

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

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

| S.No. | Requirement | Reg. No. | Explanation |
|-------|--|----------|--|
| 1. | <p>Independent Director</p> <p>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.</p> <p>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.</p> | 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. | <p>Director Training Program</p> <p>As per the Code of Corporate Governance regulation, it is encouraged that all the directors on board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.</p> <p>Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p> | 19 | The Company plans to conduct a Director Training Program for the two directors appointed during the current year, as well as for one director appointed in a previous year. Additionally, training sessions will be organised for female executives and the remaining Heads of Departments to support their professional development and enhance leadership capabilities. |
| 3. | <p>Environmental, Social and Governance (ESG) Matters</p> <p>The Board is responsible for governance and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place.</p> <p>The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.</p> | 10A | At present, the management has a policy in place duly approved by the Board which includes amongst others Environmental, Social and Governance (ESG) principles. Since the requirements was introduced by the SECP through notification dated June 12, 2024, it will be applied in due course. |

| S.No. | Requirement | Reg. No. | Explanation |
|-------|---|----------|--|
| 4. | <p>Director's Remuneration</p> <p>The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. Companies are encouraged to provide aforesaid details of remuneration of individual directors in annual report.</p> | 34(3) | Management understands that the information is confidential and was not previously publicly disclosed. However, now audited financial statement are available on the PSX website due to recent regulatory requirements. Hence management will state the remuneration note reference in the report onwards. |
| 5. | <p>Responsibilities of the Board and its members</p> <p>The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees and it is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.</p> | 10(3) | Management understands that the three years started from the date of the SRO. So they have timeline till March 2028 for the external evaluation. |

SD
Imran Sarwar
Chairman

SD
Asif Ali Qureshi
Chief Executive Officer

Karachi
Dated: August 22, 2025



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 / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, 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 the 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 (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | Balances with banks and Investments constitute the most significant components of the net asset value. Balances with banks of the Fund aggregated to Rs. 23,297.760 million and Investments amounted to Rs. 42,710.119 million as at June 30, 2025. The existence of balances with banks and the existence and proper valuation of Investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore, we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2025 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Affel

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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

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

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.

AMEL



- 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, actions taken to eliminate threats or safeguards applied.

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:

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Scheme and the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 29, 2025

UDIN: AR2025106114OmBKplks

**UBL MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- (Rupees in '000) ----- |
|--|------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Bank balances | 4 | 23,297,760 | 11,914,019 |
| Investments | 5 | 42,710,119 | 3,556,311 |
| Profit receivable | 6 | 34,101 | 64,714 |
| Receivable against conversion of units | | 592,015 | 107,176 |
| Prepayment, deposit and other receivable | 7 | 798 | 759 |
| Advance tax | 8 | 6,273 | 4,249 |
| Total assets | | 66,641,066 | 15,647,228 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 9 | 63,745 | 52,205 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | 3,161 | 944 |
| Payable to the Securities and Exchange Commission of Pakistan (SECP) | 11 | 3,741 | 1,136 |
| Payable against conversion of units | | 699,817 | - |
| Dividend payable | | 10,292 | 681 |
| Accrued expenses and other liabilities | 12 | 489,729 | 45,404 |
| Total liabilities | | 1,270,485 | 100,370 |
| NET ASSETS | | 65,370,581 | 15,546,858 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 65,370,581 | 15,546,858 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 13 | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | 14 | 646,198,921 | 154,037,589 |
| | | ----- (Rupees) ----- | |
| NET ASSET VALUE PER UNIT | | 101.1617 | 100.9290 |

