Brunei Investment Company Limited	22-Nov-21	-	1,000,000	1,000,000	-	-
Pair Investment Company Limited	3-Dec-21	-	500,000	500,000	-	-
Pair Investment Company Limited	3-Dec-21	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	2-Dec-21	-	1,500,000	1,500,000	-	-
Pak Brunei Investment Company Limited	22-Oct-21	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	19-Nov-21	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	19-Nov-21	-	1,000,000	1,000,000	-	-
Pair Investment Company Limited	8-Nov-21	-	500,000	500,000	-	-
Pair Investment Company Limited	8-Nov-21	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	2-Sep-21	-	400,000	400,000	-	-
Pak Oman Investment Company Limited	31-Aug-21	-	1,965,000	1,965,000	-	-
Pak Oman Investment Company Limited	30-Aug-21	-	900,000	900,000	-	-
Pair Investment Company Limited	20-Sep-21	-	200,000	200,000	-	-
Pair Investment Company Limited	17-Sep-21	-	460,000	460,000	-	-
Pak Brunei Investment Company Limited	17-Aug-21	-	1,100,000	1,100,000	-	-
Pak Brunei Investment Company Limited	12-Aug-21	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	23-Sep-21	-	500,000	500,000	-	-
Pak Brunei Investment Company Limited	29-Jul-21	-	840,000	840,000	-	-
Pak Brunei Investment Company Limited	29-Jul-21	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	17-Sep-21	-	1,000,000	1,000,000	-	-
Pak Brunei Investment Company Limited	15-Jul-21	-	700,000	700,000	-	-
Pak Brunei Investment Company Limited	15-Jul-21	-	1,000,000	1,000,000	-	-
Pak Kuwait Takaful Company Limited	1-Jun-22	-	3,000,000	3,000,000	-	-
Pak Oman Investment Company Limited	30-May-22	-	3,400,000	3,400,000	-	-
Pak Oman Investment Company Limited	25-May-22	-	500,000	500,000	-	-
Pak Oman Investment Company Limited	20-May-22	-	2,000,000	2,000,000	-	-
Pak Oman Investment Company Limited	18-May-22	-	1,700,000	1,700,000	-	-
Pak Oman Investment Company Limited	17-May-22	-	1,700,000	1,700,000	-	-
Pak Oman Investment Company Limited	16-May-22	-	1,700,000	1,700,000	-	-
Pak Brunei Investment Company Limited	13-May-22	-	1,700,000	1,700,000	-	-

Name of company	Maturity date	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Value as a percentage of net assets
----- Rupees in '000 -----						%
Pak Brunei Investment Company Limited	12-May-22	-	190,000	190,000	-	-
Pak Brunei Investment Company Limited	12-May-22	-	1,500,000	1,500,000	-	-
Pak Oman Investment Company Limited	11-May-22	-	1,300,000	1,300,000	-	-
Pak Brunei Investment Company Limited	10-May-22	-	1,000,000	1,000,000	-	-
Pak Kuwait Takaful Company Limited	28-Apr-22	-	1,750,000	1,750,000	-	-
Pak Oman Investment Company Limited	28-Apr-22	-	1,500,000	1,500,000	-	-
Pak Kuwait Takaful Company Limited	26-Apr-22	-	1,750,000	1,750,000	-	-
Pak Brunei Investment Company Limited	25-Apr-22	-	1,750,000	1,750,000	-	-
Pak Oman Investment Company Limited	25-Apr-22	-	1,750,000	1,750,000	-	-
Pak Kuwait Takaful Company Limited	21-Apr-22	-	1,500,000	1,500,000	-	-
Pak Brunei Investment Company Limited	21-Apr-22	-	1,650,000	1,650,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	15-Apr-22	-	1,700,000	1,700,000	-	-
Pak Oman Investment Company Limited	15-Apr-22	-	700,000	700,000	-	-
Pak Kuwait Takaful Company Limited	15-Apr-22	-	1,700,000	1,700,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	8-Apr-22	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	8-Apr-22	-	1,500,000	1,500,000	-	-
Pak Kuwait Takaful Company Limited	8-Apr-22	-	2,000,000	2,000,000	-	-
Pak Oman Investment Company Limited	31-Mar-22	-	1,500,000	1,500,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	11-Mar-22	-	1,000,000	1,000,000	-	-
Pak Kuwait Takaful Company Limited	11-Mar-22	-	1,800,000	1,800,000	-	-
Pak Oman Investment Company Limited	11-Mar-22	-	1,800,000	1,800,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	10-Mar-22	-	1,700,000	1,700,000	-	-
Pak Oman Investment Company Limited	22-Feb-22	-	2,350,000	2,350,000	-	-
Pak Brunei Investment Company Limited	10-Mar-22	-	1,000,000	1,000,000	-	-
Pak Brunei Investment Company Limited	10-Mar-22	-	1,500,000	1,500,000	-	-
Pak Kuwait Takaful Company Limited	10-Mar-22	-	2,500,000	2,500,000	-	-
Pak Oman Investment Company Limited	4-Feb-22	-	1,350,000	1,350,000	-	-
Pak Oman Investment Company Limited	4-Feb-22	-	1,000,000	1,000,000	-	-
Faysal Bank Limited	4-Feb-22	-	1,700,000	1,700,000	-	-
Pak Oman Investment Company Limited	14-Jan-22	-	750,000	750,000	-	-
Pak Brunei Investment Company Limited	27-Jan-22	-	1,000,000	1,000,000	-	-
Pak Kuwait Takaful Company Limited	27-Jan-22	-	2,000,000	2,000,000	-	-
Pak Brunei Investment Company Limited	27-Jan-22	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	27-Jan-22	-	1,500,000	1,500,000	-	-
Pak Kuwait Takaful Company Limited	27-Jan-22	-	1,000,000	1,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	27-Jan-22	-	900,000	900,000	-	-
Pak Kuwait Investment Company Limited	20-Jun-22	-	700,000	700,000	-	-
Pak Kuwait Investment Company Limited	17-Jun-22	-	700,000	700,000	-	-
Pak Kuwait Investment Company Limited	16-Jun-22	-	2,700,000	2,700,000	-	-
Pak Kuwait Investment Company Limited	15-Jun-22	-	3,100,000	3,100,000	-	-
Pak Oman Investment Company Limited	15-Jun-22	-	1,000,000	1,000,000	-	-
Pak Oman Investment Company Limited	15-Jun-22	-	700,000	700,000	-	-
Pak Oman Investment Company Limited	14-Jun-22	-	1,000,000	1,000,000	-	-
Pak Kuwait Investment Company Limited	8-Jun-22	-	1,000,000	1,000,000	-	-
Pak Kuwait Investment Company Limited	7-Jun-22	-	1,000,000	1,000,000	-	-
Pak Oman Investment Company Limited	6-Jun-22	-	400,000	400,000	-	-
Pak Kuwait Investment Company Limited	6-Jun-22	-	4,500,000	4,500,000	-	-
Pak Oman Investment Company Limited	3-Jun-22	-	3,900,000	3,900,000	-	-
Pak Kuwait Takaful Company Limited	2-Jun-22	-	3,600,000	3,600,000	-	-
As at June 30, 2022		-	138,975,000	138,975,000	-	-
As at June 30, 2021		-	55,769,000	55,769,000	-	-

6.2.1 Letter of placements carried effective rate ranging from 7.10% to 14.70% per annum during the year.

6.3 Certificates of investment

Name of company	Maturity date	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Value as a percentage of net assets
----- Rupees in '000 -----						%
Pak Oman Investment Company Limited	18-Apr-22	-	1,000,000	1,000,000	-	-
Pak Oman Investment Company Limited	31-Jan-22	-	1,500,000	1,500,000	-	-
As at June 30, 2022		-	2,500,000	2,500,000	-	-
As at June 30, 2021		650,000	-	650,000	-	-

6.3.1 Certificates of investment carried effective rate of 12% (2021: 9%) per annum during the year.

7. INVESTMENTS

At fair value through profit and loss

Government securities

- Market Treasury Bills

- Pakistan Investment Bonds

Note	June 30, 2022	June 30, 2021
	----- Rupees in '000 -----	----- Rupees in '000 -----
7.1	-	-
7.2	-	-
	-	-

7.1 Government securities - Market Treasury Bills

Maturity date	Tenor	Face value				Total carrying value as at June 30, 2022	Total market value as at June 30, 2022	Unrealized gain on remeasurement	Market value as a % of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As June 30, 2022				Total investments	Net assets
----- Rupees in '000 -----									----- % -----	
July 15, 2021	6 Months	-	11,200,000	11,200,000	-	-	-	-	-	-
July 29, 2021	6 Months	-	4,000,000	4,000,000	-	-	-	-	-	-
July 29, 2021	3 Months	-	2,700,000	2,700,000	-	-	-	-	-	-
August 12, 2021	3 Months	-	8,100,000	8,100,000	-	-	-	-	-	-
August 12, 2021	6 Months	-	3,150,000	3,150,000	-	-	-	-	-	-
August 26, 2021	6 Months	-	6,456,000	6,456,000	-	-	-	-	-	-
September 9, 2021	6 Months	-	4,200,000	4,200,000	-	-	-	-	-	-
September 9, 2021	3 Months	-	1,225,000	1,225,000	-	-	-	-	-	-
September 23, 2021	3 Months	-	900,000	900,000	-	-	-	-	-	-
October 7, 2021	3 Months	-	3,100,000	3,100,000	-	-	-	-	-	-
October 7, 2021	6 Months	-	500,000	500,000	-	-	-	-	-	-
October 21, 2021	6 Months	-	3,760,000	3,760,000	-	-	-	-	-	-
November 4, 2021	6 Months	-	11,470,000	11,470,000	-	-	-	-	-	-
November 4, 2021	3 Months	-	3,920,000	3,920,000	-	-	-	-	-	-
November 18, 2021	6 Months	-	6,500,000	6,500,000	-	-	-	-	-	-
December 2, 2021	6 Months	-	8,779,000	8,779,000	-	-	-	-	-	-
December 2, 2021	3 Months	-	4,070,000	4,070,000	-	-	-	-	-	-
December 16, 2021	6 Months	-	7,425,000	7,425,000	-	-	-	-	-	-
December 30, 2021	3 Months	-	5,400,000	5,400,000	-	-	-	-	-	-
December 30, 2021	6 Months	-	8,000,000	8,000,000	-	-	-	-	-	-
January 13, 2022	3 Months	-	2,250,000	2,250,000	-	-	-	-	-	-

Maturity date	Tenor	Face value				Total carrying value as at June 30, 2022	Total market value as at June 30, 2022	Unrealized gain on remeasurement	Market value as a % of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As June 30, 2022				Total investments	Net assets
Rupees in '000								%		
January 13, 2022	6 Months	-	12,105,000	12,105,000	-	-	-	-	-	
January 27, 2022	3 Months	-	6,875,000	6,875,000	-	-	-	-	-	
January 27, 2022	6 Months	-	13,625,000	13,625,000	-	-	-	-	-	
February 19, 2022	3 Months	-	500,000	500,000	-	-	-	-	-	
February 24, 2022	3 Months	-	8,752,500	8,752,500	-	-	-	-	-	
February 24, 2022	6 Months	-	5,527,000	5,527,000	-	-	-	-	-	
March 10, 2022	3 Months	-	3,280,000	3,280,000	-	-	-	-	-	
March 24, 2022	3 Months	-	2,970,000	2,970,000	-	-	-	-	-	
March 24, 2022	6 Months	-	710,000	710,000	-	-	-	-	-	
April 7, 2022	3 Months	-	4,550,000	4,550,000	-	-	-	-	-	
April 7, 2022	6 Months	-	1,500,000	1,500,000	-	-	-	-	-	
April 21, 2022	3 Months	-	26,700,000	26,700,000	-	-	-	-	-	
April 21, 2022	6 Months	-	7,450,000	7,450,000	-	-	-	-	-	
April 28, 2022	3 Months	-	15,117,985	15,117,985	-	-	-	-	-	
April 28, 2022	6 Months	-	3,800,000	3,800,000	-	-	-	-	-	
May 19, 2022	3 Months	-	1,100,000	1,100,000	-	-	-	-	-	
May 19, 2022	6 Months	-	2,000,000	2,000,000	-	-	-	-	-	
June 2, 2022	3 Months	-	9,000,000	9,000,000	-	-	-	-	-	
June 16, 2022	3 Months	-	1,000,000	1,000,000	-	-	-	-	-	
June 16, 2022	6 Months	-	3,693,000	3,693,000	-	-	-	-	-	
June 30, 2022	3 Months	-	46,450,000	46,450,000	-	-	-	-	-	
June 30, 2022	6 Months	-	18,000,000	18,000,000	-	-	-	-	-	
July 14, 2022	3 Months	-	11,500,000	11,500,000	-	-	-	-	-	
July 28, 2022	3 Months	-	85,000	85,000	-	-	-	-	-	
July 28, 2022	6 Months	-	10,315,355	10,315,355	-	-	-	-	-	
August 11, 2022	3 Months	-	2,000,000	2,000,000	-	-	-	-	-	
August 11, 2022	6 Months	-	5,500,000	5,500,000	-	-	-	-	-	
September 8, 2022	3 Months	-	21,600,000	21,600,000	-	-	-	-	-	
September 8, 2022	6 Months	-	2,425,000	2,425,000	-	-	-	-	-	
October 6, 2022	3 Months	-	350,000	350,000	-	-	-	-	-	
November 3, 2022	3 Months	-	300,000	300,000	-	-	-	-	-	
Total as at June 30, 2022		-	355,885,840	355,885,840	-	-	-	-	-	
Total as at June 30, 2021		3,174,300	276,288,194	279,462,494	-	-	-	-	-	

7.1.1 These Market Treasury Bills carried effective yield ranging from 7.07% to 14.60% per annum.

7.2 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value				Total carrying value as at June 30, 2022	Total market value as at June 30, 2022	Unrealized gain on remeasurement	Market value as a % of			
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As June 30, 2022				Total investments	Net assets		
----- Rupees in '000 -----											----- % -----	
September 19, 2019	3 Years	-	23,405,000	23,405,000	-	-	-	-	-	-		
As at June 30, 2022		-	23,405,000	23,405,000	-	-	-	-	-	-		

7.2.1 The Pakistan Investment Bonds carried effective yield of 9% per annum.

	Note	2022 ----- Rupees in '000 -----	2021 ----- Rupees in '000 -----
8. MARK-UP RECEIVABLE			
Mark-up accrued on:			
- Savings accounts		70,213	32,333
- Term deposit receipts		53,001	30,482
		<u>123,214</u>	<u>62,815</u>
9. SECURITY DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES			
Deposit for CDS account		197	197
Prepaid rating fees		244	251
Receivable against issuance of units		34,896	4,343
Receivable from UBL Fund Managers Limited - Management Company		1,065	841
Other receivables		57	57
		<u>36,459</u>	<u>5,689</u>

10. ADVANCE INCOME TAX

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

	Note	2022 ----- Rupees in '000 -----	2021 ----- Rupees in '000 -----
11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	11.1	9,797	2,900
Sindh Sales Tax on remuneration payable to the Management Company	11.2	1,273	377
Conversion charges		156	147
Allocated expenses payable	11.3	4	11,712
Selling and marketing expenses	11.4	1,694	-
Other payables		17	17
		<u>12,941</u>	<u>15,153</u>

- 11.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. The remuneration is payable to the Management Company monthly in arrears. During the year ended June 30, 2022, the Management Company has charged management fee at the rates as stated below:

	Remuneration (as a % of gross earnings)
From July 01, 2021 to July 04, 2021	0.25%
From July 05, 2021 to August 12, 2021	1.86%
On August 13, 2021	5.00%
From August 14, 2021 to August 22, 2021	1.86%
On August 23, 2021	5.00%
From August 24, 2021 to December 23, 2021	2.50%
From December 24, 2021 to December 27, 2021	0.71%
From December 28, 2021 to December 30, 2021	1.86%
From December 31, 2021 to January 3, 2022	1.00%

	Remuneration (as a % of gross earnings)
On January 4, 2022	2.17%
On January 5, 2022	1.00%
From January 6, 2022 to March 13, 2022	2.50%
On March 14, 2022	1.30%
On March 15, 2022	2.50%
From March 16, 2022 to March 23, 2022	1.27%
From March 24, 2022 to March 27, 2022	0.63%
From March 28, 2022 to March 31, 2022	0.17%
From April 1, 2022 to April 5, 2022	3.39%
From April 6, 2022 to May 21, 2022	4.43%
From May 22, 2022 to May 23, 2022	3.39%
From May 24, 2022 to May 26, 2022	3.80%
From May 27, 2022 to May 28, 2022	2.24%
From May 29, 2022 to June 5, 2022	1.03%
On June 6, 2022	1.67%
On June 7, 2022	3.81%
From June 8, 2022 to June 14, 2022	2.02%
From June 14, 2022 to June 19, 2022	1.28%
On June 20, 2022	0.85%
On June 21, 2022	0.58%
From June 22, 2022 to June 23, 2022	1.00%
On June 24, 2022	2.73%
On June 25, 2022	2.73%
From June 26, 2022 to June 29, 2022	2.14%
On June 30, 2022	1.00%

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

11.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 21) prescribed by the SECP vide SRO 639 (I) / 2019 dated June 20, 2019 is complied with. During the year, the Management Company has charged the Fund at the following rates;

	Allocated expense as a % per annum of the daily net assets
On July 01, 2021	0.11%
From July 02, 2021 to July 05, 2021	0.14%
From July 06, 2021 to August 02, 2021	0.11%
From August 03, 2021 to August 12, 2021	0.21%
On August 13, 2021	1.54%
From August 14, 2021 to August 22, 2021	0.36%
From August 23, 2021 to August 30, 2021	0.10%
From August 31, 2021 to September 02, 2021	0.20%
From September 03, 2021 to September 12, 2021	0.10%
From September 17, 2021 to December 21, 2021	0.05%
From December 22, 2021 to June 30, 2022	0.00%

11.4 In accordance with Circular 11 dated July 5, 2019, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except funds of funds) up to a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.03% to 0.10% (2021: nil) per annum of daily net assets of the Fund during the year, while keeping in view the overall return and the Total Expense Ratio limit of the Fund.

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

- 12.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.065% from July 01 to September 30, 2021 and 0.055% from October 01, 2021 to June 30, 2022 (2021: 0.065%) per annum of average daily net assets of the Fund during the year. The remuneration is payable on monthly basis in arrears. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund as annual fee.

		2022	2021
	Note	Rupees in '000	
14. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration		613	568
Brokerage expense		3,188	1,007
Legal and professional charges		437	89
Capital gains tax payable		80,957	8,138
Zakat payable		2,157	1,389
Withholding tax payable		72,296	17,799
Provision for indirect duties and taxes	14.1	55,390	55,390
CDS fee Payable to CDC		100	100
Provision for Sindh Workers' Welfare Fund	14.2	-	83,752
Other payable		503	383
		215,641	168,615

- 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 June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

On 30 June 2016, the Honorable Sindh High Court had passed a Judgment that after the 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. The Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 55.390 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2022 would have been higher by Re. 0.1168 per unit (2021: Re. 0.1831 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, provision for FED has not been recorded by the Fund since July 01, 2016.

- 14.2 During the year, the Sindh Revenue Board (SRB) through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 0.205 million (net of current period reversal), for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. No provision for SWWF was recognised by the Fund on or after August 13, 2021.

15. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

		2022	2021
		----- Number of units -----	
16.	NUMBER OF UNITS IN ISSUE		
	Total units in issue at the beginning of the year	301,790,755	192,766,885
	Units issued during the year	2,718,181,432	1,005,533,399
	Units redeemed during the year	(2,539,579,856)	(896,509,529)
	Total units in issue at the end of the year	480,392,331	301,790,755
		2022	2021
		----- Rupees in '000 -----	
17.	FINANCIAL INCOME		
	Mark-up / interest income on:		
	- Savings accounts	1,578,924	532,624
	- Placements, certificate of investments and term deposit receipts	564,447	164,233
	- Government securities	891,221	816,112
		3,034,592	1,512,969
18.	AUDITOR'S REMUNERATION		
	Annual audit fee	414	377
	Fee for half yearly review	194	177
	Fee for review of compliance with the requirements of the Code of Corporate Governance	49	44
	Fee for other certifications / services	52	47
	Out of pocket expenses and sales tax	107	124
		816	769
19.	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 as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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. During the year ended June 30, 2022, the Fund has distributed by way of cash dividend at minimum 90 percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.		
20.	EARNINGS PER UNIT		
	Earnings per unit (EPU) has not been disclosed as in the opinion of management, determination of weighted average number of outstanding units for calculating EPU is not practicable.		
21.	TOTAL EXPENSE RATIO		
	The total expense ratio of the Fund is 0.45% (2021: 0.59%) which includes 0.06% (2021: 0.19%) representing Government Levy, Sindh Workers' Welfare Fund, and the SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.		
22.	FINANCIAL INSTRUMENTS BY CATEGORY		
		2022	2021
		----- Rupees in '000 -----	
	Financial assets		
	At amortized cost		
	Bank balances	43,855,709	25,412,206
	Term deposit receipts	4,800,000	5,200,000
	Mark-up receivable	123,214	62,815
	Security deposits and other receivables	36,215	5,438
		48,815,138	30,680,459

	2022	2021
	----- Rupees in '000 -----	
Financial liabilities		
At amortised cost		
Payable to UBL Fund Managers Limited - Management Company	12,941	15,153
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,496	1,522
Dividend payable	-	1,989
Accrued expenses and other liabilities	4,841	2,147
	<u>20,278</u>	<u>20,811</u>

23. FINANCIAL RISK MANAGEMENT

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

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

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

23.1 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 three types of risk; currency risk, interest rate risk and other price risk.

23.1.1 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 currency risk, as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2022.

23.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

The Fund's variable interest rate risk arises from bank balances in savings accounts. The net income for the year would have increased / decreased by Rs. 236.555 million (2021: Rs. 253.270 million) had the interest rates on savings accounts with banks increased / decreased by 100 basis points, with all other variables held constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instruments which are carried at fair value through profit or loss and is not exposed to fair value interest rate risk.

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

2022					
Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
		Up to three months	More than three months and up to one year	More than one year	
%		Rupees in '000			
On-balance sheet financial instruments					
Financial assets					
Bank balances	12.25% - 16.60%	43,855,709	23,655,496	-	20,200,213
Term deposit receipts	7.62% - 17.15%	4,800,000	4,800,000	-	-
Mark-up receivable		123,214	-	-	123,214
Security deposits and other receivables		36,459	-	-	36,459
		48,815,382	28,455,496	-	20,359,886
Financial liabilities					
Payable to UBL Fund Managers Limited - Management Company		12,941	-	-	12,941
Payable to the Central Depository Company of Pakistan Limited - Trustee		2,496	-	-	2,496
Accrued expenses and other liabilities		4,841	-	-	4,841
		20,278	-	-	20,278
On-balance sheet gap (a)		48,795,104	28,455,496	-	20,339,608
Off-balance sheet financial instrument		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)			28,455,496	-	20,339,608
Cumulative interest rate sensitivity gap			28,455,496	-	20,339,608

2021					
Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
		Up to three months	More than three months and up to one year	More than one year	
%		Rupees in '000			
On-balance sheet financial instruments					
Financial assets					
Bank balances	5.50% - 9%	25,412,206	25,412,193	-	13
Term deposit receipts	7.62% - 9%	5,200,000	5,200,000	-	-
Mark-up receivable		62,815	-	-	62,815
Deposits and other receivables		5,438	-	-	5,438
		30,680,459	30,612,193	-	68,266
Financial liabilities at amortised cost					
Payable to UBL Fund Managers Limited - Management Company		15,153	-	-	15,153
Payable to the Central Depository Company of Pakistan Limited - Trustee		1,522	-	-	1,522
Dividend payable		1,989	-	-	1,989
Accrued expenses and other liabilities		2,147	-	-	2,147
		20,811	-	-	20,811
On-balance sheet gap (a)		30,659,648	30,612,193	-	47,455
Off-balance sheet financial instrument		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)			30,612,193	-	47,455
Cumulative interest rate sensitivity gap			30,612,193	-	47,455

23.1.3 Other price risk

Other price 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 (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. As at June 30, 2022, the Fund does not hold any security which exposes the Fund to other price risk.

23.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances, placements, certificates of investment, term deposit receipts and mark-up / interest receivable and deposits and other receivables.

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. 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, Fund's Trust Deed, the requirements of the NBFC Rules and the NBFC Regulations, and the guidelines / directives given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral as at June 30, 2022 and June 30, 2021 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2022 and June 30, 2021.

Name of financial institution	Balances held by the Fund as at June 30, 2022	Latest available published ratings at June 30, 2022	Rating agency

Rupees in '000

Bank balances and mark-up receivable thereon

Allied Bank Limited	31,895,375	AAA	PACRA
Bank Alfalah Limited	1,175,416	AA+	PACRA
Faysal Bank Limited	3,176	AA	VIS
Habib Metropolitan Bank Limited	6,152	AA+	PACRA
United Bank Limited	65,491	AAA	VIS
Habib Bank Limited	10,540,760	AAA	VIS
Askari Bank Limited	7	AA+	PACRA
Meezan Bank Limited	17	AA+	VIS
MCB Limited	23,647	AAA	PACRA
Samba Bank Limited	209,769	AA	VIS
Sindh Bank Limited	13	A+	VIS
Zarai Taraqiati Bank Limited	7	AAA	VIS
National Bank of Pakistan	6,092	AAA	VIS
	43,925,922		

Term deposit receipts and mark-up receivable thereon

Habib Bank Limited	4,853,001	AAA	VIS
	4,853,001		

Name of Institutions	Balances held by the Fund as at June 30, 2021	Latest available published ratings at June 30, 2021	Rating agency

Rupees in '000

Bank balances and mark-up receivable thereon

Allied Bank Limited	3,280,379	AAA	PACRA
Bank Alfalah Limited	12,260	AA+	PACRA
Faysal Bank Limited	53	AA	PACRA
Habib Metropolitan Bank Limited	2,885	AA+	PACRA
United Bank Limited	35,400	AAA	VIS
Habib Bank Limited	22,074,649	AAA	VIS
Askari Bank Limited	7	AA+	PACRA
Meezan Bank Limited	17	AA+	VIS
MCB Limited	21,386	AAA	PACRA
Samba Bank Limited	4,083	AA	VIS
Sindh Bank Limited	13	A+	VIS
Zarai Taraqati Bank Limited	7	AAA	VIS
National Bank of Pakistan	13,400	AAA	PACRA
	<u>25,444,539</u>		

Term deposit receipts and mark-up receivable thereon

Allied Bank Limited	2,800,690	AAA	PACRA
Bank Alfalah Limited	2,429,792	AA+	PACRA
	<u>5,230,482</u>		

Concentration of credit risk

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

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

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

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 table below 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.

Total	Up to three months	Over three months and up to one year	Over one year

----- Rupees in '000 -----

June 30, 2022

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	12,941	12,941	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,496	2,496	-	-
Accrued expenses and other liabilities	4,841	4,841	-	-
	20,278	20,278	-	-
Net assets attributable to redeemable units	48,583,231	48,583,231	-	-

June 30, 2021

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	15,153	15,153	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,522	1,522	-	-
Dividend payable	1,989	1,989	-	-
Accrued expenses and other liabilities	2,147	2,147	-	-
	20,811	20,811	-	-
Net assets attributable to redeemable units	30,493,749	30,493,749	-	-

Above financial liabilities do not carry any mark-up and are secured.

24. 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 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 plan size (i.e. net assets of the plan) 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 of the Management Company 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.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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.