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

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL MONEY MARKET FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | Note | 2025 | 2024 |
|---|------|------------------------------|-------------------------|
| | | ----- (Rupees in '000) ----- | |
| INCOME | | | |
| Profit on savings accounts with banks | | 424,705 | 562,577 |
| Income on term deposit receipts | | 11,507 | 26,841 |
| Income on letters of placement | | 253,028 | 221,896 |
| Income on securities purchased under an agreement to resell | | 276,864 | - |
| Income on Pakistan Investment Bonds | | 186,863 | 577,470 |
| Income on Market Treasury Bills | | 4,412,126 | 2,001,490 |
| Gain / (loss) on sale of investments - net | | 52,062 | (77,795) |
| Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 5.5 | (2,027) | (11,101) |
| Other income | | 2,201 | 543 |
| Total income | | <u>5,617,329</u> | <u>3,301,921</u> |
| EXPENSES | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 9.1 | 425,526 | 147,999 |
| Sindh Sales Tax on remuneration of the Management Company | 9.2 | 63,829 | 19,240 |
| Selling and marketing expenses | 9.3 | 1,927 | 28,308 |
| Sindh Sales Tax on selling and marketing expenses | 9.4 | 289 | - |
| Allocated expenses | 9.5 | 417 | 14,890 |
| Sindh Sales Tax on allocated expenses | 9.6 | 63 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 10.1 | 23,071 | 8,403 |
| Sindh Sales Tax on remuneration of the Trustee | 10.2 | 3,465 | 1,092 |
| Fee to the Securities and Exchange Commission of Pakistan (SECP) | 11.1 | 31,462 | 11,427 |
| NCCPL transaction expense | | 199 | - |
| Annual rating fee | | 236 | 248 |
| Annual listing fee | | 28 | 27 |
| Auditors' remuneration | 15 | 1,277 | 917 |
| Legal and professional charges | | 360 | 255 |
| Bank charges | | 237 | 19 |
| Brokerage expense | | 3,595 | 1,426 |
| Total expenses | | <u>555,981</u> | <u>234,251</u> |
| Net income for the year before taxation | | <u>5,061,348</u> | <u>3,067,670</u> |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | <u><u>5,061,348</u></u> | <u><u>3,067,670</u></u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 5,061,348 | 3,067,670 |
| Income already paid on units redeemed | | (3,994,837) | (1,650,378) |
| | | <u>1,066,511</u> | <u>1,417,292</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 52,062 | - |
| - Excluding capital gains | | 1,014,449 | 1,417,292 |
| | | <u>1,066,511</u> | <u>1,417,292</u> |

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

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Net income for the year after taxation | 5,061,348 | 3,067,670 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>5,061,348</u> | <u>3,067,670</u> |

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

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | | | 2024 | | |
|--|------------------------------|----------------------|-------------------|-------------------|----------------------|-------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at the beginning of the year | 15,542,703 | 4,155 | 15,546,858 | 8,893,186 | 318 | 8,893,504 |
| Issuance of 2,348,359,471 (2024: 466,605,754) units | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 237,017,573 | - | 237,017,573 | 47,002,084 | - | 47,002,084 |
| - Element of income | 17,316,788 | - | 17,316,788 | 4,770,477 | - | 4,770,477 |
| Total proceeds on issuance of units | 254,334,361 | - | 254,334,361 | 51,772,561 | - | 51,772,561 |
| Redemption of 1,856,198,139 (2024: 400,857,019) units | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | (187,344,222) | - | (187,344,222) | (40,379,089) | - | (40,379,089) |
| - Element of loss | (15,788,496) | (3,994,837) | (19,783,333) | (3,271,933) | (1,650,378) | (3,271,933) |
| Total payments on redemption of units | (203,132,718) | (3,994,837) | (207,127,555) | (43,651,022) | (1,650,378) | (45,301,400) |
| Total comprehensive income for the year | - | 5,061,348 | 5,061,348 | - | 3,067,670 | 3,067,670 |
| Distribution during the year of Rs.14.5299 per unit declared on June 24, 2025 (2024: Rs. 21.9794 per unit declared on June 28, 2024) | (1,457,465) | (986,966) | (2,444,431) | (1,472,022) | (1,413,455) | (2,885,477) |
| Net income for the year less distribution | (1,457,465) | 4,074,382 | 2,616,917 | (1,472,022) | 1,654,215 | 182,193 |
| Net assets at the end of the year | <u>65,286,881</u> | <u>83,700</u> | <u>65,370,581</u> | <u>15,542,703</u> | <u>4,155</u> | <u>15,546,858</u> |

Undistributed income brought forward

| | | |
|-------------------|--------------|------------|
| - Realised income | 15,256 | 9,278 |
| - Unrealised loss | (11,101) | (8,960) |
| | <u>4,155</u> | <u>318</u> |