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

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

As at reporting date, the Fund does not hold any financial instruments which are measured at fair value. The estimated fair value of all financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	2022 %
1 Bright Capital (Private) Limited	14.65
2 Continental Exchange (Private) Limited	13.43
3 Invest One Markets Limited	11.41
4 Magenta Capital (Private) Limited	10.89
5 BIPL Securities Limited	9.84
6 Optimus Markets (Private) Limited	6.92
7 Alfalah Cisa Securities (Private) Limited	6.65
8 Pearl Securities Limited	6.18
9 Arif Habib Limited	5.55
10 Currency Market Associates (Private) Limited	3.00
	88.52
	2021 %
1 Bright Capital (Private) Limited	21.00
2 Continental Exchange (Private) Limited	16.00
3 Invest One Markets Limited	10.00
4 Arif Habib Limited	10.00
5 Magenta Capital (Private) Limited	8.00
6 BIPL Securities Limited	7.00
7 Optimus Markets (Private) Limited	7.00
8 Paramount Capital (Private) Limited	6.00
9 Icon Securities (Private) Limited	5.00
10 Vector Capital (Private) Limited	4.00
	94.00

27. 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	Qualification	Experience in years
1	Yasir Qadri	Chief Executive Officer	MBA	26
2	Syed Suleman Akhtar	Chief Investment Officer	CFA, MBA	21
3	Muhammad Imran	Head of Investment Advisory	MBA	23
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance and Quality Assurance	B.com (CA Foundation)	22
5	Syed Sheeraz Ali	Head of Fixed Income Funds	BS, CFA I	13
6	Muhammad Ahmed	Deputy Head Research	BS, CFA	4

27.1 Syed Sheeraz Ali is the Fund manager of the Fund. He is also the Fund Manager of UBL Growth Savings Fund, UBL Retirement Savings Fund, UBL Special Savings Plan VI, Al-Ameen Islamic Cash Fund, UBL Special Savings Plan VIII, Al-Ameen Islamic Special Savings Plan-II, UBL Special Savings Plan IX, Al-Ameen Islamic Aggressive Income Fund, UBL Cash Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Plan II, UBL Special Savings Plan III, UBL Special Savings Plan IV, UBL Special Savings Plan V, Al-Ameen Islamic Cash Plan-I, Al-Ameen Islamic Aggressive Income Plan I, Al-Ameen Islamic Sovereign Fund.

28. PATTERN OF UNIT HOLDING

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total

Rupees in '000

June 30, 2022

Associated company and key executives	8	32,872,414	3,324,466	6.84%
Individuals	7,949	90,658,134	9,168,475	18.87%
Insurance companies	6	13,291,158	1,344,167	2.77%
NBFCs	1	828,966	83,835	0.17%
Others	126	115,615,153	11,692,439	24.07%
Public limited companies	20	213,592,782	21,601,151	44.46%
Retirement funds	64	13,533,724	1,368,698	2.82%
	8,174	480,392,331	48,583,231	100%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total

Rupees in '000

June 30, 2021

Associated company and key executives	7	22,081	2,231	0.01%
Individuals	6,061	54,846,815	5,541,870	18.17%
Insurance companies	3	3,282,447	331,667	1.09%
NBFC	3	9,684,328	978,531	3.21%
Others	51	24,043,735	2,429,444	7.97%
Public limited companies	57	206,613,959	20,876,832	68.46%
Retirement funds	25	3,297,390	333,174	1.09%
	6,207	301,790,755	30,493,749	100%

29. TRANSACTIONS 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.

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

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

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

Details of transactions with related parties / connected persons during the year and balances held with them at the year ended June 30, 2022 are as follows:

Particulars	Management Company	Associated companies and others*	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties**

----- For the year ended June 30, 2022 -----
 ----- Units in '000 -----

Transactions during the year

Units issued	139,757	59,801	218	-	3,718	731,563
Units redeemed	146,465	29,943	3,710	-	3,223	651,615

----- Rupees in '000 -----

Value of units issued	14,143,813	6,044,553	21,977	-	376,625	74,185,678
Value of units redeemed	14,821,579	3,032,489	375,644	-	326,956	66,047,801
Mark-up on savings accounts	-	4,379	-	-	-	-
Bank charges	-	124	-	-	-	-
Purchase of securities	-	11,289,094	-	332,239	-	-
Remuneration (inclusive of Sindh Sales Tax)	74,402	-	18,057	-	-	-
Selling and marketing expenses	8,426	-	-	-	-	-
Allocated expense	12,088	-	-	-	-	-
Dividends paid	65,205	58,378	25,855	-	1,319	571,880

----- As at June 30, 2022 -----
 ----- Units in '000 -----

Balances held

Units held	2,673	29,858	-	-	509	149,437

----- Rupees in '000 -----

Value of units held	270,317	3,019,601	-	-	51,486	15,112,915
Bank balances	-	62,177	-	-	-	-
Security deposits	-	-	197	-	-	-
Remuneration (inclusive of Sindh Sales Tax)	11,070	-	2,496	-	-	-
Allocated expenses payable	4	-	-	-	-	-
Selling and marketing expenses payables	1,694	-	-	-	-	-
Other payable and conversion charges	173	-	-	-	-	-
Mark-up receivable	-	3,313	-	-	-	-
Receivable from the Management Company	1,065	-	-	-	-	-

Particulars	Management Company	Associated companies and others*	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties**

----- Units in '000 -----

Transactions during the year

Units issued	138,241	79	203	-	51	186,897
Units redeemed	137,882	79	247	-	43	143,211

----- Rupees in '000 -----

Value of units issued	13,976,965	7,977	20,541	-	5,138	18,903,199
Value of units redeemed	13,934,172	7,986	24,995	-	4,374	14,474,030
Mark-up on savings accounts	-	1,360	-	-	-	-
Bank charges	-	52	-	-	-	-
Purchase of securities	-	4,407,153	-	8,905,646	-	-
Sale of securities	-	14,209,478	-	3,123,781	-	-
Remuneration (inclusive of Sindh Sales Tax)	49,752	-	15,027	-	-	-
Allocated expense	20,213	-	-	-	-	-
Dividends paid	80,604	19	24,165	-	167	333,735

----- As at June 30, 2022 -----

----- Units in '000 -----

Balances held

Units held	9,380	-	3,492	-	32	69,480

----- Rupees in '000 -----

Value of units held	947,781	-	352,841	-	3,233	7,020,447
Bank balances	-	35,297	-	-	-	-
Receivable against issuance of units	4,343	-	-	-	-	-
Security deposits	-	-	197	-	-	-
Remuneration (inclusive of Sindh Sales Tax)	3,277	-	1,522	-	-	-
Allocated expenses payable	11,712	-	-	-	-	-
Other payable and conversion charges	164	-	-	-	-	-
Mark-up receivable	-	102	-	-	-	-
Receivable from the Management Company	841	-	-	-	-	-

* 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.

30. DISTRIBUTIONS FOR THE YEAR

Rate per unit	Declaration date	Cash distribution		
		Capital value	Undistributed income	Total
Rupees		----- Rupees in '000 -----		

For the year ended June 30, 2022

For the month of July 2021	0.2302	July 12, 2021	6,582	62,370	68,952
For the month of July 2021	0.2833	July 26, 2021	7,348	77,884	85,232
For the month of August 2021	0.2729	August 09, 2021	6,363	71,579	77,942
For the month of August 2021	0.5522	August 23, 2021	14,934	146,125	161,059
For the month of September 2021	0.2655	September 06, 2021	7,868	52,532	60,400
For the month of September 2021	0.1735	September 15, 2021	4,730	33,323	38,053
For the month of September 2021	0.1095	September 20, 2021	1,784	31,078	32,862
For the month of October 2021	0.3137	October 04, 2021	10,145	84,622	94,767
For the month of October 2021	0.2928	October 18, 2021	8,431	54,561	62,992
For the month of November 2021	0.2688	November 01, 2021	9,136	50,837	59,973
For the month of November 2021	0.2752	November 15, 2021	7,740	44,848	52,587
For the month of November 2021	0.2591	November 29, 2021	6,882	42,343	49,224
For the month of December 2021	0.3238	December 13, 2021	12,082	53,714	65,795
For the month of December 2021	0.1032	December 17, 2021	3,661	18,655	22,315
For the month of December 2021	0.0985	December 20, 2021	-	22,031	22,031
For the month of December 2021	0.0328	December 21, 2021	(1)	7,537	7,536
For the month of January 2022	0.7365	January 13, 2022	45,195	168,750	213,945
For the month of January 2022	0.5166	January 31, 2022	27,620	105,194	132,814
For the month of February 2022	0.3810	February 14, 2022	14,100	80,889	94,989
For the month of February 2022	0.3509	February 28, 2022	11,093	48,920	60,013
For the month of March 2022	0.3818	March 14, 2022	29,866	60,935	90,801
For the month of March 2022	0.0319	March 15, 2022	-	10,731	10,731
For the month of March 2022	0.3207	March 25, 2022	39,011	91,326	130,337
For the month of April 2022	0.3743	April 06, 2022	36,600	73,404	110,004
For the month of April 2022	0.3644	April 18, 2022	12,307	53,775	66,082
For the month of May 2022	0.5979	May 09, 2022	27,268	88,338	115,606
For the month of May 2022	0.4564	May 23, 2022	54,884	89,193	144,077
For the month of June 2022	0.6076	June 06, 2022	92,527	183,143	275,670
For the month of June 2022	1.0266	June 29, 2022	173,523	335,171	508,694
			671,678	2,243,806	2,915,484

Rate per unit	Declaration date	Cash distribution		
		Capital value	Undistributed income	Total
Rupees		----- Rupees in '000 -----		

For the year ended June 30, 2021

For the month of July 2020	0.1156	July 05, 2020	1,032	19,615	20,647
For the month of July 2020	0.2260	July 19, 2020	5,371	45,356	50,727
For the month of August 2020	0.1692	August 02, 2020	1,196	24,702	25,898
For the month of August 2020	0.2448	August 16, 2020	2,706	35,041	37,747
For the month of September 2020	0.2754	September 01, 2020	12,121	32,844	44,965
For the month of September 2020	0.2207	September 13, 2020	1,154	34,943	36,097
For the month of September 2020	0.2632	September 27, 2020	1,783	41,759	43,542
For the month of October 2020	0.2762	October 11, 2020	3,451	46,703	50,154
For the month of October 2020	0.2714	October 25, 2020	3,113	48,041	51,154
For the month of November 2020	0.2541	November 08, 2020	2,709	43,435	46,144
For the month of November 2020	0.2520	November 22, 2020	3,057	47,148	50,205
For the month of December 2020	0.2532	December 06, 2020	4,031	47,525	51,556
For the month of December 2020	0.2589	December 20, 2020	5,273	51,840	57,113
For the month of January 2021	0.2755	January 03, 2021	6,794	58,849	65,643
For the month of January 2021	0.2707	January 17, 2021	4,803	57,893	62,696
For the month of January 2021	0.2487	January 31, 2021	5,079	52,220	57,299
For the month of February 2021	0.2541	February 14, 2021	2,442	49,785	52,227
For the month of February 2021	0.2544	February 28, 2021	4,949	46,150	51,099
For the month of March 2021	0.2569	March 14, 2021	4,176	49,659	53,835
For the month of March 2021	0.2809	March 28, 2021	6,636	56,147	62,783
For the month of April 2021	0.2895	April 11, 2021	7,431	57,803	65,234
For the month of April 2021	0.2888	April 25, 2021	6,882	56,113	62,995
For the month of May 2021	0.4066	May 16, 2021	7,971	85,890	93,861
For the month of May 2021	0.2463	May 30, 2021	6,403	56,485	62,888
For the month of June 2021	0.2703	June 13, 2021	16,475	48,265	64,740
For the month of June 2021	0.2883	June 27, 2021	14,161	66,702	80,863
			141,199	1,260,913	1,402,112

31. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

No. 132	No. 133	No. 134	No. 135	No. 136	No. 137	No. 138	Total meetings attended
July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	

Directors:

Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3

Key Executives:

Mr. Bilal Javaid*****	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Aslam Sadruddin appointed as Director with effect from December 03, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 01, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned as Company Secretary with effect from July 14, 2022

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on September 6, 2022.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UIOF

UBL INCOME OPPORTUNITY FUND

INVESTMENT OBJECTIVE

The Objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	EY Ford Rhodes, Chartered Accountants
Bankers	United bank limited, bank Alfallah limited Faysal bank limited, Telenor microfinance bank Allied bank , Khushali bank limited, MCB bank limited JS bank limited, Samba bank limited, Habib bank Sindh bank limited, Zarai tariaqati bank limited Soneri Bank limited, National bank of Pakistan
Management Co.Rating	AM1 (VIS)
Fund Rating	AA- (f) - VIS

Fund Manager's Report – UBL Income Opportunity Fund (UIOF)

- i) **Description of the Collective Investment Scheme category and type**
Income / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
The Objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments.
- 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**
Average of 6M KIBOR rates.
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
UIOF	8.48%	8.94%	5.61%	7.46%	6.21%	8.27%	10.63%	11.81%	9.48%	6.81%	10.80%	11.70%	9.20%
Benchmark	7.51%	7.45%	7.67%	8.35%	9.21%	11.20%	11.20%	10.70%	11.75%	13.28%	14.76%	15.29%	10.69%

- vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments. The Fund posted return of 9.2% p.a. during FY22 as compared to benchmark return of 10.69%. The weighted average maturity of the fund was 0.86 years at the end of Jun22. The fund's net assets stood at PKR 2,111 mn as at Jun'22 end.

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-22	Jun-21
Term Finance Certificates/ Sukuks	16%	7%
Placements with Banks	0%	7%
Commercial Paper	8%	0%
PIBs	0%	0%
PIB - Floater	0%	15%
PIB - Fixed	0%	0%
GoP Ijarah Sukuk	0%	0%
T-Bills	0%	3%
Cash	73%	39%
Others	3%	2%
Spread Transaction	0%	27%

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

FY'22 Return:	9.20%
Standard Deviation (12m trailing):	0.45%
Sharpe Ratio (12m trailing):	(2.31)

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-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
2,111,027	2,204,349	(4.23)	110.3899	110.2537	0.12

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**

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

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

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

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

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

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

- xii) **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-	
June 24, 2022		136,656	9.9959	120.2496	110.2537

- xiii) **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.

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

Range of Units	Number of Investors
	UIOF
0.0001 - 9,999.9999	1,524
10,000.0000 - 49,999.9999	168
50,000.0000 - 99,999.9999	34
100,000.0000 - 499,999.9999	31
500,000.0000 & Above	5
Total	1,762

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

There were no unit splits during the period.

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

Investment are subject to market risk.

- xvii) **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

UBL Income Opportunity Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	2,111,026	2,204,349	607,342
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	112.261	112.128	111.9682
- Redemption	110.3899	110.2537	110.0966
RETURN OF THE FUND - %			
Total Return of the Fund	9.2	6.37	15.78
Capital Growth (per unit)	0.13	0.15	(0.06)
Date of Income Distribution	-	-	-
Income Distribution	-	-	-
Date of Income Distribution	24-Jun-22	18-Jun-21	26-Jun-20
Income Distribution	9.9959	6.8465	17.4593
AVERAGE ANNUAL RETURN - %			
One Year	9.20	6.37	15.78
Second Year	11.08	11.08	12.14
Third Year	10.21	10.21	9.53
Fourth Year	8.74	8.74	8.33
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	122.2472	118.8927	129.3152
Highest price per unit - Class A units - Redemption	120.2096	116.9053	127.1536
Lowest price per unit - Class A units - Offer	112.1225	111.9682	111.9476
Lowest price per unit - Class A units - Redemption	110.2537	110.0966	110.0763
* Front-end load @ 1.5% is applicable			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	73.36	38.50	40.00
Spread Transaction	-	26.80	
TFC'S & Government Securities	24.02	32.80	52.00
Others	2.62	1.90	8.00
PORTFOLIO COMPOSITION BY MARKET - %			
Debt Market	100.00	100.00	100.00

Note:

- The Launch date of Fund is 29 March 2013.

DISCLAIMER

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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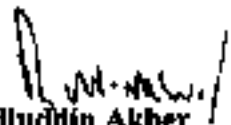
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL INCOME OPPORTUNITY 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 UBL Income Opportunity 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, 2022 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.


Badluddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Income Opportunity Fund

YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Income Opportunity Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Anif Akmal Saifio Mr. Aslam Saifuddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saifuddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.



7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifi
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Eadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qudus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Aslam Sadrudin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadrudin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Spvt. Farukh Zaem****	Member	Non-Executive Director



c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saif	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik ^{**}	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrakh Zaeem ^{***}	Member	Non-Executive Director

^{*} Mr. Aslam Sodrakulov was appointed as a director with effect from December 3, 2021

^{**} Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

^{***} Mr. Syed Saad has resigned dated July 19, 2021

^{****} Syed Furrakh Zaeem has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.



19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAZ HAMEED
Chairman

Karachi
Dated: September 6, 2022

To the unitholders of UBL Income Opportunity Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited, the Management Company of UBL Income Opportunity Fund (the Fund) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 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 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 of Directors for their review and approval, its related party transactions. 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.

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 2022.



Chartered Accountants

Place: Karachi

Date: 30 September 2022

UDIN Number: CR202210191ZIEb2cFNm

INDEPENDENT AUDITORS' REPORT

To the Unit holders of UBL Income Opportunity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Income Opportunity Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, 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 judgement, 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
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of debt instruments) held by the Fund represent 97% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.



Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - 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 applicable financial reporting standards.

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 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.
- 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 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

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.



Chartered Accountants

Date: 30 September 2022

Karachi

UDIN Number: AR202210191tdKyzpIxi

UBL INCOME OPPORTUNITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	6	1,577,365	1,145,130
Investments	7	516,544	1,772,391
Mark-up receivable	8	42,902	11,525
Advance tax	9	759	608
Deposits, prepayments and other receivables	10	12,715	44,018
Total assets		2,150,285	2,973,672
LIABILITIES			
Payable to the Management Company	11	7,031	5,195
Payable to the Trustee	12	148	140
Payable to the Securities and Exchange Commission of Pakistan (SECP)	13	562	297
Payable against purchase of Investment		-	455,546
Payable against spread transactions		-	265,737
Accrued Expenses and other liabilities	14	31,517	42,408
Total liabilities		39,258	769,323
NET ASSETS		2,111,027	2,204,349
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,111,027	2,204,349
CONTINGENCIES AND COMMITMENTS	16		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		19,123,368	19,993,428
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		110.3899	110.2537

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Rizwan Malik
Director

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

		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
INCOME	Note		
Financial income on:			
- Bank balances		105,189	24,346
- Term Deposit Receipts		8,933	560
- Government Securities		117,324	47,885
- Term Finance Certificates		32,578	6,635
- Sukuks		17	2,383
- Commercial Paper		4,030	-
Unrealised gain on revaluation of investments classified as at fair value through profit or loss' - net		7,278	830
(Loss) / gain on redemption / sale of investments classified as at fair value through profit or loss' - net		(2,707)	35,625
Dividened Income		647	2,292
Other income		242	2,498
Total income		273,531	123,054
EXPENSES			
Remuneration of the Management Company	11.1	21,071	11,713
Sindh Sales tax on management fee	11.2	2,739	1,523
Allocation of expenses related to the Fund	11.3	5,249	1,486
Selling and marketing expenses	11.4	27	1,486
Remuneration of the Trustee	12.1	2,105	1,114
Sindh Sales tax on remuneration of the Trustee	12.2	274	145
Annual fee to Securities and Exchange Commission of Pakistan- SECP	13	561	297
Brokerage expenses		1,740	8,198
Custody and settlement charges		662	1,645
Listing fee expense		27	28
Auditors' remuneration	17	346	369
Legal and professional charges		208	274
Bank charges and other expenses		175	179
Total expenses		35,184	28,457
Net income for the year from operating activities		238,347	94,597
Reversal / (provision) for Sindh Workers' Welfare Fund (SWWF)	14.2	6,724	(1,857)
Net income for the year before taxation		245,071	92,740
Taxation	18	-	-
Net income for the year after taxation		245,071	92,740
<i>Allocation of net income for the year:</i>			
Net income for the year after taxation		245,071	
Income already paid on units redeemed		(156,278)	
		88,793	45,627
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	19,407
- Excluding capital gains		88,793	26,220
		88,793	45,627

Earnings per unit 24.2

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

 -sd-
Yasir Qadri
 Chief Executive Officer

 -sd-
Umair Ahmed
 Chief Financial Officer

 -sd-
Rizwan Malik
 Director

UBL INCOME OPPORTUNITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Net income for the year after taxation	245,071	92,740
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>245,071</u></u>	<u><u>92,740</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

_____-sd-_____
Yasir Qadri
Chief Executive Officer

_____-sd-_____
Umair Ahmed
Chief Financial Officer

_____-sd-_____
Rizwan Malik
Director

UBL INCOME OPPORTUNITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	245,071	92,740
Adjustments for:		
Financial income on bank balances and investments	(268,071)	(81,809)
Dividend income	(647)	(2,292)
Loss / (gain) on redemption / sale of investments classified as at fair value through profit or loss' - net	2,707	(35,625)
Unrealised gain on revaluation of investments classified as at fair value through profit or loss' - net	(7,278)	(830)
(Reversal) / provision for Sindh Workers' Welfare Fund (SWWF)	(6,724)	1,857
	<u>(280,013)</u>	<u>(118,699)</u>
	(34,942)	(25,959)
Decrease / (increase) in assets		
Investments	1,060,418	(1,204,250)
Receivable against sale of investments	-	5,714
Advance tax	(151)	(261)
Deposits, prepayments and other receivables	30,896	(11,378)
	1,091,163	(1,210,175)
Increase / (decrease) in liabilities		
Payable to the Management Company	1,836	2,994
Payable to the Trustee	8	94
Annual fee payable to the SECP	265	178
Payable against purchase of Investment	(455,546)	455,546
Payable against Spread (RFT) Transactions	(265,737)	265,737
Accrued expenses and other liabilities	(4,167)	19,205
	(723,341)	743,754
Dividend received	1,054	1,883
Financial income received	236,694	76,485
Net cash flows generated from/ (used in) operating activities	570,628	(414,012)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	7,167,316	6,425,772
Net payment against redemption of units	(7,369,052)	(4,818,959)
Cash distribution to unit holders	(136,657)	(102,545)
Net cash (used in) / generated from financing activities	(338,393)	1,504,268
Net increase in cash and cash equivalents during the year	232,235	1,090,256
Cash and cash equivalents at beginning of the year	1,345,130	254,874
Cash and cash equivalents at end of the year	<u>1,577,365</u>	<u>1,345,130</u>
Cash and cash equivalents		
Bank balances	1,577,365	1,145,130
Term deposit receipt - 3 months	-	200,000
	<u>1,577,365</u>	<u>1,345,130</u>

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

UBL INCOME OPPORTUNITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022			June 30, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	2,191,822	12,527	2,204,349	596,597	10,744	607,341
Amount received on issuance of 62,969,204 units (2021: 56,831,955 units)						
Capital value	6,942,588	-	6,942,588	6,257,005	-	6,257,005
Element of income during the year; Relating to net Income for the year after taxation	224,728	-	224,728	168,767	-	168,767
	7,167,316	-	7,167,316	6,425,772	-	6,425,772
Amount paid on redemption of 63,839,264 units (2021: 42,354,978 units)						
Capital value	(7,038,515)	-	(7,038,515)	(4,663,139)	-	(4,663,139)
Element of income during the year; Relating to net income for the year after taxation	(174,259)	(156,278)	(330,537)	(108,707)	(47,113)	(155,820)
	(7,212,774)	(156,278)	(7,369,052)	(4,771,846)	(47,113)	(4,818,959)
Total comprehensive income for the year	-	245,071	245,071	-	92,740	92,740
Distribution during the year Rs 9.9959 @ Jun 24, 2022 (2021: Rs 6.8465 on Jun 21, 2021)	(49,321)	(87,336)	(136,657)	(58,701)	(43,844)	(102,545)
Net income for the year less distribution	(49,321)	157,735	108,414	(58,701)	48,896	(9,805)
Net assets at end of the year	2,097,043	13,984	2,111,027	2,191,822	12,527	2,204,349
Undistributed income brought forward:						
- Realised	-	-	-	-	9,614	9,614
- Unrealised	-	830	830	-	1,130	1,130
	-	830	830	-	10,744	10,744
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	88,793	88,793	-	45,627	45,627
	-	88,793	88,793	-	45,627	45,627
Distribution during the year Rs 9.9959 @ Jun 24, 2022 (2021: Rs 6.8465 on Jun 21, 2021)	-	(87,336)	(87,336)	-	(43,844)	(43,844)
Undistributed income carried forward	-	2,287	2,287	-	12,527	12,527
Undistributed income carried forward						
- Realised	-	(4,991)	(4,991)	-	11,697	11,697
- Unrealised	-	7,278	7,278	-	830	830
	-	2,287	2,287	-	12,527	12,527
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			110.2537			110.0966
Net assets value per unit at end of the year			110.3899			110.2537

The annexed notes from 1 to 25 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-

Yasir Qadri
Chief Executive Officer

-sd-

Umair Ahmed
Chief Financial Officer

-sd-

Rizwan Malik
Director

UBL INCOME OPPORTUNITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Income Opportunity Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on January 01, 2013 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2013 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines, Karachi.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act, 2020 for registration. Subsequently on August 30, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. 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 Fund commenced its operations from March 29, 2013.
- 1.4** The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuks issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Income Scheme.
- 1.5** VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2021 and a stability rating of "AA-(f)" to the Fund as at January 13, 2022.
- 1.6** 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. 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 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years

4.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

4.2 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.

4.3 Financial assets

4.3.1 Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

4.3.2 Classification

Debt instruments

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

the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

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

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Equity instruments

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

An equity instrument held for trading purposes is classified as measured at FVTPL.

Subsequent Measurement

Debt instruments at Amortized Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from CIS units measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

4.3.3 Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

4.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.4 Derecognition

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

4.5 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.

4.6 Offsetting of financial assets and liabilities

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

4.7 Provisions

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

4.8 Taxation

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

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.

4.9 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the year in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

4.10 Issue and redemption of units

Units issued are recorded 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 of the close of the business day plus the allowable front-end sales load. The front-end sales load is payable to the Management Company as processing fee. 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 as of the close of the business day less any back-end load. Redemption of units is recorded on acceptance of application for redemption.

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 circulation at the year end.

4.12 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances, term deposit receipts and government securities is recognised on effective interest rate method.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 (Loss) / earnings per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net profit / loss of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

(Loss) / earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

4.15 Preliminary expenses and floatation cost

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 in accordance with the Trust Deed and the NBFC Regulations.

4.16 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.

4.17 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.

4.18 Element of income / (loss) and capital gain / (loss) included in price of units issued less those in units redeemed

Element of income represents the difference between NAV per unit on issuance and redemption date, as the case may be, of units and NAV per unit at the beginning of the relevant accounting period. Further, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holder's fund. However, to maintain the same ex-dividend NAV on all units outstanding at the accounting date, net element of income contributed on issue of units lying in unit holder fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

5. 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)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
AIP IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

6. BALANCES WITH BANKS	Note	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Current account		48	-
Saving accounts	6.1	1,577,317	1,145,130
		<u>1,577,365</u>	<u>1,145,130</u>

6.1 These carry mark-up at the rates ranging from 12.25% to 16.60%% (2021: 5.50% to 9.00%) per annum and include a balance of Rs.19.07 (2021: Rs.12.77) million held with United Bank Limited (a related party).