Accounting income available for distribution

| | | |
|-----------------------------|------------------|------------------|
| - Relating to capital gains | 52,062 | - |
| - Excluding capital gains | 1,014,449 | 1,417,292 |
| | <u>1,066,511</u> | <u>1,417,292</u> |

| | | |
|------------------------------|-----------|-------------|
| Distribution during the year | (986,966) | (1,413,455) |
|------------------------------|-----------|-------------|

| | | |
|---|---------------|--------------|
| Undistributed income carried forward | <u>83,700</u> | <u>4,155</u> |
|---|---------------|--------------|

Undistributed income carried forward

| | | |
|-------------------|---------------|--------------|
| - Realised income | 85,727 | 15,256 |
| - Unrealised loss | (2,027) | (11,101) |
| | <u>83,700</u> | <u>4,155</u> |

(Rupees)

(Rupees)

| | | |
|---|-----------------|-----------------|
| Net asset value per unit at the beginning of the year | <u>100.9290</u> | <u>100.7319</u> |
|---|-----------------|-----------------|

| | | |
|---|-----------------|-----------------|
| Net asset value per unit at the end of the year | <u>101.1617</u> | <u>100.9290</u> |
|---|-----------------|-----------------|

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

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL MONEY MARKET FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | Note | 2025 | 2024 |
|---|------|------------------------------|--------------|
| | | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 5,061,348 | 3,067,670 |
| Adjustments for: | | | |
| Profit on savings accounts with banks | | (424,705) | (562,577) |
| Income on term deposit receipts | | (11,507) | (26,841) |
| Income on letters of placement | | (253,028) | (221,896) |
| Income on securities purchased under an agreement to resell | | (276,864) | - |
| Income on Pakistan Investment Bonds | | (186,863) | (577,470) |
| Income on Market Treasury Bills | | (4,412,126) | (2,001,490) |
| Net realised (gain) / loss on sale of investments | | (52,062) | 77,795 |
| Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 5.5 | 2,027 | 11,101 |
| Other income | | (2,201) | (543) |
| | | (5,617,329) | (3,301,921) |
| Decrease / (increase) in assets | | | |
| Investments - net | | 723,762 | (2,501,253) |
| Prepayment, deposit and other receivable | | (39) | 2,906 |
| | | 723,723 | (2,498,347) |
| Increase / (decrease) in liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 11,540 | 16,786 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 2,217 | 394 |
| Payable to the Securities and Exchange Commission of Pakistan (SECP) | | 2,605 | (217) |
| Accrued expenses and other liabilities | | 444,325 | (113,335) |
| | | 460,687 | (96,372) |
| Profit received | | 5,597,907 | 3,421,734 |
| Taxation paid | | (2,024) | (1,773) |
| Net cash generated from operating activities | | 6,224,312 | 590,991 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts from issuance and conversion of units - net of refund of capital | | 252,392,057 | 50,211,162 |
| Payments against redemption and conversion of units | | (206,427,738) | (46,299,816) |
| Dividend paid | | (977,355) | (1,429,283) |
| Net cash generated from financing activities | | 44,986,964 | 2,482,063 |
| Net increase in cash and cash equivalents during the year | | 51,211,276 | 3,073,054 |
| Cash and cash equivalents at the beginning of the year | | 12,401,271 | 9,328,217 |
| Cash and cash equivalents at the end of the year | 19 | 63,612,547 | 12,401,271 |

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

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered 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 re-amended and restated Trust Deed was executed under the Trust Act, 1882 on February 21, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP). The Fund commenced its operations from October 14, 2010. 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) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 30, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

The Trust Deed was amended and revised during the year ended June 30, 2025 and was approved by the SECP vide its letter dated August 12, 2024. The first supplemental to the original Trust Deed, consequent to the SECP approval, was registered under the Sindh Trust Act, 2020 on October 4, 2024.

1.2 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.

1.3 The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. 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 has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated January 09, 2025 (2024: 'AM1' dated December 29, 2024). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 09, 2025 (2024: AA+(f) dated December 29, 2023).

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

2 BASIS OF 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 Accounting 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 requirements of the IFRS Accounting 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 annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, not been disclosed in these financial statements.

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

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance 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, 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 these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

2.6 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.

3.1 Cash and cash equivalents

These comprise bank balances in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 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".

3.2.2 Classification and subsequent measurement

3.2.2.1 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 (FVTPL)

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 FVTPL. 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 FVTPL.

3.2.3 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.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

3.2.3.1 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.