7. INVESTMENTS

	Note	June 30, 2022	June 30, 2021
		---- (Rupees in '000) ----	
Investments by category			
At Fair value through profit or loss			
Government Securities - Market Treasury Bills	7.1	-	98,354
Government Securities - Pakistan Investment bonds	7.2	-	455,546
Term Finance Certificates and Sukuks	7.3	350,468	220,227
Investment In Spread Transactions	7.4	-	798,264
At amortised cost			
Commercial paper	7.5	166,076	-
Term Deposit Receipt	7.6	-	200,000
		516,544	1,772,391

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

Particulars	Note	As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (Diminution)		
						----- (Rupees in '000) -----			----- % -----	
						----- Number of certificates -----				
Market treasury bills - 12 months		-	34,000	(34,000)	-	-	-	-	0.00%	0.00%
Market treasury bills - 6 months		1,000	104,800	(105,800)	-	-	-	-	0.00%	0.00%
Market treasury bills - 3 months		-	87,050	(87,050)	-	-	-	-	0.00%	0.00%
June 30, 2022						-	-	-	0.00%	0.00%
June 30, 2021						98,257	98,354	97		

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

Particulars	Note	As at July 01, 2021	Purchased during the year	Disposed / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (Diminution)		
						----- (Rupees in '000) -----			----- % -----	
						----- Number of certificates -----				
Pakistan Investment										
Bonds - 10 years		-	10,000,000	(10,000,000)	-	-	-	-	0.00%	0.00%
Bonds - 5 years		-	-	-	-	-	-	-	0.00%	0.00%
Bonds - 3 years		4,550,000	27,300,000	(31,850,000)	-	-	-	-	0.00%	0.00%
Bonds - 2 years		-	12,500,000	(12,500,000)	-	-	-	-	0.00%	0.00%
June 30, 2022						-	-	-	0.00%	0.00%
June 30, 2021						455,546	455,546	-		

Debt Securities - Term Finance Certificates and Sukuks - 'at fair value through profit or loss'

Particulars	Note	Number of certificates			As at June 30, 2022	June 30, 2022			Market value as a % of net assets	Market value as a % of total investments
		As at July 01, 2021	Purchased during the year	Sold / matured during the year		Carrying value	Market value	Unrealised gain / (loss)		
						----- (Rupees in '000) -----			----- % -----	
Bank AL-Habib Limited - unlisted (Issue date - December 06, 2018)	7.3.1 & 7.3.2	-	10,000	-	10,000	50,504	52,127	1,623	2.47%	10.09%
Soneri Bank Limited- listed (Issue date - July 8, 2015)	7.3.1 & 7.3.2	25,000	-	-	25,000	124,675	129,936	5,261	6.16%	25.15%
Bank Alfalah Limited- listed (Issue date - January 15, 2021)	7.3.1 & 7.3.2	7,000	-	-	7,000	34,717	32,105	(2,612)	1.52%	6.22%
Samba Bank Limited- unlisted (Issue date - March 1, 2021)	7.3.1 & 7.3.2	469	14	(150)	333	33,315	33,419	104	1.58%	6.47%
Bank AL-Habib Limited - unlisted (Issue date - September 30, 2021)	7.3.1 & 7.3.2	-	20,000	-	20,000	99,979	102,881	2,902	4.87%	19.92%
K-electric Limited Sukuk- Listed (Issue date - August 03, 2020)	7.3.1 & 7.3.2	2,735	-	(2,735)	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022						343,190	350,468	7,278	16.60%	67.85%
Total as at June 30, 2021						219,732	220,227	495		

7.3.1 These carry profit rate from 9.03% to 16.24% (2021: from 8.7240% to 9.018%).

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

Name of security	Number of certificates	Redemption Value (Rupees)		Interest rate (Per annum)	Maturity
		Per certificate	Total		
Bank AL-Habib Limited - unlisted	10,000	4,993	49,930,000	6M KIBOR + 1.00%	December 06, 2028
Soneri Bank Limited- listed	25,000	4,987	124,675,000	6M KIBOR + 1.35%	July 10, 2023
Bank Alfalah Limited- listed	7,000	5,000	35,000,000	3 year PKRV + 0.75%	January 15, 2024
Samba Bank Limited- unlisted	333	99,960	33,286,680	6M KIBOR + 1.35%	March 01, 2031
Bank AL-Habib Limited - unlisted	20,000	4,999	99,980,000	6M KIBOR + 0.75%	September 30, 2031

7.4 Investment in Ready Future Transactions - Spread transactions

Name of Investee Company	Number of shares				Balance as at June 30, 2022			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)			
----- (Rupees in '000) ----- % -----										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:										
Oil and gas exploration companies										
Oil and Gas Development Company Limited	991,500	952,000	1,943,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	433,000	896,500	1,329,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Oil and gas marketing companies										
Pakistan State Oil Company Limited	401,500	251,000	652,500	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	2,116,000	4,114,500	6,230,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	89,000	149,500	238,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Engineering										
Aisha Steel Mills Limited	446,000	1,768,500	2,214,500	-	-	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	400,500	102,500	503,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	48,500	248,500	297,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Commercial banks										
The Bank of Punjab	147,000	101,500	248,500	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	2,000	11,000	13,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	58,000	15,500	73,500	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	31,000	2,500	33,500	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	11,500	-	11,500	-	-	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan	20,000	9,000	29,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at June 30, 2022			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)			
Chemical										
Engro Polymer & Chemicals Limited	28,500	5,000	33,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Textile composite										
Nishat Chunian Limited	66,500	947,000	1,013,500	-	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	270,000	526,500	796,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Power generation and distribution										
The Hub Power Company Limited	926,500	1,332,500	2,259,000	-	-	-	-	0.00%	0.00%	0.00%
Kot Addu Power Company Limited	28,000	186,500	214,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Fertilizer										
Engro Fertilizers Limited	6,000	15,500	21,500	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	532,000	306,000	838,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Cement										
D.G. Khan Cement Company Limited	1,140,500	1,816,000	2,956,500	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	521,500	616,500	1,138,000	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	661,000	2,291,500	2,952,500	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	103,000	62,000	165,000	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	10,500	-	10,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	-	-	-
Total as at June 30, 2022					-	-	-			
					-	-	-			
Total as at June 30, 2021					797,938	798,264	326			

7.5 Commercial Paper - 'at amortised cost'

Name of Investee Company	Issue date	Maturity date	Face Value				Balance as at 30 June 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at 01 July 2021	Purchased during the year	Matured during the year	As at 30 June 2022	Carrying value		
----- (Rupees in '000) -----									
Lucky Electric Power Company Limited	May 6, 2022	November 02, 2022	-	175,000	-	175,000	166,076	7.87%	32.15%
Total as at June 30, 2022			-	175,000	-	175,000	166,076	7.87%	32.15%
Total as at June 30, 2021			-	-	-	-	-		

7.6 Term Deposits Receipts - 'at amortised cost'

Name of Investee Company	Face Value			
	As at 01 July 2021	Purchased during the year	Matured during the year	As at 30 June 2022
----- (Rupees in '000) -----				
Allied Bank Limited	200,000	900,000	(1,100,000)	-
Bank Alfalah Limited	-	300,000	(300,000)	-
Habib Bank Limited	-	1,784,000	(1,784,000)	-
Total as at June 30, 2022	200,000	2,984,000	(3,184,000)	-
Total as at June 30, 2021				<u>200,000</u>

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
8. MARK-UP RECEIVABLE			
Mark-up receivable on:			
- Term Finance Certificates		15,923	8,049
- Term Deposit Receipts		-	99
- Sukuks		4	204
- Saving Accounts	8.1	26,975	2,657
- Pakistan Investment Bonds		-	516
		<u>42,902</u>	<u>11,525</u>

8.1 This includes receivable of Rs.0.348 (2021: Rs.0.038) million on balances maintained with United Bank Limited (a related party).

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 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 current year and previous year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded in future years.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees in '000) -----	
10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance against NCCPL exposure margin - Spread Transaction		4,320	27,813
Security deposit with:			
- Central Depository Company of Pakistan Limited (CDC)		100	100
- National Clearing Company of Pakistan Limited (NCCPL)		3,000	3,000
Prepayments		19	152
Receivable on Issuance of Unit		5,274	12,544
Dividend Receivable		2	409
		<u>12,715</u>	<u>44,018</u>

11. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	11.1	1,823	1,512
Sindh Sales Tax on management remuneration	11.2	237	197
Payable against allocated expenses	11.3	833	853
Selling and marketing expenses	11.4	1	853
Sales load payable to Management Company		4,085	1,780
Other payable		52	-
		<u>7,031</u>	<u>5,195</u>

11.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rate of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate 1.50% of remuneration based on net assets. The Fee is subject to a minimum of 0.25% of the daily net assets of the Scheme. The remuneration is paid to the Management Company on monthly basis in arrears.

From July 01, 2021 to July 04, 2021	From July 05, 2021 to June 30, 2022
10%	7.50%

11.2 Sales tax on the management remuneration has been charged at the rate of 13% (2021: 13%).

11.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company based on its own discretion has charged allocated expenses while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the following rates per annum of daily average net assets of the fund:

From Jul 1, 2021 to July 04, 2021	From July 05, 2021 to August 12, 2021	On August 13, 2021	From August 14, 2021 to June 30, 2022
0.10%	0.05%	1.43%	0.20%

11.4 In accordance with Circular 11 dated July 5, 2019, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except funds of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.10% per annum of daily average net assets from July 01, 2021 to July 04, 2021, while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
12. PAYABLE TO THE TRUSTEE			
Remuneration payable	12.1	131	124
Sales tax on remuneration payable	12.2	17	16
		<u>148</u>	<u>140</u>

12.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.075% (June 30, 2021: 0.075) per annum of average daily net assets of the Fund during the year.

12.2 Sales tax on the trustee remuneration has been charged at the rate of 13% (2021: 13%).

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

This represents annual fee payable to SECP in accordance with S.R.O. 685(I)/2019 whereby the Fund is required to pay to SECP an amount equal to 0.02% (2021: 0.02%) of the average daily net assets of the Fund.

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
14. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for indirect duties and taxes	14.1	1,597	1,597
Auditors' remuneration		309	342
Brokerage payable		1,524	5,053
Withholding tax deducted at source payable		14,346	6,687
Zakat deducted at source payable		503	136
Capital gains tax payable		11,309	1,517
Provision for Sindh Workers' Welfare Fund (SWWF)	14.2	-	6,724
Legal and professional charges payable		94	96
Other payables		1,835	20,256
		<u>31,517</u>	<u>42,408</u>

14.1 Provision for indirect duties and taxes

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

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

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

With effect from July 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 01, 2016. However, as a matter of abundant caution, the provision for FED made prior to this year has been maintained by the Fund which at June 30, 2022 aggregates to Rs.1.597 (2021: Rs.1.557) 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, 2022 would have been higher by Re.0.08 (2021: Re.0.80) per unit.

14.2 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.25% as on June 30, 2022 (2021: 2.04%) and this includes 0.14% (2021: 0.33%) representing Government Levy and SECP Fee. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an income scheme.

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (2021: Nil).

17. AUDITORS' REMUNERATION

Annual audit fee
Half yearly review fee
Other certifications and services

Sales tax
Out of pocket expenses

June 30,
2022
----- (Rupees in '000) -----

June 30,
2021

202	126
63	57
37	111
302	294
24	38
20	37
346	369

18. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders as explained above, no provision for taxation has been made in these financial statements during the year.

19. 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, 2022					
Transactions during the year						
Mark-up on bank accounts	-	1,921	-	-	-	-
Bank charges	-	12	-	-	-	-
Units issued	1,271,462	9,320	-	-	13,252	-
Units redeemed	1,279,391	9,366	-	-	55,287	-
Purchase of Securities	-	738,033	294,410	-	-	-
Sale of Securities	-	676,886	-	97,349	-	-
Remuneration*	23,810	-	2,379	-	-	-
Dividend paid	-	-	-	-	349	-
Allocated expenses by the Management Company	5,249	-	-	-	-	-
Selling and marketing expense	27	-	-	-	-	-

	June 30, 2021					
Transactions during the year						
Mark-up on bank accounts	-	314	-	-	-	-
Bank charges	-	4	-	-	-	-
Units issued	391,000	10,832	-	-	133,741	369,542
Units redeemed	394,458	10,906	-	-	89,525	-
Purchase of Securities	-	264,557	-	98,398	-	18,996
Sale of Securities	-	-	-	74,038	-	-
Remuneration*	13,236	-	1,259	-	-	-
Listing fee	-	-	-	-	-	-
Dividend paid	-	-	-	-	2,581	-
Allocated expenses by the						
Management Company	1,486	-	-	-	-	-
Selling and marketing expense	1,486	-	-	-	-	-
Investments	-	1,412	-	-	-	-

	Management company	Associated companies	Trustee	Funds under common management (Rupees in '000)	Directors and key executives	Other connected persons / related parties
				June 30, 2022		
Balances held						
Units held (units in '000)	-	-	-	-	38	-
Units held (Rupees in '000)	-	-	-	-	4,195	-
Bank balances	-	19,077	-	-	-	-
Remuneration payable	2,060	-	148	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payables	4,137	-	-	-	-	-
Mark-up receivable	-	348	-	-	-	-
Payable against allocated expenses	833	-	-	-	-	-
Selling and marketing expenses	1	-	-	-	-	-

	June 30, 2021				
Balances held					
Units held (units in '000)	-	-	-	388	3,352
Units held (Rupees in '000)	-	-	-	42,761	369,594
Bank balances	-	12,774	-	-	-
Deposits	-	14,000	-	-	-
Remuneration payable	1,709	-	140	-	-
Security deposit	-	-	100	-	-
Sales load and other payables	1,780	-	-	-	-
Mark-up receivable	-	39	-	-	-
Payable against allocated expenses	853	-	-	-	-
Selling and marketing expenses	853	-	-	-	-

* Remuneration for the year is inclusive of sales tax.

20. FINANCIAL RISK MANAGEMENT

20.1 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.

The fund primarily invest in investments which includes, cash in bank deposits, government securities, debt securities and money market securities.

20.2 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 interest rates, foreign exchange rates and other prices.

(i) Interest rate risk

Interest rate risk the risk that the fair value of future cashflows of a financial instrument will fluctuate because of the changes in the market interest rates.

a) Sensitivity analysis of variable rate instruments

Presently, the Fund holds KIBOR based profit bearing TFCs and Sukuk bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR 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.3.504 (2021: Rs.19.193) million.

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, 2022 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.

b) Sensitivity analysis of fixed rate instruments

As at June 30, 2022, investment in TFC are exposed to fixed 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.0.321 (2021: Rs.0.347) million.

The Fund's PLS saving accounts are exposed to fixed 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 15.773 (2021: Rs.11.451) million.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

June 30, 2022						
On-balance sheet financial instruments	Interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Up to three months	More than three months and	More than one year		
			up to one year			
----- (Rupees in '000) -----						
Financial assets						
Bank balances	8.75 - 16.60	1,577,317	-	-	48	1,577,365
Investments classified as 'at fair value through profit or loss'	8.70 - 16.38	-	-	350,468	-	350,468
Commercial Paper		-	-	-	166,076	166,076
Mark-up receivable		-	-	-	42,902	42,902
Deposits and other receivables		-	-	-	12,696	12,696
		<u>1,577,317</u>	<u>-</u>	<u>350,468</u>	<u>221,722</u>	<u>2,149,507</u>
Financial liabilities						
Payable to the Management Company		-	-	-	7,031	7,031
Payable to the Trustee		-	-	-	148	148
Accrued and other liabilities		-	-	-	3,762	3,762
		<u>-</u>	<u>-</u>	<u>-</u>	<u>10,941</u>	<u>10,941</u>
On-balance sheet gap		<u>1,577,317</u>	<u>-</u>	<u>350,468</u>	<u>210,781</u>	<u>2,138,566</u>

June 30, 2021					
	Exposed to interest rate risk				Total
	Interest rate (%)	Up to three months	More than three months and up to one year	More than one year	Not exposed to interest rate risk
				(Rupees in '000)	
On-balance sheet financial instruments					
Financial assets					
Bank balances	5.50 - 9.00	1,145,130	-	-	-
Investments classified as 'at fair value through profit or loss'	8.72 - 9.02	98,354	-	675,773	798,264
Term deposit receipt		-	-	-	200,000
Mark-up receivable		-	-	-	11,525
Deposits and other receivables		-	-	-	43,866
		<u>1,243,484</u>	<u>-</u>	<u>675,773</u>	<u>1,053,655</u>
					<u>2,972,912</u>
Financial liabilities					
Payable to the Management Company		-	-	-	5,195
Payable to the Trustee		-	-	-	140
Accrued and other liabilities		-	-	-	25,745
		<u>-</u>	<u>-</u>	<u>-</u>	<u>31,080</u>
					<u>31,080</u>
On-balance sheet gap		<u>1,243,484</u>	<u>-</u>	<u>675,773</u>	<u>1,022,575</u>
					<u>2,941,832</u>

There is no off-balance sheet financial instrument that exists as at year ended June 30, 2022 and June 30, 2021.

(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.

20.3 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 year. 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 year to the contractual maturity date.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
<u>June 30, 2022</u>	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	7,031	-	-	-	7,031
Payable to the Trustee	148	-	-	-	148
Accrued and other liabilities	3,453	309	-	-	3,762
Total liabilities	10,632	309	-	-	10,941

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
<u>June 30, 2021</u>	(Rupees in '000)				
Financial liabilities					
Payable to the Management Company	5,195	-	-	-	5,195
Payable to the Trustee	140	-	-	-	140
Accrued and other liabilities	25,405	342	-	-	25,747
Total liabilities	30,740	342	-	-	31,082

20.4 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, 2022	June 30, 2021
	-- (Rupees in '000) --	
Bank balances	1,577,365	1,145,130
Term finance certificates	350,468	220,227
Commercial paper	166,076	-
Term Deposit Receipt	-	200,000

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

Investment in Government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarizes the credit quality of the Fund's portfolio in total as on June 30, 2022:

	----- (%) -----	
Bank balances by rating category		
AAA	65.00%	98.65%
AA- to AA+	35.00%	1.35%
Total	100%	100%
Term finance certificates by rating category		
AAA	53.39%	0.00%
AA+	0.00%	21.30%
AA	9.54%	78.70%
A+	37.07%	0.00%
Total	100%	100%
Term Deposit Receipts by rating category		
A- to A+	0%	100%
Commercial paper by rating category		
AA	100%	0.00%

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

20.5 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.

20.6 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

Assets

Balances with banks	-	-	1,577,365	1,577,365
Investments	-	350,468	166,076	516,544
Mark-up receivable	-	-	42,902	42,902
Deposits and other receivables	-	-	12,696	12,696
	<u>-</u>	<u>350,468</u>	<u>1,799,039</u>	<u>2,149,507</u>

Liabilities

Payable to the Management Company	-	-	7,031	7,031
Payable to the Trustee	-	-	148	148
Accrued Expenses and other liabilities	-	-	3,762	3,762
	-	-	10,941	10,941

Assets

Balances with banks	-	-	1,145,130	1,145,130
Investments	-	1,572,391	200,000	1,772,391
Mark-up receivable	-	-	11,525	11,525
Deposits and other receivables	-	-	43,866	43,866
	<u>-</u>	<u>1,572,391</u>	<u>1,400,521</u>	<u>2,972,912</u>

Liabilities

Payable to the Management Company	-	-	5,195	5,195
Payable to the Trustee	-	-	140	140
Accrued and other liabilities	-	-	25,747	25,747
	-	-	31,082	31,082

22. 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).

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. derived from

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, 2022			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Financial assets measured at fair value					
Term -sd-	-sd-	162,041	188,427	-	350,468
Yasir Qadri	Umair Ahmed	162,041	188,427	-	350,468
Chief Executive Officer Chief Financial Officer					
		June 30, 2021			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Financial assets measured at fair value					
Government Securities - Market Treasury Bills		-	98,354	-	98,354
Government Securities - Pakistan Investment bonds		-	455,546	-	455,546
Investment in Spread Transactions		798,264	-	-	798,264
Term Finance Certificates		173,327	46,900	-	220,227
		971,591	600,800	-	1,572,391

During the year ended June 30, 2022, 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.

The Fund has not disclosed the fair values of other 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 their fair values.

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

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

22.1.2 Investments in term finance and 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.

23. 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.

24. GENERAL

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

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 6, 2022 by the Board of Directors of the Management Company.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Rizwan Malik
Director

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	1,729	15,951,134	0.83
Retirement funds	9	843,675	0.04
Associated Company and Key Executives	4	37,849	0.00
Other	20	2,290,710	0.12
	1,762	19,123,368	100%

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

Name	%
Vector Securities (Pvt.) Limited	55%
Adam Securities (Pvt) Ltd.	16%
Icon Securities (Private) Ltd.	6%
Bma Capital Management Limited	6%
Continental Exchange (Pvt) Limited	4%
Bipl Securities Limited (Formerly Kasb Sec)	3%
Optimus Markets (Pvt.) Ltd.	3%
Topline Securities (Private) Limited	2%
C&M Management Pvt Limited	1%
Bright Capital (Pvt) Limited	1%

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

S.no	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	26.1	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20.9	MBA, CFA
3	Hadi Hassan Mukhi	Head of Risk Management, Compliance and Quality Assurance	22	B.com (CA Foundation)
4	Muhammad Imran.	Head of Investment Advisory	22.7	MBA
5	Mubashir Anis	Head of Equity and Advisor to Equity Sales	10	BSC, CFA
6	Muhammad Ahmed	Deputy Head Research	4	BS, CFA
7	Syed Sheeraz Ali	Head of Fixed Income Funds	12.6	BS, CFA I

OTHER FUNDS MANAGED BY THE FUND MANAGER

UBL Liquidity Plus Fund
UBL Money Market Fund
UBL Cash Fund
UBL Government Securities Fund
UBL Growth And Income Fund
UBL Asset Allocation Fund
UBL Special Savings Fund
Al-Ameen Islamic Cash Fund
Al-Ameen Islamic Sovereign Fund
Al-Ameen Islamic Aggressive Income Fund
Al-Ameen Islamic Special Savings Plan-II
UBL Retirement Saving Funds
Al Ameen Islamic Aggressive Income Fund-I
UBL Special Savings Fund - II
Al-Ameen Islamic Cash Plus-I

USF

UBL Stock Advantage Fund

INVESTMENT OBJECTIVE

USF is an open-end Equity Fund, investing primarily in equities listed on the KSE. 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.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Grant Throntan Anjum Rahman
Bankers	United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited National Bank of Pakistan Soneri Bank Limited Silk Bank Limited Sindh Bank Limited The Bank of Punjab Habib Metro Bank Limited
Management Co.Rating	AM1 (VIS)

Fund Manager's Report – UBL Stock Advantage Fund (USF)

- i) **Description of the Collective Investment Scheme category and type**
Equity / Open-end
- ii) **Statement of Collective Investment Scheme's investment objective**
USF is an open-end Equity Fund, investing primarily in equities listed on the PSX. 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**
KSE-100 Index
- v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USF	0.38%	1.28%	-5.94%	7.02%	-1.59%	-1.91%	1.77%	-0.37%	-0.58%	-1.13%	-6.52%	-3.85%	-11.50%
Benchmark	-0.64%	0.77%	-5.31%	2.94%	-2.48%	-1.06%	1.75%	-2.01%	1.05%	0.71%	-4.80%	-3.57%	-12.28%

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

USF is an open-end Equity Fund, investing primarily in equities listed on the KSE. 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. During the period under review, the fund's return was -11.5% whereas benchmark index's return was -12.3%, the fund size stood at PKR 5,572mn at end of Jun22. The fund manager maintained major exposure in Commercial Banks (23%), E&Ps (21%), Fertilizers (12%), Cement (8%) and Textile (7%).

- vi) **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-22	Jun-21
Equities	93%	91%
Cash	6%	7%
Others	1%	2%
T-Bills	0%	0%
Leverage	Nil	Nil

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

FY'22 Return: -11.50%
 Standard Deviation (12m trailing): 15.74%
 Sharpe Ratio (12m trailing): (1.38)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)			Rupees		
5,571,642	8,107,465	(31.28)	69.5000	78.5300	(11.50)

ix) **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**

Stock Market Review

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

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

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 -----	

- 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 the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

- xii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	USF
0.0001 - 9,999.9999	4,363
10,000.0000 - 49,999.9999	208
50,000.0000 - 99,999.9999	46
100,000.0000 - 499,999.9999	39
500,000.0000 & Above	22
Total	4,678

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

There were no unit splits during the period.

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

Investments are subject to 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

UBL Stock Advantage Fund

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	5,571,642	8,107,464	5,758,755
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A units - Offer	71.46	80.75	61.87
- Redemption	69.5	78.53	60.17
RETURN OF THE FUND - %			
Total Return of the Fund	(11.50)	31.73	4.90
Capital Growth (per unit)	(11.50)	30.48	4.90
Date of Income Distribution	-	25-Jun-21	-
Income Distribution	-	0.75	-
AVERAGE ANNUAL RETURN - %			
One Year	(11.50)	31.73	4.90
Second Year	18.32	18.32	(5.69)
Third Year	6.79	6.79	(7.17)
Since inception	14.16	14.16	12.56

OFFER / REPURCHASE DURING THE YEAR- Rupees *

Highest price per unit - Class A units - Offer	84.01	83.9	75.17
Highest price per unit - Class A units - Redemption	81.7	81.59	73.1
Lowest price per unit - Class A units - Offer	70.51	62.52	48.13
Lowest price per unit - Class A units - Redemption	68.57	60.8	46.81

* Front-end load @ 2.5% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	6.45	7.1	8
Others	1.01	2.2	1
Equity securities	92.54	90.7	91

PORTFOLIO COMPOSITION BY MARKET - %

Equity market	100.00	100.00	100.00

Note:

- The Launch date of Fund is 04 August 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.



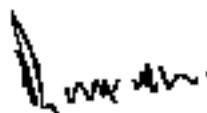
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL STOCK ADVANTAGE FUND

**Report of the Trustee pursuant to Regulation 41(b) 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 UBL Stock Advantage 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, 2022 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Stock Advantage Fund
YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Stock Advantage Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadir
Non-Executive Directors	Mr. Anif Akmal Saif Mr. Aslam Saddruddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saddruddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

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✉ info@ublfunds.com

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

www.ublfunds.com

7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification.

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saifia
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mulhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qaddus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below, -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saifia	Member	Non-Executive Director
Mr. Aslam Sadraddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadraddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Farrokh Zaem****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Mohammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Syed Furrakh Zameen***	Member	Non-Executive Director

* Mr. Aslam Sadduddin was appointed as a director with effect from December 3, 2021

** Mr. Mohammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Mr. Sadia Saeed has resigned dated July 19, 2021

**** Syed Furrakh Zameen has resigned dated November 17, 2021

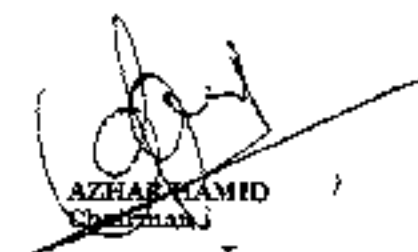
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	5	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR HAMID
 Chairman

Karachi.
 Dated: September 6, 2022

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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**Review report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance)
Regulations, 2019**

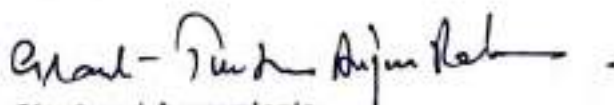
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company) of **UBL Stock Advantage Fund** (the Fund) for the year ended 30 June 2022 in accordance with the requirement of regulation 36 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. 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.

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 30 June 2022.



Chartered Accountants

Place: Karachi

Date: 29 September 2022

UDIN: CR202210093rRxvtV008

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of UBL Stock Advantage Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Stock Advantage Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, 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 2022 and of its financial performance and its cash flows for the year then ended in accordance with approved 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.

Key audit matter	How the matter was addressed in our audit
Net Asset Value (NAV) As disclosed in note 6 to the financial statements, investments amount to Rs 5,266.749 million as at 30 June 2022	Our audit procedures among others included:

constituting the most significant component of the NAV of the Fund. The valuation of investments for the determination of NAV as at 30 June 2022 was considered as a high risk area and therefore, we consider this as a key audit matter.	• Obtained an understanding of design effectiveness of the key controls in respect of investments. • Obtained independent confirmation for verifying the existence of the investment portfolio as at 30 June 2022 and reconciled it with the books and records of the Fund. • Re-performed valuation to assess that the investments are carried as per valuation methodology specified in the accounting policies. • 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 applicable financial reporting standards.