3.2.4 Regular way contracts

All regular way purchases and sale of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

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 values and subsequently measured at amortised cost using the effective interest method.

3.3.2 Derecognition

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 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.

3.5 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 amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 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 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the 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.

3.7 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.

3.8 Issue 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 the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.9 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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 (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 / (loss) 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 on redemption of units

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Profit on government securities is recognised on a time proportion basis using effective yield method;
- Profit on savings accounts with bank is recognised on time proportion basis using the effective yield method; and
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

3.12 Expenses

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

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- (Rupees in '000) ----- |
|--|---|--------------------------------------|--------------------------------------|
| 4 BANK BALANCES | | | |
| Bank balances in: | | | |
| Savings accounts | 4.1 | 23,297,270 | 11,913,529 |
| Current account | | 490 | 490 |
| | | <u>23,297,760</u> | <u>11,914,019</u> |
| 4.1 | This includes a bank balance of Rs. 4,671.320 million (2024: Rs. 5,383.924 million) maintained with United Bank Limited (a related party) that carries profit at the rate of 9.5% (2024: 20.50%) per annum. Other savings accounts of the Fund carry profit rates ranging from 9% to 18.5% (2024: 8.00% to 22.50%) per annum. | | |
| 5 INVESTMENTS | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- (Rupees in '000) ----- |
| At fair value through profit or loss | | | |
| Government securities - Market Treasury Bills - 'at fair value through profit or loss' | 5.1 | 42,710,119 | 3,556,311 |
| Government securities - Pakistan Investment Bonds | 5.2 | - | - |
| Term deposit receipts | 5.3 | - | - |
| Letter of placements | 5.4 | - | - |
| | | <u>42,710,119</u> | <u>3,556,311</u> |