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 in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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

The Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

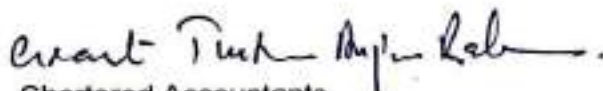
We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where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



Chartered Accountants

Place: Karachi

Date: 29 September 2022

UDIN: AR202210093mQ8C4Vfxj

UBL STOCK ADVANTAGE FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2022

	Note	2022 ------(Rupees in '000)-----	2021
ASSETS			
Bank balances	5	367,255	669,343
Investments	6	5,266,749	7,725,379
Dividend and profit receivable	7	17,408	40,510
Security deposits, advances and other receivables	8	37,015	80,933
Advance tax	9	3,084	3,037
Total assets		5,691,512	8,519,202
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	10	53,586	102,466
Payable to Central Depository Company of Pakistan Limited - Trustee	12	607	874
Payable to Securities and Exchange Commission of Pakistan	13	1,455	1,542
Accrued expenses and other liabilities	14	64,222	306,856
Total liabilities		119,870	411,738
Net assets		5,571,642	8,107,464
Unit Holders' Fund (as per statement attached)		5,571,642	8,107,464
CONTINGENCIES AND COMMITMENTS			
	15	------(Number of units)-----	
Number of units in issue	16	80,167,913	103,238,047
		----- (Rupees) -----	
Net asset value per unit		69.50	78.53
Face value per unit		100	100

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

FOR UBL FUND MANAGERS LIMITED
 (Management Company)

 -sd-
Yasir Qadri
 Chief Executive Officer

 -sd-
Umair Ahmed
 Chief Financial Officer

 -sd-
Imran Sarwar
 Director

UBL STOCK ADVANTAGE FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 ------(Rupees in '000)-----	2021
INCOME			
Profit on:			
- bank deposits		24,437	22,904
- government securities		-	686
Dividend income		527,358	443,332
(Loss) / gain on sale of investments at FVTPL - net		(174,907)	1,034,002
Unrealised (loss) / gain on re-measurement of investments			
at FVTPL - net	6.1	(856,784)	781,334
Other income		139	802
		(479,757)	2,283,060
EXPENSES			
Remuneration of the Management Company	10.1	197,685	156,934
Sindh Sales Tax on remuneration of the Management Company	10.2	25,699	20,401
Allocated expenses	10.3	10,441	8,308
Selling and marketing expenses	11	76,651	149,026
Remuneration of the Trustee	12.1	9,327	9,845
Annual fee - Securities and Exchange Commission of Pakistan	13	1,455	1,542
Auditor's remuneration	17	574	539
Brokerage and settlement charges		18,727	24,196
Listing fee		25	25
Legal and professional charges		205	195
Bank charges		88	101
Other expenses		3	3
		340,880	371,115
Net operating (loss) / income for the year		(820,637)	1,911,945
Reversal / (provision) for Sindh Workers' Welfare Fund	14.2	89,641	(37,507)
Net (loss) / income for the year before taxation		(730,996)	1,874,438
Taxation	18	-	-
Net (loss) / income for the year after taxation		(730,996)	1,874,438
Allocation of net (loss) / income for the year			
Net (loss) / income for the year after taxation		(730,996)	1,874,438
Income already paid on units redeemed		-	(626,206)
		(730,996)	1,248,232
Net income available for distribution			
- Relating to capital gains		-	1,196,164
- Excluding capital gains		-	52,068
		-	1,248,232
Earnings per unit	19		

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

FOR UBL FUND MANAGERS LIMITED
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

UBL STOCK ADVANTAGE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- (Rupees in '000) -----	
Net (loss) / income for the year after taxation	(730,996)	1,874,438
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(730,996)</u>	<u>1,874,438</u>

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

FOR UBL FUND MANAGERS LIMITED
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

UBL STOCK ADVANTAGE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	6,618,998	1,488,466	8,107,464	5,441,666	317,089	5,758,755
Amount received on issue of 24,845,850 units (2021: 140,417,403 units)						
- capital value	1,951,121	-	1,951,121	8,448,915	-	8,448,915
- element of (loss) / income	(26,933)	-	(26,933)	2,147,348	-	2,147,348
Total amount received on issuance of units	1,924,187	-	1,924,187	10,596,263	-	10,596,263
Amount paid on redemption of 47,915,984 units (2021: 132,885,364 units)						
- capital value	(3,762,842)	-	(3,762,842)	(7,995,712)	-	(7,995,712)
- element of income/(loss)	33,829	-	33,829	(1,423,219)	(626,206)	(2,049,425)
Total amount paid on redemption of units	(3,729,013)	-	(3,729,013)	(9,418,931)	(626,206)	(10,045,137)
Total comprehensive (loss) / income for the year	-	(730,996)	(730,996)	-	1,874,438	1,874,438
Distribution during the year Rs. Nil per unit (2021: Re. 0.75 per unit)	-	-	-	-	(76,855)	(76,855)
Net (loss) / income for the year less distribution	-	(730,996)	(730,996)	-	1,797,583	1,797,583
Net assets at the end of the year	4,814,172	757,470	5,571,642	6,618,998	1,488,466	8,107,464
Undistributed income / (loss) brought forward comprising of:						
- Realised		707,132			485,191	
- Unrealised		781,334			(168,102)	
		1,488,466			317,089	
Net loss for the year		(730,996)			-	
Distribution during the year		-			(76,855)	
Net income available for distribution:						
- Relating to capital gains		-			1,196,164	
- Excluding capital gains		-			52,068	
		-			1,248,232	
Undistributed income carried forward - net		757,470			1,488,466	
Undistributed income carried forward comprising of:						
- Realised income		1,614,254			707,132	
- Unrealised loss		(856,784)			781,334	
		757,470			1,488,466	
				2022	2021	
				----- Rupees -----		
Net assets value per unit at beginning of the year				78.53	60.17	
Net assets value per unit at end of the year				69.50	78.53	

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

FOR UBL FUND MANAGERS LIMITED
 (Management Company)

 -sd-
 Yasir Qadri
 Chief Executive Officer

 -sd-
 Umair Ahmed
 Chief Financial Officer

 -sd-
 Imran Sarwar
 Director

UBL STOCK ADVANTAGE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 ------(Rupees in 000')-----	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(730,996)	1,874,438
Adjustments for non-cash charges and other items:		
Profit on bank deposits	(24,437)	(22,904)
Loss / (gain) on sale of investments - net	174,907	(1,034,002)
Dividend income	(527,358)	(443,332)
(Reversal) / provision for Sindh Workers' Welfare Fund	(89,641)	37,507
Unrealised loss / (gain) on re-measurement of investments at FVTPL - net	856,784	(781,334)
	390,255	(2,244,065)
Decrease / (increase) in assets		
Investments	1,426,939	(433,781)
Security deposits, advances and other receivables	43,918	(73,728)
	1,470,857	(507,509)
(Decrease) / increase in liabilities		
Payable to the Management Company	(48,880)	60,848
Payable to Trustee	(267)	241
Payable to Securities and Exchange Commission of Pakistan	(87)	444
Accrued expenses and other liabilities	(152,993)	56,055
	(202,227)	117,588
	927,888	(759,548)
Profit on bank deposits received	24,061	23,128
Dividend received	550,836	414,902
Tax paid	(47)	(32)
Net cash generated from / (used in) operating activities	1,502,738	(321,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,924,187	10,596,263
Payments against redemption of units	(3,729,013)	(10,045,137)
Dividend paid to unit holders	-	(76,855)
Net cash (used in) / generated from financing activities	(1,804,826)	474,271
Net (decrease) / increase in cash and cash equivalents	(302,088)	152,721
Cash and cash equivalents at the beginning of the year	669,343	516,622
Cash and cash equivalents at the end of the year	367,255	669,343

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

FOR UBL FUND MANAGERS LIMITED
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

UBL STOCK ADVANTAGE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Stock Advantage 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 Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 5 June 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 27 June 2006 in accordance with the requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed of the Fund was registered under the Sindh Trust Act, 2020 on 27 August 2021. The Fund commenced its operations from 4 August 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 Equity Fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund 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 investors long-term capital appreciation by investing primarily in a mix of equities that offer capital gains and dividend yield potential. The Fund mainly makes investments in a diversified portfolio of shares of listed companies and treasury bills not exceeding 90 days maturity.

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company on 31 December 2021.

Title to the assets of the Fund is held in the name of the CDC 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 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 that investments are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets 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.

The estimates and judgments that have a significant effect on the financial statements are in respect of classification, valuation and impairment of financial assets.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARD

3.1 Standards adopted during the current year

There are certain other new standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on 1 July 2021, but are considered either to be not relevant or to not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

3.2 Standards not yet effective

The following new standards and amendments would be effective from the dates mentioned below against the respective standard:

Standard	Effective date (Annual periods beginning on or after)
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	01 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01 January 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	01 January 2022
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	01 January 2022
Classification of Liabilities as Current or Non-current	01 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) 01 January 2023

Definition of Accounting Estimates (Amendments to IAS 8) 01 January 2023

Disclosure Initiative — Accounting Policies 01 January 2023

Annual Improvements to IFRS Standards 2018–2020 01 January 2023

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial instruments

4.1.1 Financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Amortized cost,
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets under FVTPL are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. The Fund classifies its financial assets under FVTPL category as financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets at FVTPL are initially measured at fair value and transaction costs, that are directly attributable to the acquisition of these assets, is immediately charged to income statement. Subsequently, all financial assets at FVTPL are measured at fair value with gains and losses arising from changes in fair value and on sale being recorded in the income statement.

The fair value of financial assets is determined as follows:

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

Debt securities are valued based on the rates determined and published by MUFAP in accordance with methodology prescribed by SECP for valuation of debt securities.

4.1.2 Impairment

The SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that

UBL STOCK ADVANTAGE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

4.1.3 Financial liabilities

Financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.1.4 Derecognition

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

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

4.1.5 Regular way contracts

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

4.2 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 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.

4.4 Provisions

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

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies 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

UBL STOCK ADVANTAGE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (the ITO) 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 ITO.

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.

4.7 Distributions

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

4.8 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.

4.9 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.

4.10 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.

4.11 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.

UBL STOCK ADVANTAGE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

- Profit on bank balances and government securities is recognised on a time proportionate.
- Unrealised gains / (losses) arising on re-measurement of investments at FVTPL are included in the income statement in the year in which they arise.

4.12 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.

		2022	2021
	Note	-----Rupees in '000-----	
5. BANK BALANCES			
- PLS accounts	5.1	367,040	669,070
- Current accounts		215	273
		<u>367,255</u>	<u>669,343</u>

5.1 Profit rates on PLS accounts range between 3.75% to 16.6% (2021: 5.5) per annum.

		2022	2021
	Note	-----Rupees in '000-----	
6. INVESTMENTS			
At fair value through profit or loss			
Equity securities	6.1	<u>5,266,749</u>	<u>7,725,379</u>

6.1 Equity securities

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

Name of Investee Company		As at 1 July 2021	Purchased / bonus received during the year	Sold during the year	As at 30 June 2022	Total carrying value as at 30 June 2022	Total market value as at 30 June 2022	Appreciation / (diminution) as at 30 June 2022	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
Quoted investments	Note	Number of shares			Rupees in '000			Percentage (%)			
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	6.3	34,498	1,287,673	(968,500)	353,671	59,632	60,775	1,142	1.09	1.15	0.0753
Hi-Tech Lubricants Limited	-	-	214,500	(214,500)	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	-	1,550,000	(600,000)	950,000	29,189	32,500	3,310	0.58	0.62	0.1498
						88,821	93,274	4,453	1.67	1.77	
OIL AND GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	6.2	3,347,941	1,911,000	(1,421,500)	3,837,441	347,836	301,891	(45,944)	5.42	5.73	0.0892
Pakistan Petroleum Limited	-	3,666,169	2,296,500	(1,659,401)	4,303,268	350,186	290,514	(59,672)	5.21	5.52	0.1582
Pakistan Oilfields Limited	-	85,376	393,041	(266,376)	212,041	82,371	86,048	3,678	1.54	1.63	0.0747
Mari Petroleum Company Limited	-	470,579	42,860	(196,247)	317,192	485,669	551,832	66,162	9.90	10.48	0.2378
						1,266,062	1,230,285	(35,776)	22.08	23.36	
GLASS & CERAMICS MANUFACTURING COMPANIES											
Tariq Glass Industries Limited	-	5,500	957,300	(962,800)	-	-	-	-	-	-	-
Shabir Tiles & Ceramics Limited (face value Rs. 5 per share)	2,932,118	650,500	(3,290,000)	292,618	292,618	9,757	4,281	(5,476)	0.08	0.08	0.1223
						9,757	4,281	(5,476)	0.08	0.08	
REFINERY											
Attock Refinery Limited	-	231,000	(231,000)	-	-	-	-	-	-	-	-
FERTILIZER											
Engro Corporation Limited	6.2	746,968	219,001	(252,093)	713,876	206,460	183,530	(22,929)	3.29	3.48	0.1239
Engro Fertilizers Limited	-	328,141	1,472,000	(791,344)	1,008,797	84,341	89,420	5,079	1.60	1.70	0.0755
Fauji Fertilizer Company Limited	-	3,346,677	2,581,880	(2,796,134)	3,132,423	325,516	345,256	19,740	6.20	6.56	0.2462
Fauji Fertilizer Bin Qasim Limited	-	4,289,000	96,000	(4,385,000)	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	-	2,222,000	(185,500)	2,036,500	71,134	76,980	5,845	1.38	1.46	0.0970
						687,451	695,186	7,735	12.48	13.20	
CHEMICALS											
Engro Polymer & Chemicals Limited	2,009,854	633,500	(2,643,354)	-	-	-	-	-	-	-	-
Sitara Chemicals Industries Limited	-	49,570	-	(49,000)	570	201	177	(24)	0.00	0.00	0.0027
Nimr Resins Limited	-	-	912,500	-	912,500	13,613	13,259	(354)	0.24	0.25	0.6457
ICI Pakistan Limited	-	76,500	-	(76,400)	100	87	72	(14)	0.00	0.00	0.0001
						13,900	13,508	(392)	0.24	0.26	
CEMENT											
Cherat Cement Company Limited	-	46	150,000	(150,000)	46	6	4	(2)	0.00	0.00	0.0000
Maple Leaf Cement Factory Limited	-	830,000	2,532,500	(2,760,500)	602,000	18,609	16,465	(2,145)	0.30	0.31	0.0548
Kohat Cement Company Limited	-	1,891,494	109,800	(506,400)	1,494,894	306,763	194,531	(112,232)	3.49	3.69	0.7442
Lucky Cement Limited	6.2	468,361	408,382	(361,354)	515,389	368,863	236,584	(132,279)	4.25	4.49	0.1594
Pioneer Cement Limited	-	421,500	-	(421,500)	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	-	2,923,000	(2,923,000)	-	-	-	-	-	-	-
						694,241	447,584	(246,658)	8.03	8.50	
PAPER AND BOARD											
Century Paper and Board Mills Limited	-	673,100	(227,500)	445,600	445,600	32,295	27,538	(4,757)	0.49	0.52	0.2196
INSURANCE											
Adamjee Insurance Company Limited	4,164,999	720,000	(3,033,000)	1,851,999	1,851,999	75,950	58,449	(17,501)	1.05	1.11	0.5291
IGI Holdings Limited	197,660	15,000	(212,100)	560	560	108	62	(46)	0.00	0.00	0.0004
						76,058	58,511	(17,547)	1.05	1.11	
COMMERCIAL BANKS											
Bank Alfalah Limited	3,587,536	2,301,209	(2,128,293)	3,760,452	3,760,452	123,253	120,334	(2,918)	2.16	2.28	0.2116
Habib Bank Limited	3,761,596	2,223,170	(2,398,204)	3,586,562	3,586,562	432,741	327,597	(105,144)	5.88	6.22	0.2445
MCB Bank Limited	-	1,217,321	(1,217,321)	-	-	-	-	-	-	-	-
United Bank Limited	3,889,248	1,280,072	(1,773,214)	3,396,106	3,396,106	423,960	384,201	(39,759)	6.90	7.29	0.2774
Faysal Bank Limited	43,748	6,236,000	(983,500)	5,296,248	5,296,248	126,052	122,131	(3,920)	2.19	2.32	0.3490
Allied Bank Limited	3,547,476	13,500	(2,772,000)	788,976	788,976	58,577	54,439	(4,138)	0.98	1.03	0.0689
Habib Metropolitan Bank Limited	-	960,000	(261,500)	698,500	698,500	30,877	27,276	(3,600)	0.49	0.52	0.0667
Bank Al Habib Limited	4,448,993	544,346	(1,292,649)	3,700,690	3,700,690	260,254	214,862	(45,392)	3.86	4.08	0.3330
Meezan Bank Limited	1,222,948	705,149	(1,252,747)	675,350	675,350	76,701	76,301	(400)	1.37	1.45	0.0415
The Bank of Punjab	394,000	-	(394,000)	-	-	-	-	-	-	-	-
						1,532,414	1,327,143	(205,271)	23.82	25.20	
TEXTILE COMPOSITE											
Nishat Mills Limited	1,146,971	262,000	(1,408,600)	371	371	33	27	(6)	0.00	0.00	0.0001
Nishat Chunian Limited	-	795,500	(794,000)	1,500	1,500	75	67	(8)	0.00	0.00	0.0006
Gul Ahmed Textile Mills Limited	2,399,114	2,413,686	(980,719)	3,832,081	3,832,081	191,952	129,563	(62,389)	2.33	2.46	0.6214
Kohinoor Textile Mills Limited	4,704,896	195,000	(1,625,000)	3,274,896	3,274,896	245,287	163,745	(81,542)	2.94	3.11	1.0942
Crescent Textile Mills Limited	-	1,664,000	(454,000)	1,210,000	1,210,000	34,762	21,768	(12,994)	0.39	0.41	1.2100
Interloop Limited	1,798,000	342,315	(227,000)	1,913,315	1,913,315	130,446	116,712	(13,734)	2.09	2.22	0.2130
						602,554	431,882	(170,673)	7.75	8.20	
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	6.2	5,144,473	1,421,649	(2,460,625)	4,105,497	320,365	279,872	(40,494)	5.02	5.31	0.3165
Saif Power Limited	-	24,095	600,000	(24,095)	600,000	12,688	12,504	(184)	0.22	0.24	0.1553
Nishat Power Limited	1,950,000	484,001	(2,434,001)	-	-	-	-	-	-	-	-
Kot Addu Power Company Limited	-	885,000	(885,000)	-	-	-	-	-	-	-	-
						333,053	292,376	(40,678)	5.25	5.55	
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited (face value Rs. 5 per share)	610,963	-	(610,963)	-	-	-	-	-	-	-	-
AUTOMOBILE ASSEMBLER											
Millat Tractors Limited	-	35,238	-	(35,238)	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	122,400	9,300	(131,700)	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	500	-	-	500	55	30	(25)	0.00	0.00	0.0009
Ghandhara Industries Limited	-	-	149,600	(149,600)	-	-	-	-	-	-	-
						55	30	(25)	0.00	0.00	

Name of Investee Company		As at 1 July 2021	Purchased / bonus received during the year	Sold during the year	As at 30 June 2022	Total carrying value as at 30 June 2022	Total market value as at 30 June 2022	Appreciation / (diminution) as at 30 June 2022	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
Quoted investments	Note	Number of shares				Rupees in '000			Percentage (%)		
ENGINEERING											
International Steels Limited		439,000	447,044	(755,000)	131,044	8,551	7,779	(772)	0.14	0.15	0.0301
International Industries Limited		282,300	118,000	(400,300)	-	-	-	-	-	-	-
Agha Steel Industries Limited		1,300,572	474,528	(1,775,100)	-	-	-	-	-	-	-
Aisha Steel Limited		2,249,000	1,075,000	(3,324,000)	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited		902	1,218,675	(927,823)	291,754	27,893	16,817	(11,076)	0.30	0.32	0.0869
						36,444	24,595	(11,848)	0.44	0.47	
FOOD AND PERSONAL CARE PRODUCTS											
Al Shaheer Corporation Limited	6.3	1,662	-	-	1,662	33	15	(18)	0.00	0.00	0.0006
At Tahir Limited		-	1,452,780	(80,000)	1,372,780	32,494	26,179	(6,315)	0.47	0.50	0.6907
National Foods Limited (face value Rs. 5 per share)		-	70,000	-	70,000	10,085	10,135	50	0.18	0.19	0.0300
Shezan International Limited		-	219,620	(4,200)	215,420	64,130	36,621	(27,508)	0.66	0.70	2.2293
Treet Corporation Limited		339,000	-	(339,000)	-	-	-	-	-	-	-
						106,742	72,950	(33,791)	1.31	1.39	
VANASPATI & ALLIED INDUSTRIES											
Unify Foods Limited		-	1,315,000	(1,299,787)	15,213	425	305	(119)	0.01	0.01	0.0013
PHARMACEUTICALS											
The Searle Company Limited	6.3	667,946	129,267	(736,854)	60,359	10,829	6,580	(4,248)	0.12	0.12	0.0193
GlaxoSmithkline Consumer Healthcare		4,059	-	(3,900)	159	40	38	(2)	0.00	0.00	0.0001
Highnoon Laboratories Limited		154,881	12,888	(33,600)	134,169	73,196	71,092	(2,104)	1.28	1.35	0.3203
IBL HealthCare Limited		-	328,960	(60,600)	268,360	25,534	13,952	(11,582)	0.25	0.26	0.4135
Citi Pharma Limited		-	1,084,000	(28,500)	1,055,500	37,254	34,452	(2,802)	0.62	0.65	0.4620
AGP Limited		-	280,500	(19,328)	261,172	26,093	22,884	(3,210)	0.41	0.43	0.0933
						172,946	148,998	(23,948)	2.67	2.83	
TECHNOLOGY & COMMUNICATION											
Systems Limited		388,424	161,238	(277,686)	271,976	76,183	89,714	13,531	1.61	1.70	0.0977
Hum Network Limited (face value Rs. 1 per share)		-	17,375,000	(6,018,500)	11,356,500	80,892	80,858	(34)	1.45	1.54	1.2017
Octopus Digital		-	73,234	(73,234)	-	-	-	-	-	-	-
Air Link Communication		-	222,000	(221,574)	426	18	17	(1)	0.00	0.00	0.0001
						157,093	170,589	13,496	3.06	3.24	
LEATHER & TANNERIES											
Service Industries Limited		272,250	120,450	(41,800)	350,900	193,947	123,780	(70,167)	2.22	2.35	0.7468
Service Global Footwear Limited		-	23,000	(23,000)	-	-	-	-	-	-	-
						193,947	123,780	(70,167)	2.22	2.35	
TRANSPORT											
Pakistan International Bulk Terminal Limited		4,835,490	-	(4,835,490)	-	-	-	-	-	-	-
CABLE & ELECTRICAL GOODS											
Pakistan Cables Limited		-	132,300	-	132,300	21,215	18,456	(2,759)	0.33	0.35	0.3719
SUGAR & ALLIED INDUSTRIES											
Shahmurad Sugar Mills Limited		-	84,500	-	84,500	7,187	7,101	(86)	0.13	0.13	0.4001
MISCELLANEOUS											
Shifa International Hospitals Limited		311,667	53,533	(900)	364,300	77,071	65,261	(11,810)	1.17	1.24	0.5763
Pakistan Aluminium Beverage Cans Limited		-	990,000	(574,000)	416,000	13,805	13,116	(688)	0.24	0.25	0.1152
						90,875	78,377	(12,498)	1.41	1.49	
Total 30 June 2022						6,123,533	5,266,749	(856,784)			
Total 30 June 2021						6,944,045	7,725,379	781,334			

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6.2 The above equity securities include 0.81 million shares (2021: 0.81 million shares) pledged with National Clearing Company of Pakistan Limited (NCCPL) having market value of Rs. 91.359 million (2021: Rs. 117.699 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated 23 October 2007 issued by the SECP.

6.3 This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the ITO, whereby the bonus shares received by shareholders were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax 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 (AMCs) and Mutual Fund Association of Pakistan (MUFAP), filed a petition in Honourable Sindh High Court (SHC) to declare the above amendments as null and void and are 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 ITO. SHC granted a stay order till the final outcome of the case. However, the investee company(s) had withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 8.9336 million (2021: Rs. 13.818 million) at year end. Such shares have not been deposited in the CDC account of the department of Income tax. The Management Company is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

	2022	2021
	------(Rupees in '000)-----	
7. DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable	14,050	37,528
Accrued profit on bank accounts	3,358	2,982
	<u>17,408</u>	<u>40,510</u>
8. SECURITY DEPOSITS, ADVANCES AND OTHER RECEIVABLES		
Security deposits with:		
- NCCPL	2,500	2,500
- CDC	100	100
Advance against exposure margin to NCCPL	4,600	4,600
Advance against share subscription - IPO	-	10,045
Receivable against unit issuance	1,059	2,534
Receivable against sale of investments	28,656	61,154
Others	100	-
	<u>37,015</u>	<u>80,933</u>

9 ADVANCE TAX

The Fund is exempt under clause 47(B) of Part IV of Second Schedule of the ITO from withholding of tax under sections 150, 151 and 233 of the ITO. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO from Commissioner Inland Revenue (CIR). During the current and previous years, prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under sections 150 and 151 of the ITO. The Management Company is confident that the amount will be refunded to the Fund.

10	PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY	Note	2022	2021
			------(Rupees in '000)-----	
	Management fee (including Sindh sales tax there against)	10.1 & 10.2	14,322	18,184
	Sales load and conversion charges		599	2,259
	Allocated expenses	10.3	1,452	5,062
	Selling and marketing expenses	11	37,097	76,944
	Others		116	17
			53,586	102,466

10.1 In accordance with Regulation 61 of NBFC Regulations whereby an asset management company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. Accordingly, the Management Company based on its own discretion and keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, has charged remuneration at the rate of 2.5% of the daily net asset till 13 August 2021 and thereafter at the rate of 2.75% of daily net assets.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

10.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company based on its own discretion and keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, has charged allocated expenses at the following rates:

From 1 July 2021 to 22 August 2021	0.11% per annum of average daily net assets
From 23 August 2021 onwards	0.15% per annum of average daily net assets

11. SELLING AND MARKETING EXPENSES

SECP vide circular no. 04 SCD/Circular/04/2019 dated 5 July 2019, removed the limit on selling and marketing expenses and allowed the AMCs to charge selling and marketing expenses to all categories of open end mutual funds except for fund of fund subject to verification of Trustee and approval of Board of Directors. Accordingly, the Management Company based on its own discretion and keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, has charged selling and marketing expenses at the following rates:

From 1 July 2021 to 5 April 2022	1% per annum of average daily net assets
From 6 April 2022 to 16 June 2022	1.25% per annum of average daily net assets
From 17 June 2022 onwards	1.4% per annum of average daily net assets

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12. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022 ----- (Rupees in '000) -----	2021 -----
Trustee fee (including Sindh sales tax there against)	12.1	607	874

12.1 As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2022 is as follows:

Net Assets	Tariff per annum
Upto Rs 1,000 million	Rs 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% p.a of NAV

13. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022 ----- (Rupees in '000) -----	2021 -----
Annual fee	13.1	1,455	1,542

13.1 In accordance with SRO No.685 (1) / 2019 dated 28 June 2019 issued by the SECP, a CIS classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.02% of the average annual net assets of the Fund.

14. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022 ----- (Rupees in '000) -----	2021 -----
Auditor's remuneration		402	375
Zakat deducted at source		289	217
Brokerage and settlement charges		6,210	8,235
Capital gain tax		2,923	7,568
Provision for Federal Excise Duty (FED)	14.1	45,195	45,195
Provision for Sindh Workers' Welfare Fund	14.2	-	89,641
Payable against purchase of investments		3,606	145,569
Others		5,596	10,056
		64,222	306,856

14.1 As per the requirements of the Finance Act 2013, 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 AMCs and Trustees of respective CISs, through a Constitutional Petition filed in the 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.

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including AMCs, which are already subject to provincial sales tax, has been withdrawn. Therefore, no provision for FED has been recorded after 30 June 2016.

On 30 June 2016, SHC 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 against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 45.195 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 2022 would have been higher by Rs. 0.56 (2021: Rs. 0.44) per unit.

14.2 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) 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 0.50 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 Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments and based on the legal opinion obtained by MUFAP, regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015). The Funds accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated 12 August 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 89.641 million, for the period from 21 May 2015 to 12 August 2021, on 13 August 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15. CONTINGENCIES AND COMMITMENTS

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

	2022	2021
	-----Number of units-----	
16. NUMBER OF UNITS IN ISSUE		
At the beginning of the year	103,238,047	95,706,008
Units issued	24,845,850	140,417,403
Units redeemed	(47,915,984)	(132,885,364)
At the end of the year	<u>80,167,913</u>	<u>103,238,047</u>

16.1 The par value of each unit is Rs. 100/-. The Management Company has set a minimum investment of Rs. 500/-.

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

	2022	2021
	----- (Rupees in '000) -----	
17. AUDITOR'S REMUNERATION		
Annual audit fee	271	246
Half yearly review	135	123
Review of compliance with the requirements of the Code of Corporate Governance	45	41
Other certifications	41	37
Out of pocket expenses and sales tax	82	92
	<u>574</u>	<u>539</u>

18. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the ITO subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as it has incurred a net loss during the 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.

19. 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.

20. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 4.69% as on 30 June 2022 (2021: 5.30%) and this includes 0.42% (2021: 0.82%) representing government levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as Equity Scheme.

21. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2022	2021
	----- (Rs. in '000) -----	
Financial assets		
At fair value through profit or loss		
Investments	5,266,749	7,725,379
At amortized cost		
Bank balances	367,255	669,343
Dividend and profit receivable	17,408	40,510
Security deposits, advances and other receivables	37,015	70,888
	<u>5,688,428</u>	<u>8,506,120</u>
Financial liabilities		
At amortized cost		
Payable to UBL Fund Managers Limited - Management Company	53,586	102,466
Payable to Central Depository Company of Pakistan Limited - Trustee	607	874
Accrued expenses and other liabilities	15,815	164,234
	<u>70,007</u>	<u>267,574</u>

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.

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Fair value of investments at FVTPL 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 carried at fair values, by valuation methods.

As at 30 June 2022			
Level 1	Level 2	Level 3	Total
----- Rupees in '000-----			
ASSETS			
Investment at FVTPL			
- Equity securities	5,266,749	-	5,266,749
	5,266,749	-	5,266,749

As at 30 June 2021			
Level 1	Level 2	Level 3	Total
ASSETS			
Investment at FVTPL			
- Equity securities	7,725,379	-	7,725,379
	7,725,379	-	7,725,379

23. 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, credit risk and liquidity risk.

23.1 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 the following:

23.1.1 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 30 June 2022 as there are no financial assets or financial liabilities denominated in foreign currencies.

23.1.2 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 30 June 2022, the Fund is exposed to such risk on bank balances. 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.

For the year, loss would have (decreased) / increased by Rs. 3.6704 million, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points. Further, 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.

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

Particulars	30 June 2022-----					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Up to three months	More than three months and up to one year	More than one year	
	%		------(Rupees in '000)-----			

On-balance sheet financial instruments

Financial assets

Bank balances	3.75 to 16.6	367,255	367,040	-	-	215
Investments		5,266,749	-	-	-	5,266,749
Dividend and profit receivable		17,408	-	-	-	17,408
Security deposit, advances and other receivables		37,015	-	-	-	37,015
Sub total		5,688,428	367,040	-	-	5,321,387

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company		53,586	-	-	-	53,586
Payable to the Central Depository Company of Pakistan Limited - Trustee		607	-	-	-	607
Accrued expenses and other liabilities		15,815	-	-	-	15,815
Sub total		70,008	-	-	-	70,008
On-balance sheet gap (a)		5,618,420	367,040	-	-	5,251,380
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			367,040	-	-	5,251,380
Cumulative interest rate sensitivity gap			367,040	-	-	5,251,380

Particulars	30 June 2021-----					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Up to three months	More than three months and up to one year	More than one year	
	%		------(Rupees in '000)-----			

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 9	669,343	669,070	-	-	273
Investments		7,725,379	-	-	-	7,725,379
Dividend and profit receivable		40,510	-	-	-	40,510
Security deposits and other receivables		70,888	-	-	-	70,888
Sub total		8,506,120	669,070	-	-	7,837,050

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company		102,466	-	-	-	102,466
Payable to the Central Depository Company of Pakistan Limited - Trustee		874	-	-	-	874
Accrued expenses and other liabilities		164,234	-	-	-	164,234
Sub total		267,574	-	-	-	267,574
On-balance sheet gap (a)		8,238,546	669,070	-	-	7,569,476
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			669,070	-	-	7,569,476
Cumulative interest rate sensitivity gap			669,070	-	-	7,569,476

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23.1.3 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 at FVTPL. 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 on 30 June 2022, net loss for the year would decrease / increase by Rs. 263.337 million.

23.2 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 credit exposure arising as a result of dividend receivable (if any) on equity securities. For banks, 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. The maximum exposure to credit risk before considering any collateral as at 30 June 2022 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

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.

23.2.1 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 30 June 2022:

Bank balances by rating category

Name of bank	Balances held by the Fund	Rating agency	Latest available published rating
(Rupees in '000)			
Samba Bank	207,302	VIS	AA
MCB Bank Limited	88,751	PACRA	AAA
United Bank Limited	4,079	VIS	AA+
Bank Alfalah Limited	63,269	PACRA	AA+
Sindh Bank Limited	27	VIS	A+
National Bank of Pakistan	1,798	PACRA	AAA
The Bank of Punjab	1,039	PACRA	AA+
Silkbank Limited	23	VIS	A-
Habib Bank Limited	102	PACRA	AA+
Soneri Bank Limited	816	PACRA	AA-
Habib Metro Bank	10	PACRA	AA+
Bank of Khyber	40	VIS	A+
	<u>367,255</u>		

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23.3 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 has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances.

As of 30 June 2022, all financial liabilities of the Fund are due within one year.

24. 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.

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

2022		2021	
Percentage		Percentage	
1	Taurus Securities Limited	17	Taurus Securities Limited
2	Spectrum Securities (Pvt.) Limited	8	Bma Capital Management Limited
3	NAEL Capital (Pvt.) Limited	7	Insight Securities (Private) Limited
4	Aba Ali Habib Securities (Pvt.) Limited	7	Next Capital Limited
5	Insight Securities (Pvt.) Limited	6	Efg Hermes Pakistan Limited
6	Habib Metropolitan Financial Services Limited	6	Alfalah Clsa Securities (Private) Limited
7	Alfa Adhi Securities (Pvt.) Limited.	5	Habib Metropolitan Financial Services Limited
8	Optimus Capital Managemnt (Pvt.) Limited	5	Aba Ali Habib Securities (Pvt.) Limited
9	Akik Capital (Pvt.) Limited	5	Djm Securities Pvt Limited
10	Intermarket Securities Limited	4	Alfa Adhi Securities (Pvt.) Limited.

26. 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	26.1	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20.9	CFA, MBA
3	Irfan Nepal	Chief Dealer & Fund Manager	28	EMBA, MIBS
4	Hadi Hassan Muki	Head of Risk Management, Compliance and Quality Assurance	22	B.com (CA Foundation)
5	Mubashir Anis	Fund Manager & Head of Equity and Advisor to Equity Sales	10	BSC, CFA
6	Muhammad Waseem	Head of Equity - Islamic Funds	8.3	BBA, CFA
7	Muhammad Imran	Head of Investment Advisory	22.7	MBA
8	Muhammad Ahmed	Deputy Head Research	4	BS, CFA
9	Syed Sheeraz Ali	Head of Fixed Income Funds	12.6	BS, CFA I
10	Syed Shabih-ul-Hasnain	Fund Manager /Senior Research Analyst	4.9	BBA, CFA level II

26.1 Mr. Mubashir Anis is fund manager of the Fund. He is also fund manager of UBL Financial Sector Fund, UBL Dedicated Equity Fund, UBL Pakistan Enterprise Exchange Traded Fund.

27. PATTERN OF UNIT HOLDING

-----30 June 2022-----			
Category	Number of unit holders	Number of units held	Percentage of units held
Individuals	4,597	15,491,068	19%
Insurance companies	6	3,648,297	5%
Others	26	7,438,403	9%
Public limited companies	1	107,284	0%
Retirement funds	41	53,461,021	67%
	4,671	80,146,073	100%
-----30 June 2021-----			
Category	Number of unit holders	Number of units held	Percentage of units held
Associated Company and Key Executives	8	114,186	0.00
Individuals	4,320	24,330,353	0.24
Insurance companies	10	12,987,533	0.13
NBFC	2	1,408,706	0.01
Others	26	8,883,069	0.09
Public limited companies	7	1,402,105	0.01
Retirement funds	47	54,112,095	0.52
	4,420	103,238,047	1.00

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28. 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, Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.

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

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

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

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

	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties
	30 June 2022					
	(Units in '000)					
Transactions during the period						
Units issued	987	-	1,634	-	415	781
Units redeemed	2,396	-	-	-	501	-
	(Rupees in '000)					
Profit on bank deposits	-	1,270	-	-	-	-
Bank charges	-	45	-	-	-	-
Value of units issued	75,000	-	124,744	-	32,097	59,720
Value of units redeemed	185,173	-	-	-	38,767	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-
Remuneration (including sales tax)	223,384	-	9,327	-	-	-
Allocation of expenses	10,441	-	-	-	-	-
CDS expenses	-	-	620	-	-	-
Selling and marketing expense	76,651	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Balances held						
Units held (Units in '000)	-	-	1,634	-	22	35,002
	(Rupees in '000)					
Units held	-	-	113,582	-	1,518	2,432,608
Bank balances	-	4,079	-	-	-	-
Deposits	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Profit receivable	-	581	-	-	-	-
Remuneration payable	14,322	-	607	-	-	-
Sales load and conversion charges payable	599	44	-	-	-	-
Allocated expenses payable	1,452	-	-	-	-	-
Selling and marketing expense payable	37,097	-	-	-	-	-
Other Payable	116	-	-	-	-	-

UBL STOCK ADVANTAGE FUND
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	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives* **	Other connected persons / related parties
----- As at 30 June 2021 -----						
----- (Units in '000) -----						
Transactions during the period						
Units issued	16,617	20	-	-	809	134
Units redeemed	18,495	20	-	-	1,487	-
----- (Rupees in '000) -----						
Profit on bank deposits	-	1,432	-	-	-	-
Bank charges	-	33	-	-	-	-
Value of units issued	1,220,682	1,363	-	-	60,650	10,606
Value of units redeemed	1,362,265	1,517	-	-	110,345	-
Purchase of securities	-	355,579	-	-	-	-
Sale of securities	-	189,263	-	-	-	-
Dividend received	-	84,260	-	-	-	-
Remuneration (including sales tax)	177,335	-	9,845	-	-	-
Allocation of expenses	8,308	-	-	-	-	-
CDS expenses	-	-	406	-	-	-
Selling and marketing expense	149,026	-	-	-	-	-
Dividend Paid	1,048	-	-	-	79	10,606
Balances held						
Units held (Units in '000)	1,409	-	-	-	105	14,275
----- (Rupees in '000) -----						
Units held	110,626	-	-	-	8,279	1,120,983
Bank balances	-	18,020	-	-	-	-
Deposits	-	-	100	-	-	-
Investments	-	-	-	-	-	-
Profit receivable	-	52	-	-	-	-
Remuneration payable	18,184	-	874	-	-	-
Sales load payable	2,163	465	-	-	-	-
Conversion charges payable	96	-	-	-	-	-
Allocated expenses payable	5,062	-	-	-	-	-
Selling and marketing expense payable	76,944	-	-	-	-	-
Other Payable	17	-	-	-	-	-

* 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 have resigned from the management company during the year.

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

28.5 Units pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current year are not reflected as part of the closing balance of the current year. The same are accounted for through the movement presented above.

UBL STOCK ADVANTAGE FUND
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**29. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS
OF THE MANAGEMENT COMPANY**

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

	5 July 2021	16 August 2021	27 October 2021	13 December 2021	27 January 2022	26 April 2022	27 June 2022	Total meetings attended
Directors:								
Mr. Azhar Hamid	Yes	Yes	x	Yes	Yes	Yes	Yes	6
Mr. Arif Akmal Saifie	Yes	x	Yes	x	Yes	Yes	Yes	5
Mr. Aslam Sadruddin*	x	x	x	Yes	Yes	Yes	Yes	4
Mr. Imran Sarwar	Yes	Yes	Yes	Yes	Yes	Yes	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	Yes	Yes	2
Mr. Yasir Qadri	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Ms. Huma Pasha	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Ms. Sadia Saeed***	Yes	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	Yes	Yes	Yes	x	x	x	x	3

Key Executives:

Mr. Bilal Javaid*****	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Mr. Umair Ahmed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7

* Mr. Aslam Sadruddin appointed as Director with effect from 3 December 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from 1 February 2022

*** Ms. Sadia Saeed resigned from the Board with effect from 29 July 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from 18 November 2021

***** Bilal Javaid resigned from as Company Secretary with effect from 14 July 2022

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 6th September 2022 by the Board of Directors of the Management Company.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Imran Sarwar
Director

Ubl Stock Advantage Fund

1. Summary of Actual Proxy Voted By the Fund

	Resolutions	For	Against	Abstain*
Number	11	11	-	-
Percentage	100%	100%	-	-

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

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

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

USSF

UBL Special Savings Fund

INVESTMENT OBJECTIVE

UBL Special Savings Fund shall be an open-end Capital Protected Fund that aims to not only provide its unitholders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Yousuf Adil, Chartered Accountants
Bankers	Allied Bank Limited JS Bank Limited Soneri Bank Limited Habib Metropoliton Bank Limited Habib Bank Limited
Management Co.Rating	AM1 (VIS)

Fund Manager's Report – UBL Special Saving Fund

UBL Special Savings Plan - II (USSP-II)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-II (USSP-II)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty six (36) Months from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-II	7.21%	16.10%	-1.47%	3.16%	3.78%	7.36%	9.25%	8.13%	8.44%	10.05%	11.30%	12.14%	8.26%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan-II (USSP-II)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. During the period under review, USSP-II yielded return of 8.26% vs the benchmark return of 10.67%. Major exposure was maintained in Cash at the end of Jun22. The net assets of the plan were PKR 247mn at the end of Jun'22.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	0%	28%
PIB - Floater	0%	0%
T-Bills	0%	0%
Cash	97%	71%
Others	3%	1%
Leverage	Nil	Nil

vi) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	8.26%
Standard Deviation (12m trailing):	0.77%
Sharpe Ratio (12m trailing):	(2.55)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
246,818	590,979	-58.24	101.2659	101.7433	-0.47

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review

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

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

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

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

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

On the Islamic front, 10 ijara sukuk's auctions were held during FY22. The market remained skewed towards variable rate Ijara sukuk. Total participation was PKR 1,413 billion in the

variable rate Ijara sukuk auction out of which the government accepted PKR 1,139 billion against the total target of PKR 750 billion. However, PKR 747 billion participation was witnessed in the fixed rate Ijara sukuk and the government accepted PKR 376 billion against the total target of PKR 250 billion.

- ix) **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 -----	
3-Jan-22		15,441	3.2594	105.0027	101.7433
23-Jun-22		13,299	5.45	106.49	101.04

- 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
	AIPPF-III
0.0001 - 9,999.9999	120
10,000.0000 - 49,999.9999	36
50,000.0000 - 99,999.9999	9
100,000.0000 - 499,999.9999	2
500,000.0000 & Above	0
Total	167

- 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 – UBL Special Saving Fund

UBL Special Savings Plan - III (USSP-III)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-III (USSP-III)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty six (36) Months from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-III	7.99%	30.95%	-7.26%	0.82%	3.50%	6.64%	8.69%	7.80%	7.67%	9.89%	10.54%	12.39%	8.64%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan-III (USSP-III)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. During FY22, USSP-III yielded return of 8.64% as compared to benchmark return of 10.67%. Major exposure was maintained in Cash at the end of Jun22. The net assets of the plan were PKR 31mn at the end of Jun'22.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	0%	69%
PIB - Floater	0%	0%
T-Bills	0%	23%
Cash	97%	5%
Others	3%	3%
Leverage	Nil	Nil

vi) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	8.64%
Standard Deviation (12m trailing):	1.87%
Sharpe Ratio (12m trailing):	(0.85)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
31,072	53,772	-42.21%	102.315	104.4127	-2.01%

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review:

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

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

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

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

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

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

- ix) **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 -----	
3-Jan-22		1,689	3.9162	108.3289	104.4127
23-Jun-22		2,155	7	109.0959	102.0959

- 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
	USSP III
0.0001 - 9,999.9999	37
10,000.0000 - 49,999.9999	9
50,000.0000 - 99,999.9999	0
100,000.0000 - 499,999.9999	0
500,000.0000 & Above	0
Total	46

- 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 – UBL Special Saving Fund

UBL Special Savings Plan - IV (USSP-IV)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-IV (USSP-IV)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty four (24) Months from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-IV	5.17%	13.27%	3.42%	4.11%	3.02%	6.96%	7.54%	7.47%	7.00%	9.91%	11.20%	12.75%	7.93%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan-IV (USSP-IV)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty four (24) Months from commencement of life of plan. During the period under review, USSP-IV generated return of 7.93% p.a. compared to benchmark return of 10.67%. Major exposure was maintained in Cash at the end of Jun22. The net assets of the plan were PKR 40mn at the end of Jun'22.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	0%	0%
PIB - Floater	0%	0%
T-Bills	0%	0%
Cash	98%	100%
Others	2%	0%
Leverage	Nil	Nil

vi) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	7.93%
Standard Deviation (12m trailing):	0.67%
Sharpe Ratio (12m trailing):	(3.46)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
40,346	169,695	-76.22%	100.3074	100.0818	0.23

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review:

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

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

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

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

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

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

- ix) **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 -----	
3-Jan-22		3,966	3.1744	103.2562	100.0818
23-Jun-22		1,760	4.3756	104.4574	100.0818

- 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
	USSP IV
0.0001 - 9,999.9999	15
10,000.0000 - 49,999.9999	15
50,000.0000 - 99,999.9999	1
100,000.0000 - 499,999.9999	0
500,000.0000 & Above	0
Total	31

- 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 – UBL Special Saving Fund

UBL Special Savings Plan - V (USSP-V)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty six (36) Months from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-V	10.38%	631.02%	3.93%	4.71%	5.28%	6.52%	10.68%	7.27%	7.13%	9.03%	9.69%	10.96%	64.90%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. During the period under review, USSP-V generated return of 64.9% p.a. compared to benchmark return of 10.67%. The net assets of the plan were PKR 29mn at the end of Jun'22.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	0%	0%
PIB - Floater	0%	0%
T-Bills	0%	74%
Cash	97%	23%
Others	3%	3%
Leverage	Nil	Nil

vi) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	64.90%
Standard Deviation (12m trailing):	52.76%
Sharpe Ratio (12m trailing):	1.04

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
28,818	29,063	-0.84%	103.1756	102.992	0.18

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review:

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

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

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

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

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

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

- ix) **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 -----		
3-Jan-22		14,050	59.4799	162.4719	102.992
23-Jun-22		1,201	4.4608	107.4528	102.992

- 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
	USSP V
0.0001 - 9,999.9999	0
10,000.0000 - 49,999.9999	2
50,000.0000 - 99,999.9999	1
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	0
Total	4

- 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 – UBL Special Saving Fund

UBL Special Savings Plan - VI (USSP-VI)

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-VI (USSP-VI)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty four (24) Months from commencement of life of plan.

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**

Average of 6M PKRV rates.

iv) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield*	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	FYTD
USSP-VI	6.94%	14.72%	1.03%	4.34%	4.12%	7.96%	10.08%	9.71%	9.51%	10.23%	11.46%	13.16%	8.95%
Benchmark	7.48%	7.42%	7.67%	8.38%	9.28%	11.10%	11.14%	10.68%	11.73%	13.27%	14.76%	15.25%	10.67%

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

The "UBL Special Savings Plan VI (USSP-VI)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. During the period under review, USSP-VI generated return of 8.95% p.a. compared to benchmark return of 10.67%. The net assets for the plan were PKR 48 mn as at 30 June 2022.

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-22	Jun-21
Placements with banks	0%	0%
PIB - Fixed	0%	32%
PIB - Floater	0%	0%
T-Bills	0%	0%
Cash	98%	67%
Others	2%	1%
Leverage	Nil	Nil

vi) Analysis of the Collective Investment Scheme's performance

FY'22 Return:	8.95%
Standard Deviation (12m trailing):	0.74%
Sharpe Ratio (12m trailing):	(1.73)

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		
30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
Rupees (000)		%	Rupees		%
47,905	110,505	-56.65%	99.2818	99.0587	0.23

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 Allocation Plan under the "UBL Financial Planning Fund" that actively invests between Conventional Equities and Money Market/ Income funds based on the Fund Manager's outlook on the asset classes. Thus, the underlying assets of UAPPP-I are equity and money-market CIS and the market reviews are as follows:

Debt Market Review:

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

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

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

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

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

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

- ix) **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 -----	
3-Jan-22		2,777	3.4197	102.4784	99.0587
23-Jun-22		2,427	5.0312	104.0899	99.0587

- 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
	USSP VI
0.0001 - 9,999.9999	38
10,000.0000 - 49,999.9999	10
50,000.0000 - 99,999.9999	0
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	0
Total	49

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.

PERFORMANCE TABLE

UBL Special Savings Fund (USSP II)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	246,818	590,980	743,144
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer	101.2659	101.7433	107.0269
- Redemption *	101.2659	101.4381	106.1477

RETURN OF THE FUND - %

Total Return of the Fund	8.26	5.01	22.59
Capital Growth (per unit)	2.90	(4.80)	10.55
Date of Income Distribution	04-Jan-22	-	28-Dec-19
Income Distribution	3.259	-	5.50
Date of Income Distribution	24-Jun-22	-	24-Jun-20
Income Distribution	5.450	10.500	6.23

AVERAGE ANNUAL RETURN - %

One Year	8.26	5.01	22.59
Second Year	6.64	13.80	13.08
Third Year	11.95	10.39	-
Since Inception	9.86	10.39	13.08

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Class A units - Offer	106.4531	109.3639	112.7453
Highest price per unit - Class A units - Redemption	106.4531	109.0358	111.8191
Lowest price per unit - Class A units - Offer	101.04	101.6031	97.4378
Lowest price per unit - Class A units - Redemption	101.04	101.2983	96.6374

* Front End Load Upto 1.50%

Back-end load 1% during 1st Year, 0.75% during 2nd Year

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balance	97.24	71.00	6.00
PIBs	0.00	28.00	91.00
others	2.76	1.00	3.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00	100.00	100.00
Equity Market	0.00	0.00	0.00

Note:

- The Launch date of Fund is 05 April 2019

DISCLAIMER

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

PERFORMANCE TABLE

UBL Special Savings Fund (USSP III)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	31,072	53,772	122,480
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer	102.315	104.4127	111.3854
- Redemption *	102.315	104.0995	110.4704
RETURN OF THE FUND - %			
Total Return of the Fund	8.64	3.71	24.86
Capital Growth (per unit)	1.94	(6.17)	13.41
Date of Income Distribution	04-Jan-22	-	28-Dec-19
Income Distribution	3.92	-	5.50
Date of Income Distribution	24-Jun-22	-	24-Jun-20
Income Distribution	7.00	11.00	5.82
AVERAGE ANNUAL RETURN - %			
One Year	8.64	3.71	24.86
Second Year	6.18	14.29	13.69
Third Year	9.93	10.36	-

OFFER / REPURCHASE DURING THE YEAR- Rupees

Highest price per unit - Class A units - Offer	109.0604	113.3568	116.6676
Highest price per unit - Class A units - Redemption	109.0604	113.0167	115.7092
Lowest price per unit - Class A units - Offer	102.0959	104.2432	98.8667
Lowest price per unit - Class A units - Redemption	102.0959	103.9305	98.0545

* Back-end load @ 1.091% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	96.78	5.00	6.00
T bills	-	23.00	-
PIBs	-	69.00	90.00
others	3.22	3.00	4.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00	100.00	100.00
Equity Market	0.00	0.00	0.00

Note:

- The Launch date of Fund is 19 June 2019

DISCLAIMER

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

PERFORMANCE TABLE

UBL Special Savings Fund (USSP IV)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	40,346	169,695	200,280
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	100.3074	100.0818	106.1967
- Redemption	100.3074	99.8816	105.3843
RETURN OF THE FUND - %			
Total Return of the Fund	7.93	4.73	19.31
Capital Growth (per unit)	3.55	(5.63)	7.34
Date of Income Distribution	04-Jan-22	-	28-Dec-19
Income Distribution	3.17	-	5.50
Date of Income Distribution	24-Jun-22	-	24-Jun-20
Income Distribution	4.38	11.0003	6.64
AVERAGE ANNUAL RETURN - %			
One Year	7.93	4.73	19.31
Second Year	12.02	12.02	13.58
Thrid Year	10.63	10.63	-
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	106.2886	108.4898	112.4007
Highest price per unit - Class A units - Redemption	107.0002	108.2728	111.5408
Lowest price per unit - Class A units - Offer	100.0818	99.9611	99.6996
Lowest price per unit - Class A units - Redemption	100.0818	99.7612	98.9369

* Front-end load upto 2% is applicable

Back End Load 0.7% during 1st Year, 0.6% during 2nd Year, NIL

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	98.04	100.00	6.00
PIBs	-	-	89.00
Tbills	-	-	1.00
others	1.96	-	4.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00	100.00	100.00
Equity Market	0.00	0.00	0.00

Note:

- The Launch date of Fund is 06 August 2019

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

UBL Special Savings Fund (USSP V)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	28,818	29,063	5,164,633
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	103.1756	102.9920	101.0475
- Redemption	100.8438	100.9322	98.7638
RETURN OF THE FUND - %			
Total Return of the Fund	64.9	7.26	16.31
Capital Growth (per unit)	2.82	2.16	4.73
Date of Income Distribution	04-Jan-2022 & 24-June-2022	-	10-Feb-2020 & 24-June-2020
Income Distribution	63.94	5.1503	11.58
AVERAGE ANNUAL RETURN - %			
One Year	64.9	7.26	16.31
Second Year	11.785	11.785	-
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	162.4364	102.992	106.8253
Highest price per unit - Class A units - Redemption	158.7653	100.9322	104.4110
Lowest price per unit - Class A units - Offer	102.9920	99.7757	100.0000
Lowest price per unit - Class A units - Redemption	100.6644	97.7802	97.7400
* Front-end load upto 1% is applicable			
Back End Load (0% to 2%)			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	96.59	23.00	1.00
PIBs	-	-	16.00
Tbills	-	74.00	82.00
others	3.41	3.00	1.00

PORTFOLIO COMPOSITION BY MARKET - %

Debt Market	100.00	100.00	100.00
Equity Market	-	-	0.00

Note:

- The Launch date of Fund is 20 Nov 2019

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

UBL Special Savings Fund (USSP VI)

	2022	2021	2020
NET ASSETS AS AT 30 JUNE - Rupees in '000	47,905	110,505	171,117
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	99.2818	99.0587	103.2856
- Redemption	99.2818	99.0587	102.4955
RETURN OF THE FUND - %			
Total Return of the Fund	8.95	5.82	17.50
Capital Growth (per unit)	0.420	(4.015)	5.02
Date of Income Distribution	04-Jan-2022 & 24-	-	24-Jun-20
Income Distribution	8.45	10.08	12.48
AVERAGE ANNUAL RETURN - %			
One Year	8.95	5.82	17.50
Second Year	11.66	11.66	-
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	104.0534	105.9322	115.2963
Highest price per unit - Class A units - Redemption	104.0534	105.9322	114.4143
Lowest price per unit - Class A units - Offer	99.0587	98.9238	100.0329
Lowest price per unit - Class A units - Redemption	98.4179	98.9238	99.2676
* Front-end load upto 2% is applicable			
Back End Load 0.7% during 1st Year, 0.6% during 2nd Year, NIL,			
Contingent Load after 2nd Year			
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	97.77	67.00	8.00
PIBs	0.00	32.00	69.00
Tbills	0.00	0.00	21.00
others	2.23	1.00	2.00
PORTFOLIO COMPOSITION BY MARKET - %			
Debt Market	100.00	100.00	100.00
Equity Market	0.00	0.00	0.00

Note:

- The Launch date of Fund is 24 Oct 2019

DISCLAIMER

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



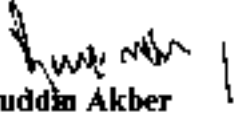
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL SPECIAL SAVINGS FUND

**Report of the Trustee pursuant to Regulation 41(b) 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 UBL Special Savings 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, 2022 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.


Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2022



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 BY UBL FUND MANAGERS LIMITED

NAME OF FUND: UBL Special Savings Fund
YEAR ENDED: June 30, 2022

The Securities and Exchange Commission of Pakistan (SECP) has exempted open-end collective investment schemes from the requirements of the Listed Companies (Code of Corporate Governance) Regulations, (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of UBL Special Savings Fund (the Fund)), for the purpose of establishing a framework of good governance has voluntarily opted to comply with the relevant provisions of the Regulations.

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 (Chairman) Ms. Huma Pasha
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Arif Akmal Saifi Mr. Aslam Saddraddin* Mr. Imran Sarwar Mr. Muhammad Rizwan Malik**
Female Directors	Ms. Huma Pasha

* Mr. Aslam Saddraddin was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

UBL FUND MANAGERS LIMITED

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✉ info@ublfunds.com

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

www.ublfunds.com



7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- a. Mr. Imran Sarwar
- b. Mr. Arif Akmal Saeed
- c. Mr. Yasir Qadri
- d. Ms. Huma Pasha

Executives

- a. Mr. Hadi Hassan Mukhi (Head of Risk Management, Compliance and Quality Assurance)
- b. Mr. Umair Ahmed (Chief Financial and Operating Officer)
- c. Mr. Zeeshan Qaddus (Chief Business Development Officer)

One director is exempt from Directors Training Program as he has requisite education and experience.

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. -

a) Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha	Chair	Independent Director
Mr. Arif Akmal Saeed	Member	Non-Executive Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed***	Member	Non-Executive Director

b) Board Human Resource and Compensation Committee

Name	Designation	Type of Directorship
Mr. Azhar Hamid	Chairman	Independent Director
Mr. Aslam Sadruddin*	Member	Non-Executive Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qadri	Member	Executive Director
Ms. Huma Pasha	Member	Independent Director
Ms. Sadia Saeed***	Member	Non-Executive Director
Syed Furrokh Zaheer****	Member	Non-Executive Director

c) Board Risk and Compliance Committee

Name	Designation	Type of Directorship
Mr. Imran Sarwar	Chairman	Non-Executive Director
Mr. Arif Akmal Saifi	Member	Non-Executive Director
Mr. Azhar Hamid	Member	Independent Director
Mr. Muhammad Rizwan Malik**	Member	Non-Executive Director
Mr. Yasir Qasri	Member	Executive Director
Syed Furrukh Zaheem****	Member	Non-Executive Director

* Mr. Aslam Sadiqulic was appointed as a director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik was appointed as a director with effect from February 1, 2022

*** Ms. Sadia Sarad has resigned dated July 19, 2021

**** Syed Furrukh Zaheem has resigned dated November 17, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Name of committee	Frequency of meetings
Board Audit Committee	Four (4)
Board Human Resource and Compensation Committee	Five (5)
Board Risk and Compliance Committee	Four (4)

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.
16. 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or director of the Management Company.
17. 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;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.



19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 34, 33 and 36 is as follows:

S.no	Requirement	Reg. No.	Explanation
1.	Independent Director The independent directors of each listed company shall not be less than two members or one third of the total members of the Board, whichever is higher. When there are seven directors on the Board of the company the fraction of independent director share comes at 2/3. The company may round up or provide reason for contrary.	6	The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
2.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board Human Resource and Compensation Committee.


AZHAR MAMID
 Chairman

Karachi.
 Dated: September 6, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of UBL Special Savings Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Special Savings Fund (the Fund) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 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 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. We are only required to 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.

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, 2022.



Chartered Accountants

Place: Karachi

Date: September 28, 2022

UDIN: CR202210091FT5mfGKQb

INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of UBL Special Savings Fund

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with 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 and UBL Funds Managers Limited (the Management Company) 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. We have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of the Fund for the year ended June 30, 2021, were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2021.

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

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements, our auditor's report thereon, the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, our review report thereon and the information related to any other fund.

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 of the Management Company 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 the 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.

Board of Directors of 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 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 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**Place:** Karachi**Date:** September 28, 2022**UDIN:** AR202210091xzpMIZXty

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

		2022						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
ASSETS	Note	Rupees in '000						
Bank balances	5	1,436	246,690	31,173	40,964	29,234	47,930	397,427
Investments	6	-	-	-	-	-	-	-
Mark-up receivable	7	-	3,042	403	242	285	413	4,385
Other receivables		-	76	5	5	4	-	90
Preliminary expenses and floatation cost	8	-	-	-	-	-	-	-
Advance income tax	9	-	1,309	305	77	443	284	2,418
Total assets		1,436	251,117	31,886	41,288	29,966	48,627	404,320
LIABILITIES								
Payable to UBL Fund Managers Limited - Management Company	10	-	1,085	202	306	144	79	1,816
Payable to Central Depository Company of Pakistan Limited - Trustee	11	-	22	2	4	7	7	42
Payable to the Securities and Exchange Commission of Pakistan	12	-	96	9	19	7	16	147
Accrued expenses and other liabilities	13	1,436	3,097	601	613	990	620	7,357
Total liabilities		1,436	4,300	814	942	1,148	722	9,362
NET ASSETS		-	246,817	31,072	40,346	28,818	47,905	394,958
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	246,817	31,072	40,346	28,818	47,905	394,958
Contingencies and commitments	14	Number of units						
Number of units in issue	15	-	2,437,323	303,692	402,227	279,313	482,517	
Rupees								
Net asset value per unit		-	101.2658	102.3150	100.3074	103.1756	99.2818	
Face value per unit		-	100.0000	100.0000	100.0000	100.0000	100.0000	

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

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

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
ASSETS								
Bank balances	5	6,733	426,193	2,664	173,518	10,640	75,193	694,941
Investments	6	269,079	171,024	51,525	-	34,028	36,409	562,065
Mark-up receivable	7	8,257	7,127	1,453	308	1,542	1,086	19,773
Other receivables		6	77	5	4	4	-	96
Preliminary expenses and floatation cost	8	136	-	-	-	-	-	136
Advance income tax	9	214	108	112	4	-	-	438
Total assets		284,425	604,529	55,759	173,834	46,214	112,688	1,277,449
LIABILITIES								
Payable to UBL Fund Managers Limited - Management Company	10	2,181	1,786	389	1,124	407	266	6,153
Payable to Central Depository Company of Pakistan Limited - Trustee	11	17	36	4	10	9	7	83
Payable to the Securities and Exchange Commission of Pakistan	12	61	133	16	37	338	27	612
Accrued expenses and other liabilities	13	5,195	11,594	1,578	2,968	16,397	1,883	39,615
Total liabilities		7,454	13,549	1,987	4,139	17,151	2,183	46,463
NET ASSETS		276,971	590,980	53,772	169,695	29,063	110,505	1,230,986
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		276,971	590,980	53,772	169,695	29,063	110,505	1,230,986
Contingencies and commitments	14	Number of units						
Number of units in issue	15	2,717,755	5,808,529	514,994	1,695,565	282,188	1,115,553	
		Rupees						
Net asset value per unit		101.9118	101.7433	104.4127	100.0818	102.9920	99.0587	
Face value per unit		100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	

The annexed notes 1 to 30 form an integral part of these financial statements.

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

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

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

**-sd-
Arif Akmal Saifie
Director**

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

		2022						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
INCOME								
Financial income	16	11,244	45,195	4,523	8,102	3,616	7,296	79,976
Gain / (loss) on sale of investments - net		2,555	6,922	1,818	(286)	-	(103)	10,906
Other income		18	78	8	-	-	18	122
Total income		13,817	52,195	6,349	7,816	3,616	7,211	91,004
EXPENSES								
Remuneration of UBL Fund Managers Limited - Management Company	10.1	1,191	4,775	442	953	36	794	8,191
Sindh Sales Tax on remuneration of the Management Company	10.2	155	621	57	124	5	103	1,065
Allocated expenses	10.4	133	572	61	75	707	80	1,628
Selling and marketing expenses	10.3	665	1,576	310	953	-	-	3,504
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	88	308	28	62	23	51	560
Annual fee for the Securities and Exchange Commission of Pakistan	12	27	96	9	19	8	16	175
Auditor's remuneration	17	44	66	66	66	66	66	374
Amortisation of preliminary expenses and floatation costs		136	-	-	-	-	-	136
Bank charges		5	1	4	3	-	2	15
Listing fees		2	4	4	4	4	4	22
Legal and professional charges		-	34	34	34	34	34	170
Brokerage expenses		2	5	-	1	-	8	16
Other expenses		199	1	-	-	-	1	201
Total expenses		2,647	8,059	1,015	2,294	883	1,159	16,057
Net operating income for the year		11,170	44,136	5,334	5,522	2,733	6,052	74,947
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	13.1	2,021	3,768	856	930	15,510	702	23,787
Net income for the year before taxation		13,191	47,904	6,190	6,452	18,243	6,754	98,734
Taxation	18	-	-	-	-	-	-	-
Net income for the year after taxation		13,191	47,904	6,190	6,452	18,243	6,754	98,734
Allocation of net income for the year								
Net income for the year after taxation		13,191	47,904	6,190	6,452	18,243	6,754	98,734
Income already paid on units redeemed		(1,312)	(14,134)	(1,115)	(616)	(2,933)	(1,116)	(21,226)
		11,879	33,770	5,075	5,836	15,310	5,638	77,508
Accounting income available for distribution								
- Relating to capital gains		2,264	3,839	1,358	-	-	-	7,461
- Excluding capital gains		9,615	29,931	3,717	5,836	15,310	5,638	70,047
		11,879	33,770	5,075	5,836	15,310	5,638	77,508
Earnings per unit	19							

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

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

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
INCOME								
Financial income	16	32,130	75,800	8,541	23,667	138,618	13,331	292,087
Gain / (loss) on sale of investments - net		4,763	3,745	3,193	926	29,485	1,545	43,657
Other income		47	207	125	21	-	87	487
Total income		36,940	79,752	11,859	24,614	168,103	14,963	336,231
EXPENSES								
Remuneration of UBL Fund Managers Limited - Management Company	10.1	3,068	6,669	787	1,875	1,688	1,367	15,454
Sindh Sales Tax on remuneration of the Management Company	10.2	399	867	102	244	219	178	2,009
Allocated expenses	10.4	-	-	-	-	1,707	-	1,707
Selling and marketing expenses	10.3	1,521	2,106	518	1,798	-	-	5,943
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	208	452	53	127	1,144	93	2,077
Annual fee for the Securities and Exchange Commission of Pakistan	12	61	133	16	38	338	27	613
Auditor's remuneration	17	61	61	61	61	81	72	397
Amortisation of preliminary expenses and floatation costs		376	-	-	-	-	-	376
Bank charges		23	22	12	5	26	6	94
Listing fees		4	4	4	4	6	4	26
Legal and professional charges		31	31	31	31	31	31	186
Brokerage expenses		-	-	-	-	182	-	182
Other expenses		1	1	2	1	24	-	29
Total expenses		5,753	10,346	1,586	4,184	5,446	1,778	29,093
Net operating income for the year		31,187	69,406	10,273	20,430	162,657	13,185	307,138
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	13.1	(612)	(1,361)	(201)	(401)	(3,189)	(259)	(6,023)
Net income for the year before taxation		30,575	68,045	10,072	20,029	159,468	12,926	301,115
Taxation	18	-	-	-	-	-	-	-
Net income for the year after taxation		30,575	68,045	10,072	20,029	159,468	12,926	301,115
Allocation of net income for the year								
Net income for the year after taxation		30,575	68,045	10,072	20,029	159,468	12,926	301,115
Income already paid on units redeemed		(590)	(2,500)	(1,584)	(319)	(240)	(923)	(6,156)
		29,985	65,545	8,488	19,710	159,228	12,003	294,959
Accounting income available for distribution								
- Relating to capital gains		4,644	3,644	2,667	914	29,405	1,379	42,653
- Excluding capital gains		25,341	61,901	5,821	18,796	129,823	10,624	252,306
		29,985	65,545	8,488	19,710	159,228	12,003	294,959
Earnings per unit	19							

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

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

	2022						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	Rupees in '000						
Net income for the year after taxation	13,191	47,904	6,190	6,452	18,243	6,754	98,734
Other comprehensive (loss) / income for the year							
Item that may be reclassified subsequently to income statement							
Unrealised (loss) / gain on re-measurement of investments classified at fair value through other comprehensive income (FVTOCI)							
- Net change in fair value recognized in other comprehensive Income	(2,335)	(5,233)	(767)	(286)	-	238	(8,383)
- Realised (gain) / (oss transferred to income statement	(2,555)	(6,922)	(1,818)	286	-	103	(10,906)
	(4,890)	(12,155)	(2,585)	-	-	341	(19,289)
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive income for the year	8,301	35,749	3,605	6,452	18,243	7,095	79,445

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

 -sd-
Yasir Qadri
Chief Executive Officer

 -sd-
Umair Ahmed
Chief Financial Officer

 -sd-
Arif Akmal Saifie
Director

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

	2021						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	Rupees in '000						
Net income for the year after taxation	30,575	68,045	10,072	20,029	159,468	12,926	301,115
Other comprehensive loss for the year							
Item that may be reclassified subsequently to income statement							
Unrealised (loss) / gain on re-measurement of investments classified at fair value through other comprehensive income (FVTOCI)							
- Net change in fair value recognized in other comprehensive Income	(22,200)	(39,350)	(10,604)	(12,322)	(80,956)	(6,784)	(172,216)
- Realised gain transferred to income statement	4,763	3,745	3,193	926	29,485	1,545	43,657
	(17,437)	(35,605)	(7,411)	(11,396)	(51,471)	(5,239)	(128,559)
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive income for the year	13,138	32,440	2,661	8,633	107,997	7,687	172,556

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UBL SPECIAL SAVINGS FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022

	2022																									
	USSP-I				USSP-II				USSP-III				USSP-IV				USSP-V				USSP-VI				Total	
	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total		
	Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000	
Net assets at the beginning of the year	268,822	3,259	4,890	276,971	575,105	3,720	12,155	590,980	44,012	7,175	2,585	53,772	166,395	1,300	-	169,695	28,582	481	-	29,063	110,942	(96)	(341)	110,505	1,195,858	
Issuance of units (Note 15)																										
- Capital value	101	-	-	101	2,821	-	-	2,821	-	-	-	-	-	-	-	-	12,965	-	-	12,965	-	-	-	-	15,887	
- Element of income	2	-	-	2	62	-	-	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64	
Total amount recieved on issuance of units	103	-	-	103	2,883	-	-	2,883	-	-	-	-	-	-	-	-	12,965	-	-	12,965	-	-	-	-	15,951	
Redemption of units (Note 15)																										
- Capital value	(276,491)	-	-	(276,491)	(345,822)	-	-	(345,822)	(21,762)	-	-	(21,762)	(129,459)	-	-	(129,459)	(13,269)	-	-	(13,269)	(63,392)	-	-	(63,392)	(850,195)	
- Element of (income) / loss																										
- Relating to other comprehensive income	(7,572)	-	-	(7,572)	5,903	-	-	5,903	416	-	-	416	-	-	-	-	2	-	-	2	18	-	-	18	(1,233)	
- Relating to net income for the year after taxation	-	(1,312)	-	(1,312)	-	(14,134)	-	(14,134)	-	(1,115)	-	(1,115)	-	(616)	-	(616)	-	(2,933)	-	(2,933)	-	(1,116)	-	(1,116)	-	
Total amount paid on redemption of units	(284,063)	(1,312)	-	(285,375)	(339,919)	(14,134)	-	(354,053)	(21,346)	(1,115)	-	(22,461)	(129,459)	(616)	-	(130,075)	(13,267)	(2,933)	-	(16,200)	(63,374)	(1,116)	-	(64,490)	(851,428)	
Total comprehensive income / (loss) for the year	-	13,191	(4,890)	8,301	-	47,904	(12,155)	35,749	-	6,190	(2,585)	3,605	-	6,452	-	6,452	-	18,243	-	18,243	-	6,754	341	7,095	-	
Distributions during the year																										
- UBL Special Savings Plan II @ Rs. 3.2954 per unit paid on January 4, 2022	-	-	-	-	-	(15,442)	-	(15,442)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,442)	
- UBL Special Savings Plan II @ Rs. 5.4500 per unit paid on June 24, 2022	-	-	-	-	-	(13,300)	-	(13,300)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,300)	
- UBL Special Savings Plan III @ Rs. 3.9162 per unit paid on January 4, 2022	-	-	-	-	-	-	-	-	-	(1,689)	-	(1,689)	-	-	-	-	-	-	-	-	-	-	-	-	(1,689)	
- UBL Special Savings Plan III @ Rs. 7.0000 per unit paid on June 24, 2022	-	-	-	-	-	-	-	-	-	(2,155)	-	(2,155)	-	-	-	-	-	-	-	-	-	-	-	-	(2,155)	
- UBL Special Savings Plan IV @ Rs. 3.1744 per unit paid on January 4, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,966)	-	(3,966)	-	-	-	-	-	-	-	-	(3,966)	
- UBL Special Savings Plan IV @ Rs. 4.3756 per unit paid on June 24, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,760)	-	(1,760)	-	-	-	-	-	-	-	-	(1,760)	
- UBL Special Savings Plan V @ Rs. 59.4799 per unit paid on January 4, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,051)	-	(14,051)	-	-	-	-	(14,051)	
- UBL Special Savings Plan V @ Rs. 4.4608 per unit paid on June 24, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,202)	-	(1,202)	-	-	-	-	(1,202)	
- UBL Special Savings Plan VI @ Rs. 3.4197 per unit paid on January 4, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,777)	-	(2,777)	-	(2,777)	
- UBL Special Savings Plan VI @ Rs. 5.0312 per unit paid on June 24, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,428)	-	(2,428)	-	(2,428)	
Net income for the year less distribution	-	13,191	(4,890)	8,301	-	19,162	(12,155)	7,007	-	2,346	(2,585)	(239)	-	726	-	726	-	2,990	-	2,990	-	1,549	341	1,890	-	
Net assets at the end of the year	(15,138)	15,138	-	-	238,069	8,748	-	246,817	22,666	8,406	-	31,072	38,936	1,410	-	40,346	28,280	538	-	28,818	47,568	337	-	47,905	360,381	
Undistributed income brought forward: comprising of:																										
- Realised		3,259				3,720				7,175				1,300				481			(96)				15,839	
- Unrealised		-				-				-				-				-			-				-	
		3,259				3,720				7,175				1,300				481			(96)				15,839	
Accounting income available for distribution:																										
- Relating to capital gains		2,264				3,839				1,358				-				-			-				7,461	
- Excluding capital gains		9,615				29,931				3,717				5,836				15,310			5,638				70,047	
		11,879				33,770				5,075				5,836				15,310			5,638				77,508	
Distribution for the year		-				(28,742)				(3,844)				(5,726)				(15,253)			(5,205)				(58,770)	
Undistributed income carried forward		15,138				8,748				8,406				1,410				538			337				34,577	
Undistributed income carried forward comprise of:																										
- Realised		15,138				8,748				8,406				1,410				538			337				34,577	
- Unrealised		-				-				-				-				-			-				-	
		15,138				8,748				8,406				1,410				538			337				34,577	
			- Rupees -				- Rupees -				- Rupees -				- Rupees -				- Rupees -			- Rupees -				
Net asset value per unit at the beginning of the year				101.9118				101.7433				104.4127				100.0818				102.9920				99.0587		
Net asset value per unit at the end of the year				-				101.2658				102.3150				100.3074				103.1756				99.2818		

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

UBL SPECIAL SAVINGS FUND
STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND
FOR THE YEAR ENDED JUNE 30, 2021

	USSP-I				USSP-II				USSP-III				2021 USSP-IV				USSP-V				USSP-VI				Total			
	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation / (diminution) on revaluation of FVTOCI	Total	Capital value	Undistributed income	Unrealised appreciation on revaluation of FVTOCI	Total
	Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000				Rupees in '000			
Net assets at the beginning of the year	307,962	664	22,327	330,953	693,868	1,516	47,760	743,144	107,113	5,371	9,996	122,480	188,179	704	11,396	200,279	5,111,355	1,807	51,471	5,164,633	165,863	356	4,898	171,117	6,590,303	10,418	131,885	6,732,606
Issuance of units (Note 15)																												
- Capital value	-	-	-	-	12,867	-	-	12,867	846	-	-	846	-	-	-	-	137,934	-	-	137,934	-	-	-	-	151,647	-	-	151,647
- Element of income / (loss)	-	-	-	-	(457)	-	-	(457)	(70)	-	-	(70)	-	-	-	-	(1,222)	-	-	(1,222)	-	-	-	-	(1,749)	-	-	(1,749)
- relating to other comprehensive income	-	-	-	-	360	-	-	360	39	-	-	39	-	-	-	-	(208)	-	-	(208)	-	-	-	-	191	-	-	191
- relating to net income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total amount received on issuance of units	-	-	-	-	12,770	-	-	12,770	815	-	-	815	-	-	-	-	136,504	-	-	136,504	-	-	-	-	150,089	-	-	150,089
Redemption of units (Note 15)																												
- Capital value	(39,986)	-	-	(39,986)	(134,341)	-	-	(134,341)	(65,964)	-	-	(65,964)	(20,216)	-	-	(20,216)	(5,274,050)	-	-	(5,274,050)	(55,897)	-	-	(55,897)	(5,590,454)	-	-	(5,590,454)
- Element of (income) / loss	416	-	-	416	(1,399)	-	-	(1,399)	(2,310)	-	-	(2,310)	(185)	-	-	(185)	(123)	-	-	(123)	(439)	-	-	(439)	(4,040)	-	-	(4,040)
- relating to other comprehensive income	430	(590)	-	(160)	4,209	(2,500)	-	1,709	4,358	(1,584)	-	2,774	617	(319)	-	298	54,896	(240)	-	54,656	1,415	(923)	-	492	64,079	(4,310)	-	59,769
Total amount paid on redemption of units	(39,140)	(590)	-	(39,730)	(131,531)	(2,500)	-	(134,031)	(63,916)	(1,584)	-	(65,500)	(19,784)	(319)	-	(20,103)	(5,219,277)	(240)	-	(5,219,517)	(54,921)	(923)	-	(55,844)	(5,530,415)	(4,310)	-	(5,534,725)
Total comprehensive income for the year	-	30,575	(17,437)	13,138	-	68,045	(35,605)	32,440	-	10,072	(7,411)	2,661	-	20,029	(11,396)	8,633	-	159,468	(51,471)	107,997	-	12,926	(5,239)	7,687	-	301,115	(128,559)	172,556
Distribution during the period																												
- UBL Special Savings Plan I @ Rs. 2.1136 per unit paid on December 25, 2020	-	(6,175)	-	(6,175)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,175)	-	(6,175)
- UBL Special Savings Plan I @ Rs. 2.2616 per unit paid on December 31, 2020	-	(6,608)	-	(6,608)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,608)	-	(6,608)
- UBL Special Savings Plan I @ Rs. 5.3700 per unit paid on June 22, 2021	-	(14,607)	-	(14,607)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,607)	-	(14,607)
- UBL Special Savings Plan II @ Rs. 2.337 per unit paid on December 25, 2020	-	-	-	-	-	(14,502)	-	(14,502)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,502)	-	(14,502)
- UBL Special Savings Plan II @ Rs. 2.913 per unit paid on December 31, 2020	-	-	-	-	-	(18,073)	-	(18,073)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,073)	-	(18,073)
- UBL Special Savings Plan II @ Rs. 5.2500 per unit paid on June 22, 2021	-	-	-	-	(2)	(30,766)	-	(30,768)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(30,766)	-	(30,768)
- UBL Special Savings Plan III @ Rs. 1.9714 per unit paid on December 25, 2020	-	-	-	-	-	-	-	-	-	(1,330)	-	(1,330)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,330)	-	(1,330)
- UBL Special Savings Plan III @ Rs. 3.5286 per unit paid on December 26, 2020	-	-	-	-	-	-	-	-	-	(2,379)	-	(2,379)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,379)	-	(2,379)
- UBL Special Savings Plan III @ Rs. 5.5000 per unit paid on June 22, 2021	-	-	-	-	-	-	-	-	-	(2,975)	-	(2,975)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,975)	-	(2,975)
- UBL Special Savings Plan IV @ Rs. 2.2931 per unit paid on December 25, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,094)	-	(4,094)	-	-	-	-	-	-	-	-	-	(4,094)	-	(4,094)
- UBL Special Savings Plan IV @ Rs. 2.8492 per unit paid on December 29, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,087)	-	(5,087)	-	-	-	-	-	-	-	-	-	(5,087)	-	(5,087)
- UBL Special Savings Plan IV @ Rs. 5.8600 per unit paid on June 22, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,933)	-	(9,933)	-	-	-	-	-	-	-	-	-	(9,933)	-	(9,933)
- UBL Special Savings Plan V @ Rs. 1.7018 per unit paid on July 22, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(86,945)	-	(86,945)	-	-	-	-	-	(86,945)	-	(86,945)
- UBL Special Savings Plan V @ Rs. 0.8152 per unit paid on October 01, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,871)	-	(21,871)	-	-	-	-	-	(21,871)	-	(21,871)
- UBL Special Savings Plan V @ Rs. 2.3500 per unit paid on February 10, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,652)	-	(48,652)	-	-	-	-	-	(48,652)	-	(48,652)
- UBL Special Savings Plan V @ Rs. 0.2800 per unit paid on March 10, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,086)	-	(3,086)	-	-	-	-	-	(3,086)	-	(3,086)
- UBL Special Savings Plan VI @ Rs. 2.6466 per unit paid on December 25, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,587)	-	(3,587)	-	-	(3,587)	-	(3,587)
- UBL Special Savings Plan VI @ Rs. 2.4031 per unit paid on December 29, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,256)	-	(3,256)	-	-	(3,256)	-	(3,256)
- UBL Special Savings Plan VI @ Rs. 5.0300 per unit paid on June 22, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,612)	-	(5,612)	-	-	(5,612)	-	(5,612)
Net income for the year less distribution	-	3,185	(17,437)	(14,252)	(2)	4,704	(35,605)	(30,903)	-	3,388	(7,411)	(4,023)	-	915	(11,396)	(10,481)	-	(1,086)	(51,471)	(52,557)	-	471	(5,239)	(4,768)	(2)	11,577	(128,559)	(116,984)
Net assets at the end of the year	268,822	3,259	4,890	276,971	575,105	3,720	12,155	590,980	44,012	7,175	2,585	53,772	168,395	1,300	-	169,695	26,582	481	-	29,063	110,942	(96)	(341)	110,505	1,194,012	17,665	19,289	1,230,966
Undistributed income brought forward:																												
- Realised	664	-	-	664	1,516	-	-	1,516	5,371	-	-	5,371	704	-	-	704	1,807	-	-	1,807	356	-	-	356	10,418	-	-	10,418
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution:																												
- Relating to capital gains	4,644	-	-	4,644	3,644	-	-	3,644	2,667	-	-	2,667	914	-	-	914	29,405	-	-	29,405	1,379	-	-	1,379	42,653	-	-	42,653
- Excluding capital gains	25,341	-	-	25,341	61,901	-	-	61,901	5,821	-	-	5,821	18,796	-	-	18,796	129,823	-	-	129,823	10,624	-	-	10,624	252,306	-	-	252,306
	29,985	-	-	29,985	65,545	-	-	65,545	8,488	-	-	8,488	19,710	-	-	19,710	159,228	-	-	159,228	12,003	-	-	12,003	294,959	-	-	294,959
Distributions during the year	(27,390)	-	-	(27,390)	(63,341)	-	-	(63,341)	(6,684)	-	-	(6,684)	(19,114)	-	-	(19,114)	(160,554)	-	-	(160,554)	(12,455)	-	-	(12,455)	(289,538)	-	-	(289,538)
Undistributed income carried forward	3,259	-	-	3,259	3,720	-	-	3,720	7,175	-	-	7,175	1,300	-	-	1,300	481	-	-	481	(96)	-	-	(96)	15,839	-	-	15,839
Undistributed income carried forward comprise of:																												
- Realised	3,259	-	-	3,259	3,720	-	-	3,720	7,175	-	-	7,175	1,300	-	-	1,300	481	-	-	481	(96)	-	-	(96)	15,839	-	-	15,839
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,259	-	-	3,259	3,720	-	-	3,720	7,175	-	-	7,175	1,300	-	-	1,300	481	-	-	481	(96)	-	-	(96)	15,839	-	-	15,839
	- Rupees -				- Rupees -				- Rupees -				- Rupees -				- Rupees -				- Rupees -				- Rupees -			
Net asset value per unit at the beginning of the year	107.0617				107.0269				111.3654				106.1967				101.0475				103.2856				102.9620			
Net asset value per unit at the end of the year	101.9118				101.7433				104.4127				100.0818				102.9620				99.0587				102.9620			

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saif
Director

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

	2022						Total
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	
Note	Rupees in '000						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	13,191	47,904	6,190	6,452	18,243	6,754	98,734
Adjustments for:							
Financial income	(11,244)	(45,195)	(4,523)	(8,102)	(3,616)	(7,296)	(79,976)
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	(2,021)	(3,768)	(856)	(930)	(15,510)	(702)	(23,787)
Amortisation of preliminary expenses and floatation costs	136	-	-	-	-	-	136
(Gain) / loss on sale of investments - net	(2,555)	(6,922)	(1,818)	286	-	103	(10,906)
	(15,684)	(55,885)	(7,197)	(8,746)	(19,126)	(7,895)	(114,533)
Cash used in operations before working capital changes	(2,493)	(7,981)	(1,007)	(2,294)	(883)	(1,141)	(15,799)
(Increase) / decrease in assets							
Investments	266,744	165,791	50,758	(286)	34,028	36,647	553,682
Other receivables	6	1	-	(1)	-	-	6
	266,750	165,792	50,758	(287)	34,028	36,647	553,688
Increase / (decrease) in liabilities							
Payable to UBL Fund Managers Limited - Management Company	(2,181)	(701)	(187)	(818)	(263)	(187)	(4,337)
Payable to Central Depository Company of Pakistan Limited - Trustee	(17)	(14)	(2)	(6)	(2)	-	(41)
Payable to the Securities and Exchange Commission of Pakistan	(61)	(37)	(7)	(18)	(331)	(11)	(465)
Accrued expenses and other liabilities	(1,738)	(4,729)	(121)	(1,425)	103	(561)	(8,471)
	(3,997)	(5,481)	(317)	(2,267)	(493)	(759)	(13,314)
Cash generated from / (used in) operations	260,260	152,330	49,434	(4,848)	32,652	34,747	524,575
Mark-up received on profit or loss sharing account	2,580	16,151	1,651	4,372	3,410	3,162	31,326
Mark-up received on investment in government securities	16,921	33,129	3,922	3,796	1,463	4,807	64,038
Advance tax paid	214	(1,201)	(193)	(73)	(443)	(284)	(1,980)
Net cash generated from operating activities	279,975	200,409	54,814	3,247	37,082	42,432	617,959
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units	103	2,883	-	-	12,965	-	15,951
Amount paid on redemption of units	(285,375)	(354,053)	(22,461)	(130,075)	(16,200)	(64,490)	(872,654)
Dividends paid	-	(28,742)	(3,844)	(5,726)	(15,253)	(5,205)	(58,770)
Net cash used in financing activities	(285,272)	(379,912)	(26,305)	(135,801)	(18,488)	(69,695)	(915,473)
Net (decrease) / increase in cash and cash equivalents during the year	(5,297)	(179,503)	28,509	(132,554)	18,594	(27,263)	(297,514)
Cash and cash equivalents at the beginning of the year	6,733	426,193	2,664	173,518	10,640	75,193	694,941
Cash and cash equivalents at the end of the year	1,436	246,690	31,173	40,964	29,234	47,930	397,427

The annexed notes 1 to 30 form an integral part of these financial statements

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

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

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation		30,575	68,045	10,072	20,029	159,468	12,926	301,115
Adjustments for:								
Financial income		(32,130)	(75,800)	(8,541)	(23,667)	(138,618)	(13,331)	(292,087)
(Reversal of provision) / provision for Sindh Workers' Welfare Fund		612	1,361	201	401	3,189	259	6,023
Amortisation of preliminary expenses and floatation costs		376	-	-	-	-	-	376
(Gain) / loss on sale of investments - net		(4,763)	(3,745)	(3,193)	(926)	(29,485)	(1,545)	(43,657)
		(35,905)	(78,184)	(11,533)	(24,192)	(164,914)	(14,617)	(329,345)
Cash used in operations before working capital changes		(5,330)	(10,139)	(1,461)	(4,163)	(5,446)	(1,691)	(28,230)
(Increase) / decrease in assets								
Investments		49,081	543,050	64,471	193,042	5,096,213	135,529	6,081,386
Other receivables		-	-	-	70	(4)	-	66
		49,081	543,050	64,471	193,112	5,096,209	135,529	6,081,452
Increase / (decrease) in liabilities								
Payable to UBL Fund Managers Limited - Management Company		(1,187)	(645)	(174)	785	(981)	(221)	(2,423)
Payable to Central Depository Company of Pakistan Limited - Trustee		(2)	(8)	(3)	(2)	(285)	(4)	(304)
Payable to the Securities and Exchange Commission of Pakistan		(16)	(29)	(24)	(5)	(574)	(5)	(653)
Accrued expenses and other liabilities		(1,633)	(2,546)	(602)	(462)	(45,025)	(15,492)	(65,760)
		(2,838)	(3,228)	(803)	316	(46,865)	(15,722)	(69,140)
Cash generated from / (used in) operations		40,913	529,683	62,207	189,265	5,043,898	118,116	5,984,082
Mark-up received on profit or loss sharing account		379	648	266	439	3,913	1,012	6,657
Mark-up received on investment in government securities		25,436	66,388	8,655	19,355	158,903	12,615	291,352
Net cash generated from operating activities		66,728	596,719	71,128	209,059	5,206,714	131,743	6,282,091
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issuance of units		-	12,768	815	-	136,504	-	150,087
Amount paid on redemption of units		(39,730)	(134,031)	(65,500)	(20,103)	(5,219,517)	(55,844)	(5,534,725)
Dividends paid		(27,390)	(63,341)	(6,684)	(19,114)	(160,554)	(12,455)	(289,538)
Net cash used in financing activities		(67,120)	(184,604)	(71,369)	(39,217)	(5,243,567)	(68,299)	(5,674,176)
Net (decrease) / increase in cash and cash equivalents during the year		(392)	412,115	(241)	169,842	(36,853)	63,444	607,915
Cash and cash equivalents at the beginning of the year		7,125	14,078	2,905	3,676	47,493	11,749	87,026
Cash and cash equivalents at the end of the year	5	6,733	426,193	2,664	173,518	10,640	75,193	694,941

The annexed notes 1 to 30 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan ("SECP"). It was constituted under a Trust Deed, dated October 19, 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The Fund commenced its operations from November 09, 2018.

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.

The Fund has been categorized by the Management Company as Capital Protected Fund. The Fund consists of six plans namely, UBL Special Savings Fund - Plan I ("USSP-I"), UBL Special Savings Fund - Plan II ("USSP-II"), UBL Special Savings Fund - Plan III ("USSP-III"), UBL Special Savings Fund - Plan IV ("USSP-IV"), UBL Special Savings Fund - Plan V ("USSP-V") and UBL Special Savings Fund - Plan VI ("USSP-VI"). The investment objectives of each plan are as follows:

The "UBL Special Savings Plan-I (USSP-I)" was an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from commencement of life of Plan. The Plan had life of 36 months and was matured during the year on December 27, 2021. (Refer note 1.1 below).

The "UBL Special Savings Plan-II (USSP-II)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from commencement of life of Plan. The duration of the plan is perpetual.

The "UBL Special Savings Plan-III (USSP-III)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from commencement of life of Plan. The duration of the plan is perpetual.

The "UBL Special Savings Plan-IV (USSP-IV)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twenty four (24) months & beyond from commencement of life of Plan. The duration of the plan is perpetual.

The "UBL Special Savings Plan-V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from Commencement of Life of Plan. The duration of the plan is perpetual.

The "UBL Special Savings Plan-VI (USSP-VI)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twenty four (24) months & beyond from Commencement of Life of Plan. The duration of the plan is perpetual.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited.

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.

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

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this connection, the Management Company submitted restated Trust Deed of the Fund which was duly registered during the year on August 16, 2021.

- 1.1** During the year, USSP-I matured on December 27, 2021 and accordingly all the units were redeemed. Therefore, the financial statements of USSP-I have been prepared on a basis other than going concern. However, no adjustment is required in the financial statements of USSP-I as the assets and liabilities are stated at values at which they are expected to be realised or settled.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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
- The NBFC Rules, the NBFC Regulations, directives issued by the SECP 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, directives issued by the SECP 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, directives issued by the SECP and requirements of the Trust Deed have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

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

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

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

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

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

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 1, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 1, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 1, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 1, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 1, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Initial recognition and measurement

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

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

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

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

Financial asset at amortised cost

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

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

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

Financial assets at FVTOCI

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

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

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

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

Financial asset at FVTPL

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

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

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

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

Business model assessment

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

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

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

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

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

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

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

4.2.4 Derecognition

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

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

4.2.5 Fair value measurement principles and provision

The fair value of financial instrument is determined as follows:

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

4.2.6 Regular way contracts

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

4.2.7 Offsetting of financial assets and liabilities

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

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

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

4.6 Taxation

The income of the Fund is exempt from income tax under clause 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 period, 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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4C of 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 period as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 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 the SECP) distribution 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 for the 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 year of investment.

4.8 Issuance and redemption of units

Units issued are recorded 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.

4.9 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 is 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Net assets value per unit

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income' are included in the statement of comprehensive income in the year in which they arise.
- Mark-up / return on investments in government securities is recognised using effective yield method.
- Income on bank balances and government securities is recognised on time proportionate basis.

4.12 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.13 Unit holders' fund

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

5. BANK BALANCES

		2022						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
In local currency:								
- Profit and loss sharing accounts	5.1	1,436	246,690	31,173	40,964	29,227	47,930	397,420
- Current accounts		-	-	-	-	7	-	7
		<u>1,436</u>	<u>246,690</u>	<u>31,173</u>	<u>40,964</u>	<u>29,234</u>	<u>47,930</u>	<u>397,427</u>
2021								
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
In local currency:								
- Profit and loss sharing accounts	5.1	6,733	426,193	2,664	173,518	10,632	75,193	694,933
- Current accounts		-	-	-	-	8	-	8
		<u>6,733</u>	<u>426,193</u>	<u>2,664</u>	<u>173,518</u>	<u>10,640</u>	<u>75,193</u>	<u>694,941</u>

5.1 Mark-up rates on these profit and loss sharing accounts range from 8.75% to 14.5% (2021: 5.50% to 9%) per annum.

6. INVESTMENTS

		2022						
Note		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
At fair value through other comprehensive income								
Government securities								
-	Pakistan Investment Bonds	6.1	-	-	-	-	-	-
-	Market Treasury Bills	6.1	-	-	-	-	-	-
			-	-	-	-	-	-
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6.1 Investments in government securities - at FVTOCI

[illegible]

Issue date	Tenor	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealized appreciation / (dimination) on remeasurement	Market value as a percentage of	
		As at 01, July 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022				Total investments of plan	Net assets of plan
		Rupees in '000						-----%		-----%

Held by USSP-III

Pakistan Investment Bonds

July 12, 2018	3 years	10,000	-	10,000	-	-	-	-	-	-
July 12, 2018	5 years	29,000	-	29,000	-	-	-	-	-	-
As at June 30, 2022	6.2	39,000	-	39,000	-	-	-	-	-	-
As at June 30, 2021		117,000	-	78,000	39,000	36,083	38,668	2,585	75.05%	71.91%

Market Treasury Bills

February 25, 2021	6 months	13,000	-	13,000	-	-	-	-	-	-
August 26, 2021	6 months	-	13,000	13,000	-	-	-	-	-	-
October 21, 2021	3 months	-	30,000	30,000	-	-	-	-	-	-
December 16, 2021	3 months	-	20,000	20,000	-	-	-	-	-	-
December 30, 2021	3 months	-	30,000	30,000	-	-	-	-	-	-
February 10, 2022	3 months	-	30,000	30,000	-	-	-	-	-	-
As at June 30, 2022	6.3	13,000	123,000	136,000	-	-	-	-	-	-
As at June 30, 2021		-	20,000	7,000	13,000	12,857	12,857	-	24.95%	23.91%

Held by USSP-IV

Pakistan Investment Bonds

As at June 30, 2022	6.2	-	-	-	-	-	-	-	-	-
As at June 30, 2021		190,000	-	190,000	-	-	-	-	-	-

Market Treasury Bills

August 12, 2021	6 months	-	100,000	100,000	-	-	-	-	-	-
October 21, 2021	3 months	-	30,000	30,000	-	-	-	-	-	-
December 16, 2021	3 months	-	25,000	25,000	-	-	-	-	-	-
December 30, 2021	3 months	-	40,000	40,000	-	-	-	-	-	-
February 10, 2022	3 months	-	25,000	25,000	-	-	-	-	-	-
As at June 30, 2022	6.3	-	220,000	220,000	-	-	-	-	-	-
As at June 30, 2021		3,200	-	3,200	-	-	-	-	-	-

Issue date	Tenor	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealized appreciation / (dimination) on remeasurement	Market value as a percentage of	
		As at 01, July 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022				Total investments of plan	Net assets of plan
		Rupees in '000 -----							-----%	-----%

Held by USSP-V

Pakistan Investment Bonds

As at June 30, 2022	6.2	-	-	-	-	-	-	-	-	-
As at June 30, 2021		850,000	1,075,000	1,925,000	-	-	-	-	-	-

Market Treasury Bills

May 20, 2021	6 months	35,000	-	35,000	-	-	-	-	-	-
October 21, 2021	3 months	-	22,000	22,000	-	-	-	-	-	-
December 16, 2021	3 months	-	15,000	15,000	-	-	-	-	-	-
December 30, 2021	3 months	-	20,000	20,000	-	-	-	-	-	-
February 10, 2022	3 months	-	25,000	25,000	-	-	-	-	-	-

As at June 30, 2022	6.3	35,000	82,000	117,000	-	-	-	-	-	-
As at June 30, 2021		4,415,000	960,000	5,340,000	35,000	34,028	34,028	-	100%	117.08%

Held by USSP-VI

Pakistan Investment Bonds

September 19, 2019	3 years	36,000	-	36,000	-	-	-	-	-	-
As at June 30, 2022	6.2	36,000	-	36,000	-	-	-	-	-	-
As at June 30, 2021		131,000	44,000	139,000	36,000	36,750	36,409	(341)	100%	32.95%

Market Treasury Bills

August 12, 2021	6 months	-	50,000	50,000	-	-	-	-	-	-
October 21, 2021	3 months	-	45,000	45,000	-	-	-	-	-	-
December 2, 2021	6 months	-	40,000	40,000	-	-	-	-	-	-
January 27, 2022	3 months	-	40,000	40,000	-	-	-	-	-	-

As at June 30, 2022	6.3	-	175,000	175,000	-	-	-	-	-	-
As at June 30, 2021		41,500	-	41,500	-	-	-	-	-	-

6.2 These carry coupon rate ranging from 7.25% to 9% of USSF-I, USSF-II, USSF-III, USSF-VI.

6.3 These carry effective yield rate ranging from 7.43% to 14.5% of USSF-I, USSF-II, USSF-III, USSF-IV, USSF-V, USSF-IV.

7. MARK-UP RECEIVABLE

Mark-up accrued on:

- Profit and loss sharing accounts
- Investment in government securities

2022						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
-	3,042	403	242	285	413	4,385
-	-	-	-	-	-	-
-	3,042	403	242	285	413	4,385

Mark-up accrued on:

- Profit and loss sharing accounts
- Investment in government securities

2021						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
35	748	23	308	1,542	170	2,826
8,222	6,379	1,430	-	-	916	16,947
8,257	7,127	1,453	308	1,542	1,086	19,773

8. PRELIMINARY EXPENSES AND FLOATATION COST

Deferred formation cost at July 01

Less: amortisation during the year

Unamortised formation cost at June 30

Note

2022						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
136	-	-	-	-	-	136
(136)	-	-	-	-	-	(136)
-	-	-	-	-	-	-

Deferred formation cost at July 01

Less: amortisation during the year

Unamortised formation cost at June 30

Note

2021						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
512	-	-	-	-	-	512
(376)	-	-	-	-	-	(376)
136	-	-	-	-	-	136

- 8.1 The provisions of the Trust Deed and NBFC Regulations require the amortisation of preliminary expenses and floatation costs up to 1.5% of the net assets at the close of IPO capital of the Fund. This cost is amortised over 36 months period.

9. ADVANCE INCOME TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 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). Prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001 in prior and current periods. The Management Company is confident that the amount will be refunded to the Fund.

10. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

		2022						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
Remuneration payable to the Management Company	10.1	-	221	30	34	2	41	328
Sindh Sales Tax on remuneration payable to the Management Company	10.2	-	29	4	5	-	6	44
Back end load payable		-	101	18	-	-	-	119
Selling and marketing expense payable	10.3	-	641	138	240	-	-	1,019
Allocated expenses payable	10.4	-	69	1	7	121	10	208
Conversion charges		-	4	1	-	1	2	8
Other payables		-	20	10	20	20	20	90
		-	1,085	202	306	144	79	1,816
		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
Remuneration payable to the Management Company	10.1	236	507	48	145	3	94	1,033
Sindh Sales Tax on remuneration payable to the Management Company	10.2	31	66	6	19	-	12	134
Sales load payable		49	157	1	53	34	140	434
Back end load payable		-	-	-	-	-	-	-
Selling and marketing expense payable	10.3	727	1,034	227	887	-	-	2,875
Allocated expenses payable	10.4	-	-	-	-	350	-	350
Conversion charges		-	-	-	-	-	-	-
Other payables		1,138	22	107	20	20	20	1,327
		2,181	1,786	389	1,124	407	266	6,153

10.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. The remuneration is payable to the Management Company monthly in arrears. During the year, the Management Company has charged remuneration at the rate of 1% and 0.1% (2021: 1% and 0.1%) per annum of daily net assets of USSF-I, USSF-II, USSF-III, USSF-IV, USSF-V and USSF-VI respectively.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

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

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	% of average daily net assets					
Selling and marketing expense	0.50	0.33	0.70	1.00	0.00	0.00
	2021					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	% of average daily net assets					
Selling and marketing expense till 14 July 2020	0.40	0.00	0.00	0.00	0.00	0.00
Selling and marketing expense from 15 July and onwards	0.50	0.33	0.70	1.00	0.00	0.00

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

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	% of average daily net assets					
From July 01 till 12 August 2021	0.00	0.00	0.00	0.00	0.50	0.00
From August 13, 2021 till 22 September 2021	0.13	0.14	0.16	0.10	1.19	0.12
From 23 September 2021 till December 31, 2021	0.13	0.14	0.16	0.10	2.09	0.12
From 1 January 2022 till June 30, 2022	0.00	0.14	0.16	0.10	2.09	0.12

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

	Note	2022					
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
		Rupees in '000					
Remuneration payable to Trustee	11.1	-	19	2	3	6	36
Sindh Sales Tax on remuneration payable to Trustee	11.1	-	3	-	1	1	6
		-	22	2	4	7	42

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
Remuneration payable to Trustee	11.1	15	32	3	9	8	6	73
Sindh Sales Tax on remuneration payable to Trustee	11.1	2	4	1	1	1	1	10
		17	36	4	10	9	7	83

11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has been charged at the rate of 0.055% - 0.06% (2021: 0.06%) per annum of average daily net assets of the Fund during the year. The remuneration is payable on monthly basis in arrears. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2021: 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

In accordance with the NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund as annual fee.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

		2022						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		Rupees in '000						
Provision for Sindh Workers' Welfare Fund	13.1	-	-	-	-	-	-	-
Auditor's remuneration payable		-	51	50	52	51	51	255
Withholding tax payable		-	77	394	319	341	416	1,547
Zakat deducted at source		-	1,139	14	194	-	49	1,396
Capital gain tax payable		-	1,224	56	4	49	23	1,356
Sales load payable		-	564	43	11	15	58	691
Other payables		1,436	42	44	33	534	23	2,112
		1,436	3,097	601	613	990	620	7,357

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
Provision for Sindh Workers' Welfare Fund	13.1	2,021	3,768	856	930	15,510	702	23,787
Auditor's remuneration payable		48	48	48	49	48	49	290
Withholding tax payable		2,939	6,511	557	1,795	160	1,007	12,969
Zakat deducted at source		73	889	14	145	-	49	1,170
Capital gain tax payable		10	126	21	9	-	6	172
Other payables		104	252	82	40	679	70	1,227
		5,195	11,594	1,578	2,968	16,397	1,883	39,615

- 13** During the year, Sindh Revenue Board (SRB) through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Fund amounting to Rs. 2.021 million, Rs.3.768 million, Rs.0.856 million, Rs.0.930 million, Rs. 15.510 million and Rs.0.702 million (net of current year reversal) of USSP-I, USSP-II, USSP-III, USSP-IV, USSP-V, USSP-VI respectively for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. and no provision for SWWF has been recognised by the Fund on or after August 13, 2021.

14. CONTINGENCIES AND COMMITMENTS

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

15. NUMBER OF UNITS IN ISSUE

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	Number of units					
Total units in issue at the beginning of the year	2,717,755	5,808,529	514,994	1,695,565	282,188	1,115,553
Units issued during the year	991	27,726	-	-	125,880	-
Units redeemed during the year	(2,718,746)	(3,398,932)	(211,302)	(1,293,338)	(128,755)	(633,036)
Total units in issue at the end of the year	-	2,437,323	303,692	402,227	279,313	482,517

	2021					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	Number of units					
Total units in issue at the beginning of the year	3,091,239	6,943,525	1,099,609	1,885,931	51,110,917	1,656,741
Units issued during the year	-	120,223	7,595	-	1,365,045	-
Units redeemed during the year	(373,484)	(1,255,219)	(592,210)	(190,366)	(52,193,774)	(541,188)
Total units in issue at the end of the year	2,717,755	5,808,529	514,994	1,695,565	282,188	1,115,553

16. FINANCIAL INCOME

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	Rupees in '000					
Profit on:						
- Profit and loss sharing accounts	2,545	18,445	2,031	4,306	2,153	3,405
- Market Treasury Bills	6,283	20,958	1,425	3,796	1,463	3,111
- Pakistan Investment Bonds	2,416	5,792	1,067	-	-	780
	11,244	45,195	4,523	8,102	3,616	7,296

Profit on:

- Profit and loss sharing accounts
- Market Treasury Bills
- Pakistan Investment Bonds

2021						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
377	1,326	271	688	5,069	1,118	8,849
835	-	429	4	40,996	224	42,488
30,918	74,474	7,841	22,975	92,553	11,989	240,750
32,130	75,800	8,541	23,667	138,618	13,331	292,087

17. AUDITOR'S REMUNERATION

2022						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
Annual audit fee	16	26	26	26	26	146
Fee for the half yearly review	9	14	14	14	14	79
Fee for the review of compliance with the requirements of the Code of Corporate Governance	5	8	8	8	8	45
Fee for other certification	5	8	8	8	8	45
Out of Pocket expenses and Sindh Sales Tax	9	10	10	10	10	59
44	66	66	66	66	66	374

AUDITORS' REMUNERATION

2021						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
Annual audit fee	30	30	30	30	30	180
Fee for the half yearly review	12	12	12	12	12	72
Fee for the review of compliance with the requirements of the Code of Corporate Governance	7	7	7	7	7	42
Fee for other certification	7	7	7	26	18	72
Out of Pocket expenses and Sindh Sales Tax	5	5	5	6	5	31
61	61	61	61	81	72	397

18. TAXATION

The Fund's income is exempt from Income tax as per clause 99 of Part I of the Second Schedule to the Income tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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. During the year ended June 30, 2022, the Fund has distributed by way of cash dividend at minimum 90 percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

19. EARNINGS PER UNIT

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

20. TOTAL EXPENSE RATIO

The ratio limit is within the maximum limit of 2.5% as prescribed under the the NBFC Regulation for a collective investment scheme catagorised as money market scheme. ratios for the year ended June 30, 2022 are as follows:

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	%					
Total Expense Ratio	1.97	1.69	2.30	2.41	2.43	1.46
Government levy, SWWF and the SECP fee	0.16	0.16	0.16	0.16	0.04	0.16

	2021					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	%					
Total Expense Ratio	2.07	1.76	2.27	2.44	0.51	1.49
Government levy, SWWF and the SECP fee	0.36	0.36	0.41	0.37	0.23	0.35

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	Rupees in '000					
Financial assets						
At amortized cost						
Bank balances	1,436	246,690	31,173	40,964	29,234	47,930
Mark-up receivable	-	3,042	403	242	285	413
Other receivables	-	76	5	5	4	-
	1,436	249,808	31,581	41,211	29,523	48,343
	397,427	4,385	90	401,902		

Financial liabilities**At amortized cost**

Payable to UBL Fund Managers Limited
- Management Company
Payable to Central Depository
Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

2022						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
-	1,085	202	306	144	79	1,816
-	22	2	4	7	7	42
1,436	93	94	85	585	74	2,367
1,436	1,200	298	395	736	160	4,225

Financial assets

At fair value through other comprehensive income

Investments 269,079 171,024 51,525 - 34,028 36,409 562,065

At amortized cost

Bank balances
Mark-up receivable
Other receivables

2021						
USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Rupees in '000						
6,733	426,193	2,664	173,518	10,640	75,193	694,941
8,257	7,127	1,453	308	1,542	1,086	19,773
6	77	5	4	4	-	96
284,075	604,421	55,647	173,830	46,214	112,688	1,276,875

Financial liabilities**At amortized cost**

Payable to UBL Fund Managers Limited
- Management Company
Payable to Central Depository
Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

2,181	1,786	389	1,124	407	266	6,153
17	36	4	10	9	7	83
152	300	130	89	727	119	1,517
2,350	2,122	523	1,223	1,143	392	7,753

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

The 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.

22.1.1 Currency risk

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

The Fund has no exposure to currency risk as as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2022.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on bank balances. 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

	2022						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	----- Rupees in '000 -----						
Bank balances	1,436	246,690	31,173	40,964	29,227	47,930	397,420
	2021						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	----- Rupees in '000 -----						
Bank balances	6,733	426,193	2,664	173,518	10,632	75,193	694,933

The plan variable interest rate risk arises from bank balances in profit and loss sharing account. The net income for the year would have increased / decreased by Rs. 3.97 million (2021: Rs. 6.943 million) had the interest rates on savings accounts with banks increased / decreased by 100 basis points with all other variables held constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instruments which are carried at fair value through other comprehensive income and is not exposed to fair value interest rate risk. The fixed rate instrument sensitivity for last year is as follows;

		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
Investment in government securities		269,079	171,024	51,525	-	34,028	36,409	562,065
		2021						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
		Rupees in '000						
	100	(1,025)	(3,105)	(541)	-	(119)	-	(4,790)
	(100)	1,047	3,180	558	-	135	-	4,920
		22	75	17	-	16	-	130

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

2022					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	
%	Rupees in '000				

USSP-I

On-balance sheet financial instruments

Financial assets

Bank balances	8.75 - 14.5	1,436	1,436	-	-	-

Financial liabilities

Accrued expenses and other liabilities		1,436				1,436

On-balance sheet gap (a)

-	1,436	-	-	(1,436)

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

1,436	-	-	(1,436)

Cumulative interest rate sensitivity gap

1,436	-	-	(1,436)

2021					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-I

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 9	6,733	6,733	-	-	-
Investments - Pakistan Investment Bonds	7.25 - 8	239,409	-	-	239,409	-
Investments - Market Treasury Bills		29,670	-	29,670	-	-
Mark-up receivable		8,257	-	-	-	8,257
Other receivables		6	-	-	-	6
		284,075	6,733	29,670	239,409	8,263

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	2,181	-	-	-	2,181
Payable to Central Depository Company of Pakistan Limited - Trustee	17	-	-	-	17
Accrued expenses and other liabilities	152	-	-	-	152
	2,350	-	-	-	2,350

On-balance sheet gap (a)

281,725	6,733	29,670	239,409	5,913

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

6,733	29,670	239,409	5,913

Cumulative interest rate sensitivity gap

6,733	29,670	239,409	5,913

2022					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-II

On-balance sheet financial instruments

Financial assets

Bank balances
Mark-up receivable
Other receivables

8.75 - 14.5

246,690	246,690	-	-	-
3,042	-	-	-	3,042
76	-	-	-	76
249,808	246,690	-	-	3,118

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

1,085	-	-	-	1,085
22	-	-	-	22
93	-	-	-	93
1,200	-	-	-	1,200

On-balance sheet gap (a)

248,608	246,690	-	-	1,918

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

246,690	-	-	1,918

Cumulative interest rate sensitivity gap

246,690	-	-	1,918

Effective yield / interest rate	Total	2021 Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
		Up to three months	More than three months and unto one year	More than one year	

% ----- Rupees in '000 -----

USSP-II

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 9	426,193	426,193	-	-	-
Pakistan Investment Bonds	7.25 - 8	171,024	-	-	171,024	-
Mark-up receivable		7,127	-	-	-	7,127
Other receivables		77	-	-	-	77
		604,421	426,193	-	171,024	7,204

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company		1,786	-	-	-	1,786
Payable to Central Depository Company of Pakistan Limited - Trustee		36	-	-	-	36
Accrued expenses and other liabilities		300	-	-	-	300
		2,122	-	-	-	2,122

On-balance sheet gap (a)

602,299	426,193	-	171,024	5,082

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

426,193	-	171,024	5,082

Cumulative interest rate sensitivity gap

426,193	-	171,024	5,082

2022					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-III

On-balance sheet financial instruments

Financial assets

Bank balances
Mark-up receivable
Other receivables

8.75 - 14.5

31,173	31,173	-	-	-
403	-	-	-	403
5	-	-	-	5
31,581	31,173	-	-	408

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

202	-	-	-	202
2	-	-	-	2
94	-	-	-	94
298	-	-	-	298

On-balance sheet gap (a)

31,283	31,173	-	-	110

Off-balance sheet financial instruments

Off-balance sheet gap (b)

-	-	-	-	-
-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

31,173	-	-	110

Cumulative interest rate sensitivity gap

31,173	-	-	110

2021					
Effective yield / interest rate	Total	Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
		Up to three months	More than three months and unto one year	More than one year	

% ----- Rupees in '000 -----

USSP-III

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 9	2,664	2,664	-	-	-
Pakistan Investment Bonds	7.25 - 8	38,668	-	-	38,668	-
Market Treasury Bills		12,857	-	12,857	-	-
Mark-up receivable		1,453	-	-	-	1,453
Other receivables		5	-	-	-	5
		55,647	2,664	12,857	38,668	1,458

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company	389	-	-	-	389
Payable to Central Depository Company of Pakistan Limited - Trustee	4	-	-	-	4
Accrued expenses and other liabilities	130	-	-	-	130
	523	-	-	-	523

On-balance sheet gap (a)

55,124	2,664	12,857	38,668	935

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

2,664	12,857	38,668	935

Cumulative interest rate sensitivity gap

2,664	12,857	38,668	935

Effective yield / interest rate	Total	2022 Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-IV

On-balance sheet financial instruments

Financial assets

Bank balances
Mark-up receivable
Other receivables

8.75 - 14.5

40,964	40,964	-	-	-
242	-	-	-	242
5	-	-	-	5
41,211	40,964	-	-	247

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

306	-	-	-	306
4	-	-	-	4
85	-	-	-	85
395	-	-	-	395

On-balance sheet gap (a)

40,816	40,964	-	-	(148)

Off-balance sheet financial instruments

Off-balance sheet gap (b)

-	-	-	-	-
-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

40,964	-	-	(148)

Cumulative interest rate sensitivity gap

40,964	-	-	(148)

Effective yield / interest rate	Total	2021 Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
		Up to three months	More than three months and unto one year	More than one year	

% ----- Rupees in '000 -----

USSP-IV

On-balance sheet financial instruments

Financial assets

Bank balances

5.5 - 9	173,518	173,518	-	-	-
	308	-	-	-	308
	4	-	-	-	4
	173,830	173,518	-	-	312

Mark-up receivable

Other receivables

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Accrued expenses and other liabilities

1,124	-	-	-	1,124
10	-	-	-	10
89	-	-	-	89
1,223	-	-	-	1,223

On-balance sheet gap (a)

172,607	173,518	-	-	(911)

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

173,518	-	-	(911)

Cumulative interest rate sensitivity gap

173,518	-	-	(911)

Effective yield / interest rate	Total	2022 Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-V

On-balance sheet financial instruments

Financial assets

Bank balances
Mark-up receivable
Other receivables

8.75 - 14.5	29,234	29,227	-	-	7
	285	-	-	-	285
	4	-	-	-	4
	29,523	29,227	-	-	296

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

144	-	-	-	144
7	-	-	-	7
585	-	-	-	585
736	-	-	-	736

On-balance sheet gap (a)

28,787	29,227	-	-	(440)

Off-balance sheet financial instruments

Off-balance sheet gap (b)

-	-	-	-	-
-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

29,227	-	-	(440)

Cumulative interest rate sensitivity gap

29,227	-	-	(440)

2021					
Effective yield / interest rate	Total	Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
		Up to three months	More than three months and unto one year	More than one year	

% ----- Rupees in '000 -----

USSP-V

On-balance sheet financial instruments

Financial assets

Bank balances

5.5 - 9	10,640	10,632	-	-	8
Market Treasury Bills	34,028	-	34,028	-	-
Mark-up receivable	1,542	-	-	-	1,542
	46,210	10,632	34,028	-	1,550

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Accrued expenses and other liabilities

407	-	-	-	407
9	-	-	-	9
727	-	-	-	727
1,143	-	-	-	1,143

On-balance sheet gap (a)

45,067	10,632	34,028	-	407

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

10,632	34,028	-	407

Cumulative interest rate sensitivity gap

10,632	34,028	-	407

2022					
Effective yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Up to three months	More than three months and upto one year	More than one year	

% ----- Rupees in '000 -----

USSP-VI

On-balance sheet financial instruments

Financial assets

Bank balances
Mark-up receivable

8.75 - 14.5	47,930	47,930	-	-	-
	413	-	-	-	413
	48,343	47,930	-	-	413

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

79	-	-	-	79
7	-	-	-	7
74	-	-	-	74
160	-	-	-	160

On-balance sheet gap (a)

48,183	47,930	-	-	253

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)

47,930	-	-	253

Cumulative interest rate sensitivity gap

47,930	-	-	253

2021					
Effective yield / interest rate	Total	Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
		Up to three months	More than three months and unto one year	More than one year	
%					

USSP-VI

On-balance sheet financial instruments

Financial assets

Bank balances	5.5 - 9	75,193	75,193	-	-	-
Pakistan Investment Bonds	7.25 - 9	36,409	-	-	36,409	-
Mark-up receivable		1,086	-	-	-	1,086
		112,688	75,193	-	36,409	1,086

Financial liabilities

Payable to UBL Fund Managers Limited - Management Company		266	-	-	-	266
Payable to Central Depository Company of Pakistan Limited - Trustee		7	-	-	-	7
Accrued expenses and other liabilities		119	-	-	-	119
		392	-	-	-	392

On-balance sheet gap (a)		112,296	75,193	-	36,409	694

Off-balance sheet financial instruments		-	-	-	-	-

Off-balance sheet gap (b)		-	-	-	-	-

Total interest rate sensitivity gap (a) + (b)			75,193	-	36,409	694

Cumulative interest rate sensitivity gap			75,193	-	36,409	694

22.1.3 Other price risk

Price 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 (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. As at June 30, 2022, the Fund does not hold any security which exposes the Fund to other price risk.

22.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances and mark-up receivable on profit or loss sharing account and other receivables.

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. 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, Fund's Trust Deed, the requirements of the NBFC Rules and the NBFC Regulations, and the guidelines / directives given by the SECP from time to time.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2022 and June 30, 2021 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2022 and June 30, 2021:

Bank balances and mark- up receivable on profit or loss sharing accounts.

	Rating agency	Rating	2022					
			USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
			Rupees in '000					
Soneri Bank Limited	VIS	AA-	1,436	249,313	31,401	41,146	26,881	48,309
JS Bank Limited	PACRA	AA-	-	419	-	59	125	34
United Bank Limited	VIS	AAA	-	-	175	-	-	-
Allied Bank Limited	PACRA	AAA	-	-	-	-	9	-
Habib Bank Limited	VIS	AAA	-	-	-	-	2,494	-
Habib Metro Bank Limited	PACRA	AA+	-	-	-	-	10	-
National Bank of Pakistan	VIS	AAA	-	-	-	1	-	-
			1,436	249,732	31,576	41,206	29,519	48,343
	Rating agency	Rating	2021					
			USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
			Rupees in '000					
Soneri Bank Limited	PACRA	AA-	6,495	426,913	2,687	173,768	10,896	75,329
JS Bank Limited	PACRA	AA-	273	28	-	58	123	34
Allied Bank Limited	PACRA	AAA	-	-	-	-	10	-
Habib Metro Bank Limited	PACRA	AA+	-	-	-	-	10	-
Habib Bank Limited	PACRA	AAA	-	-	-	-	1,143	-
			6,768	426,941	2,687	173,826	12,182	75,363

Concentration of credit risk

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

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

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

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 table below 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	2022				
	Carrying Value	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					

USSP-I

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Accrued expenses and other liabilities	1,436	1,436	1,436	-	-
	1,436	1,436	1,436	-	-

Net assets attributable to redeemable units

-	-	-	-

Particulars	2021				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	2,181	2,181	2,181	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	17	17	17	-	-
Accrued expenses and other liabilities	152	152	152	-	-
	2,350	2,350	2,350	-	-

Net assets attributable to redeemable units

276,971	276,971	-	-

Particulars	2022				
	Carrying Value	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

USSP-II

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	1,085	1,085	1,085	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	22	22	22	-	-
Accrued expenses and other liabilities	93	93	93	-	-
	1,200	1,200	1,200	-	-

Net assets attributable to redeemable units

246,817 **246,817** - -

Particulars	2021				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	1,786	1,786	1,786	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	36	36	36	-	-
Accrued expenses and other liabilities	300	300	300	-	-
	2,122	2,122	2,122	-	-

Net assets attributable to redeemable units

590,980 **590,980** - -

Particulars	2022				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

USSP-III

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	202	202	202	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	2	2	2	-	-
Accrued expenses and other liabilities	94	94	94	-	-
	298	298	298	-	-

Net assets attributable to redeemable units

31,072 **31,072** - -

Particulars	----- 2021 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	389	389	389	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	4	4	4	-	-
Accrued expenses and other liabilities	130	130	130	-	-
	523	523	523	-	-

Net assets attributable to redeemable units

53,772	53,772	-	-

Particulars	----- 2022 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

USSP-IV

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	306	306	306	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	4	4	4	-	-
Accrued expenses and other liabilities	85	85	85	-	-
	395	395	395	-	-

Net assets attributable to redeemable units

40,346	40,346	-	-

Particulars	----- 2021 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	1,124	1,124	1,124	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	10	10	10	-	-
Accrued expenses and other liabilities	89	89	89	-	-
	1,223	1,223	1,223	-	-

Net assets attributable to redeemable units

169,695	169,695	-	-

Particulars	----- 2022 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					

USSP-V

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	144	144	144	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7	7	-	-
Accrued expenses and other liabilities	585	585	585	-	-
	736	736	736	-	-
Net assets attributable to redeemable units		28,818	28,818	-	-

Particulars	----- 2021 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	407	407	407	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	9	9	9	-	-
Accrued expenses and other liabilities	727	727	727	-	-
	1,143	1,143	1,143	-	-
Net assets attributable to redeemable units		29,063	29,063	-	-

Particulars	----- 2022 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					

USSP-VI

Financial liabilities at amortised cost

Payable to UBL Fund Managers Limited - Management Company	79	79	79	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7	7	-	-
Accrued expenses and other liabilities	74	74	74	-	-
	160	160	160	-	-
Net assets attributable to redeemable units		47,905	47,905	-	-

Particulars	----- 2021 -----				
	Carrying Amount	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees in '000 -----					
Financial liabilities at amortised cost					
Payable to UBL Fund Managers Limited - Management Company	266	266	266	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7	7	-	-
Accrued expenses and other liabilities	125	125	125	-	-
	398	398	398	-	-
Net assets attributable to redeemable units		29,063	29,063	-	-

23. UNITS 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 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 of the Management Company 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 period.

24. 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.

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

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

As at reporting date, the Fund does not hold any financial instruments which are measured at fair value. The estimated fair value of all financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

25. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

S.No.	Name	Designation	Qualification	Experience in years
1	Yasir Qadri	Chief Executive Officer	MBA	26
2	Syed Suleman Akhtar	Chief Investment Officer	CFA, MBA	21
3	Muhammad Imran	Head of Investment advisory	MBA	22
4	Hadi Hassan Muki	Head of Risk Management, Compliance and Quality Assurance	BCOM (C.A Foundation)	23
5	Syed Sheeraz Ali	Head of Fixed Income Funds	MBA	13
6	Muhammad Ahmed	Deputy Head Research	BSC, CFA	4

Syed Sheeraz Ali is the Fund manager of the Fund. He is also the Fund Manager of UBL Growth Savings Fund, UBL Retirement Savings Fund, UBL Special Savings Plan VI, Al-Ameen Islamic Cash Fund, UBL Special Savings Plan VIII, Al-Ameen Islamic Special Savings Plan-II, UBL Special Savings Plan IX, Al-Ameen Islamic Aggressive Income Fund, UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Plan II, UBL Special Savings Plan III, UBL Special Savings Plan IV, UBL Special Savings Plan V, Al-Ameen Islamic Cash Plan-I, Al-Ameen Islamic Aggressive Income Plan I, Al-Ameen Islamic Sovereign Fund.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top brokers during the period ended June 30, 2022

	2022					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	----- (Percentage) -----					
1	16.41%	7.33%	100%	-	-	-
2	83.59%	92.67%	-	100%	-	6.86%
3	-	-	-	-	-	93.14%
	100%	100%	100%	100%	-	100%

Top brokers during the period ended June 30, 2021

	2021					
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI
	----- (Percentage) -----					
1	-	-	-	-	13.72%	-
2	-	-	-	-	59.03%	-
3	-	-	-	-	3.22%	-
4	-	-	-	-	5.49%	-
5	-	-	-	-	18.54%	-
	-	-	-	-	100%	-

27. **PATTERN OF UNIT HOLDING**

USSP-I

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	-	-	-	-
NBFC	-	-	-	-
Others	-	-	-	-
Public limited companies	-	-	-	-
Retirement funds	-	-	-	-
	-	-	-	-

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	148	2,717,755	276,971	100%
	148	2,717,755	276,971	100%

USSP-II

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	166	2,237,155	226,549	91.79%
Others	1	200,168	20,270	8.21%
	167	2,437,323	246,819	100%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	289	5,253,106	534,471	90.44%
Retirement funds	1	332,720	33,851	5.73%
Others	2	222,703	22,658	3.83%
	292	5,808,529	590,980	100%

USSP-III

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	45	295,604	30,249	97.34%
Retirement funds	1	8,088	828	2.66%
	46	303,692	31,077	100%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	70	506,905	52,928	98.43%
Retirement funds	1	8,088	844	1.57%
	71	514,993	53,772	100%

USSP-IV

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	31	402,227	40,346	100%
	31	402,227	40,346	100%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	62	1,695,565	169,695	100%
	62	1,695,565	169,695	100%

USSP-V

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	3	186,767	19,277	66.87%
Others	1	92,545	9,549	33.13%
	4	279,312	28,826	100%

----- As at June 30, 2021 -----

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	4	176,358	17,927	62.50%
Public limited companies	1	59,870	6,166	21.22%
Retirement funds	1	45,960	4,733	16.29%
	6	282,188	28,826	100%

USSP-VI

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2022				
Individuals	47	322,340	32,002	66.80%
Others	2	160,179	15,903	33.20%
	49	482,519	47,905	100%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
June 30, 2021				
Individuals	71	784,104	77,673	70.29%
Associated companies and key executives	1	4,423	438	0.40%
Others	4	327,025	32,394	29.32%
	76	1,115,552	110,505	100%

28. TRANSACTIONS 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.

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

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended June 30, 2022 are as follows:

Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***

USSP-I**Transactions for the period**

-----For the year ended June 30, 2022 -----

	----- Rupees in '000 -----				
Remuneration (including Sindh Sales Tax)	1,346	-	88	-	-
Allocated expense	133	-	-	-	-
Selling and marketing expense	665	-	-	-	-

Balance held

----- As at June 30, 2022 -----

	----- Rupees in '000 -----				
Remuneration payable (including Sindh Sales Tax)	-	-	-	-	-
Allocated expense payable	-	-	-	-	-
Selling and marketing expense payable	-	-	-	-	-
Other payables	-	-	-	-	-

USSP-I

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
Purchase of securities	-	-	-	994	-	-
Remuneration (including Sindh Sales Tax)	3,467	-	208	-	-	-
Selling and marketing expense	1,521	-	-	-	-	-

Balance held

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
Remuneration payable (including Sindh Sales Tax)	267	-	16	-	-	-
Sales load payable	49	26	-	-	-	-
Selling and marketing expense payable	727	-	-	-	-	-
Other payables	1,138	-	-	-	-	-

USSP-II

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
Purchase of securities	-	242,300	-	-	-	2,254
Dividend paid	-	-	-	-	-	-
Remuneration (including Sindh Sales Tax)	5,396	-	308	-	-	-
Allocated expense	572	-	-	-	-	-
Selling and marketing expense	1,576	-	-	-	-	-

Balance held

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
Units held	-	-	-	-	-	259

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
Value of units held	-	-	-	-	-	26,228
Remuneration payable (including Sindh Sales Tax)	250	-	22	-	-	-
Sales load payable	-	564	-	-	-	-
Back end load payable	101	-	-	-	-	-
Allocated expense payable	69	-	-	-	-	-
Selling and marketing expense payable	641	-	-	-	-	-
Other payables	24	-	-	-	-	-

USSP-II

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
	-----For the year ended June 30, 2021 -----					
	----- Rupees in '000 -----					
Sale of securities	-	-	-	18,993	-	-
Remuneration (including Sindh Sales Tax)	7,536	-	452	-	-	-
Selling and marketing expense	2,106	-	-	-	-	-
Balance held	-----As at June 30, 2021 -----					
	----- Rupees in '000 -----					
Remuneration payable (including Sindh Sales Tax)	573	-	36	-	-	-
Sales load payable	157	564	-	-	-	-
Selling and marketing expense payable	1,034	-	-	-	-	-
Other payables	22	-	-	-	-	-

USSP-III

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
	-----For the year ended June 30, 2022 -----					
	----- Rupees in '000 -----					
Dividend paid	-	-	-	-	-	443
Remuneration (including Sindh Sales Tax)	499	-	28	-	-	-
Allocated expense	61	-	-	-	-	-
Selling and marketing expense	310	-	-	-	-	-
Balance held	----- As at June 30, 2022 -----					
	----- Units -----					
Units held	-	-	-	-	-	41
	----- Rupees in '000 -----					
Value of units held	-	-	-	-	-	4,195
Bank balance	-	175	-	-	-	-
Remuneration payable (including Sindh Sales Tax)	34	-	2	-	-	-
Sales load payable	-	43	-	-	-	-
Back end load payable	18	-	-	-	-	-
Allocated expense payable	1	-	-	-	-	-
Selling and marketing expense payable	138	-	-	-	-	-
Other payables	11	-	-	-	-	-

USSP-III

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
	-----For the year ended June 30, 2021 -----					
	----- Rupees in '000 -----					
Sale of securities	-	-	-	2,940	-	-
Remuneration (including Sindh Sales Tax)	889	-	53	-	-	-
Selling and marketing expense	518	-	-	-	-	-
Balance held	----- As at June 30, 2021 -----					
Units held	-	-	-	-	-	40,587
	----- Rupees in '000 -----					
Value of units held	-	-	-	-	-	4,238
Remuneration payable (including Sindh Sales Tax)	54	-	4	-	-	-
Sales load payable	1	43	-	-	-	-
Selling and marketing expense payable	227	-	-	-	-	-
Other payables	107	-	-	-	-	-

USSP-IV

Transactions for the period

	Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
	-----For the year ended June 30, 2022 -----					
	----- Rupees in '000 -----					
Dividend paid	-	-	-	-	-	531
Remuneration (including Sindh Sales Tax)	1,077	-	62	-	-	-
Allocated expense	75	-	-	-	-	-
Selling and marketing expense	953	-	-	-	-	-
Balance held	----- As at June 30, 2022 -----					
	----- Units -----					
Units held	-	-	-	-	-	70
	----- Rupees in '000 -----					
Value of units held	-	-	-	-	-	7,022
Remuneration payable (including Sindh Sales Tax)	39	-	4	-	-	-
Sales load payable	-	11	-	-	-	-
Allocated expense payable	7	-	-	-	-	-
Selling and marketing expense payable	240	-	-	-	-	-
Other payables	20	-	-	-	-	-

Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***

-----For the year ended June 30, 2021 -----

----- Rupees in '000 -----

Balance held

----- As at June 30, 2021 -----

----- Units -----

----- Rupees in '000 -----

----- Rupees in '000 -----

USSP-V

Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***

-----For the year ended June 30, 2022-----

----- Rupees in '000 -----

Balance held

----- As at June 30, 2022 -----

----- Units -----

----- Rupees in '000 -----

Value of units held	-	-	-	-	-	24,453
Remuneration payable (including Sindh Sales Tax)	2	-	7	-	-	-
Sales load payable	-	15	-	-	-	-
Allocated expense payable	121	-	-	-	-	-
Other payables	21	-	-	-	-	-

USSP-V

Transactions for the period

Units issued - - - - - 1,117,000

----- Rupees in '000 -----

Value of units issued - - - - -
 Sale of securities - - 1,073,936 - -
 Dividend paid - - - - - 1,274
 Remuneration (including Sindh Sales Tax) 1,907 - 1,144 - -
 Allocated expense 1,707 - - - -

Balance held

----- As at June 30, 2021 -----

----- Units -----

Units held - - - - - 255,000

----- Rupees in '000 -----

Value of units held - - - - - 26,263
 Remuneration payable (including Sindh Sales Tax) s - - 9 - -
 Sales load and other payables 34 15 - - -
 Allocated expense payable 350 - - - -
 Other payables 20 - - - -

USSP-VI

Transactions for the period

Dividend paid - - - - - 1,619
 Remuneration (including Sindh Sales Tax) 897 - 51 - -
 Allocated expense 80 - - - -
 Sales load payable - 58 - - -

Balance held

----- As at June 30, 2022 -----

----- Units -----

Units held - - - - - 192

----- Rupees in '000 -----

Value of units held - - - - - 19,062
 Remuneration payable (including Sindh Sales Tax) 47 - 7 - -
 Sales load payable - 58 - - -
 Allocated expense payable 10 - - - -
 Selling and marketing expense payable - - - - -
 Other payables 22 - - - -

Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***
-----For the year ended June 30, 2021 -----					
Units issued	-	-	-	-	1,117,000
----- Rupees in '000 -----					
Value of units issued	-	-	-	-	-
Sale of securities	-	-	1,073,936	-	-
Dividend paid	-	-	-	-	1,274
Remuneration (including Sindh Sales Tax)	1,907	-	1,144	-	-
Allocated expense	1,707	-	-	-	-
----- As at June 30, 2021 -----					
----- Units -----					
Units held	-	-	-	-	255,000
----- Rupees in '000 -----					
Value of units held	-	-	-	-	26,263
Remuneration payable (including Sindh Sales Tax)	s	-	9	-	-
Sales load and other payables	34	15	-	-	-
Allocated expense payable	350	-	-	-	-
Other payables	20	-	-	-	-
Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***

Transactions for the period

Dividend paid - - - - - 1,619
 Remuneration (including Sindh Sales Tax) 897 - 51 - -
 Allocated expense 80 - - - -
 Sales load payable - 58 - - -

Balance held

----- As at June 30, 2022 -----

----- Units -----

Units held - - - - - 192

----- Rupees in '000 -----

Value of units held - - - - - 19,062
 Remuneration payable (including Sindh Sales Tax) 47 - 7 - -
 Sales load payable - 58 - - -
 Allocated expense payable 10 - - - -
 Selling and marketing expense payable - - - - -
 Other payables 22 - - - -

Management Company	Associated companies *	Trustee	Funds under common management	Directors and key executives **	Other connected persons / related parties ***

USSP-VI

Transactions for the period

----- As at June 30, 2021-----

----- Rupees in '000 -----

Purchase of securities	-	-	-	7,996	-	-
Sale of securities	-	-	-	36,142	-	-
Dividend paid	-	-	-	-	-	2,922
Remuneration (including Sindh Sales Tax)	1,545	-	93	-	-	-

Balance held

----- As at June 30, 2021-----

----- Units -----

Units held	-	-	-	-	-	290,000

----- Rupees in '000 -----

Value of units held	-	-	-	-	-	28,727
Remuneration payable (including Sindh Sales Tax)	106	-	7	-	-	-
Sales load and other payables	140	58	-	-	-	-
Others payable	20	-	-	-	-	-

* 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 those directors and key executives (including their close family members) that existed as at period end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the period.

*** These include transactions and balances in relation to the entities where common directorship exists as at period end.

29. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPA

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

No. 132	No. 133	No. 134	No. 135	No. 136	No. 137	No. 138	Total meetings attended
July 05, 2021	August 16, 2021	October 27, 2021	December 13, 2021	January 27, 2022	April 26, 2022	June 27, 2022	

Directors:

Mr. Azhar Hamid	✓	✓	x	✓	✓	✓	✓	6
Mr. Arif Akmal Saifie	✓	x	✓	x	✓	✓	✓	5
Mr. Aslam Sadruddin*	x	x	x	✓	✓	✓	✓	4
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	x	6
Mr. Muhammad Rizwan Malik**	x	x	x	x	x	✓	✓	2
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Ms. Huma Pasha	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed***	✓	x	x	x	x	x	x	1
Syed Furrukh Zaeem****	✓	✓	✓	x	x	x	x	3

Key Executives:

Mr. Bilal Javaid	✓	✓	✓	✓	✓	✓	✓	7
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

* Mr. Aslam Sadruddin appointed as Director with effect from December 3, 2021

** Mr. Muhammad Rizwan Malik appointed as Director with effect from February 1, 2022

*** Ms. Sadia Saeed resigned from the Board with effect from July 29, 2021

**** Syed Furrukh Zaeem resigned from the Board with effect from November 18, 2021

***** Bilal Javaid resigned from as Company Secretary with effect from July 14, 2022

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 6, 2022 by the Board of Directors of the Management Company.

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

-sd-
Yasir Qadri
Chief Executive Officer

-sd-
Umair Ahmed
Chief Financial Officer

-sd-
Arif Akmal Saifie
Director