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

| Issue date | Tenor | Face value | | | | Balance as at June 30, 2025 | | | Market value as a percentage of | | |
|-------------------|-----------|--------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|------------------------|--|
| | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised appreciation / (diminution) | Total investments of the Fund | Net assets of the Fund | |
| | | | | | | | | ----- (Rupees in '000) ----- | | ----- (%) ----- | |
| May 30, 2024 | 3 months | 5,000 | 2,350,000 | 2,355,000 | - | - | - | - | - | - | |
| June 13, 2024 | 3 months | 500,000 | 7,500 | 507,500 | - | - | - | - | - | - | |
| January 11, 2024 | 6 months | 125,000 | | 125,000 | - | - | - | - | - | - | |
| June 13, 2024 | 6 months | 500,000 | 15,704,130 | 16,204,130 | - | - | - | - | - | - | |
| July 13, 2023 | 12 months | 2,500,000 | | 2,500,000 | - | - | - | - | - | - | |
| June 12, 2025 | 1 month | - | 26,000,000 | 10,000,000 | 16,000,000 | 15,956,605 | 15,956,082 | (523) | 37.36% | 24.41% | |
| June 18, 2025 | 1 month | - | 15,000,000 | 50,000 | 14,950,000 | 14,909,453 | 14,908,965 | (488) | 34.91% | 22.81% | |
| June 26, 2025 | 1 month | - | 500,000 | - | 500,000 | 496,563 | 496,490 | (73) | 1.16% | 0.76% | |
| June 18, 2025 | 1 month | - | 15,000,000 | 15,000,000 | - | - | - | - | - | - | |
| June 12, 2025 | 1 month | - | 66,710,000 | 66,710,000 | - | - | - | - | - | - | |
| May 29, 2025 | 1 month | - | 800,000 | 800,000 | - | - | - | - | - | - | |
| May 15, 2025 | 1 month | - | 17,290,000 | 17,290,000 | - | - | - | - | - | - | |
| April 17, 2025 | 1 month | - | 99,080,000 | 99,080,000 | - | - | - | - | - | - | |
| May 2, 2025 | 1 month | - | 250,000 | 250,000 | - | - | - | - | - | - | |
| April 3, 2025 | 1 month | - | 44,820,000 | 44,820,000 | - | - | - | - | - | - | |
| April 3, 2025 | 1 month | - | 28,745,165 | 28,745,165 | - | - | - | - | - | - | |
| March 20, 2025 | 1 month | - | 5,000,000 | 5,000,000 | - | - | - | - | - | - | |
| June 26, 2025 | 3 months | - | 500,000 | - | 500,000 | 488,438 | 488,336 | (102) | 1.14% | 0.75% | |
| April 17, 2025 | 3 months | - | 1,500,000 | - | 1,500,000 | 1,495,932 | 1,495,883 | (49) | 3.50% | 2.29% | |
| April 17, 2025 | 3 months | - | 3,848,075 | 3,000,000 | 848,075 | 845,732 | 845,747 | 15 | 1.98% | 1.29% | |
| May 2, 2025 | 3 months | - | 700,000 | - | 700,000 | 695,146 | 695,086 | (60) | 1.63% | 1.06% | |
| June 12, 2025 | 3 months | - | 1,000,000 | - | 1,000,000 | 980,859 | 980,670 | (189) | 2.30% | 1.50% | |
| May 29, 2025 | 3 months | - | 500,000 | - | 500,000 | 492,416 | 492,351 | (65) | 1.15% | 0.75% | |
| May 15, 2025 | 3 months | - | 4,000,000 | - | 4,000,000 | 3,955,593 | 3,955,177 | (416) | 9.26% | 6.05% | |
| March 6, 2025 | 3 months | - | 2,337,135 | 2,337,135 | - | - | - | - | - | - | |
| January 9, 2025 | 3 months | - | 8,362,000 | 8,362,000 | - | - | - | - | - | - | |
| January 23, 2025 | 3 months | - | 1,950,000 | 1,950,000 | - | - | - | - | - | - | |
| February 6, 2025 | 3 months | - | 9,000,000 | 9,000,000 | - | - | - | - | - | - | |
| January 23, 2025 | 3 months | - | 788,535 | 788,535 | - | - | - | - | - | - | |
| December 26, 2024 | 3 months | - | 100,650,790 | 100,650,790 | - | - | - | - | - | - | |
| December 12, 2024 | 3 months | - | 56,324,000 | 56,324,000 | - | - | - | - | - | - | |
| November 14, 2024 | 3 months | - | 25,099,195 | 25,099,195 | - | - | - | - | - | - | |
| October 31, 2024 | 3 months | - | 13,109,195 | 13,109,195 | - | - | - | - | - | - | |
| October 17, 2024 | 3 months | - | 21,317,000 | 21,317,000 | - | - | - | - | - | - | |
| August 22, 2024 | 3 months | - | 2,100,200 | 2,100,200 | - | - | - | - | - | - | |
| July 11, 2024 | 3 months | - | 250,000 | 250,000 | - | - | - | - | - | - | |
| January 9, 2025 | 6 months | - | 72,979,005 | 71,979,005 | 1,000,000 | 997,288 | 997,255 | (33) | 2.33% | 1.53% | |
| December 26, 2024 | 6 months | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - | |

| Issue date | Tenor | Face value | | | | Balance as at June 30, 2025 | | | Market value as a percentage of | |
|----------------------------------|-----------|--------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|------------------------|
| | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised appreciation / (diminution) | Total investments of the Fund | Net assets of the Fund |
| | | | | | | | | (Rupees in '000) | | (%) |
| November 28, 2024 | 6 months | - | 400,000 | 400,000 | - | - | - | - | - | - |
| October 31, 2024 | 6 months | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| October 17, 2024 | 6 months | - | 16,349,130 | 16,349,130 | - | - | - | - | - | - |
| September 5, 2024 | 6 months | - | 83,914,505 | 83,914,505 | - | - | - | - | - | - |
| August 22, 2024 | 6 months | - | 77,663,505 | 77,663,505 | - | - | - | - | - | - |
| July 25, 2024 | 6 months | - | 3,765,000 | 3,765,000 | - | - | - | - | - | - |
| July 11, 2024 | 6 months | - | 2,576,500 | 2,576,500 | - | - | - | - | - | - |
| June 27, 2024 | 6 months | - | 3,054,000 | 3,054,000 | - | - | - | - | - | - |
| December 12, 2024 | 6 months | - | 500,000 | 500,000 | - | - | - | - | - | - |
| May 30, 2024 | 6 months | - | 800,000 | 800,000 | - | - | - | - | - | - |
| August 8, 2024 | 6 months | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| May 2, 2024 | 6 months | - | 500,000 | 500,000 | - | - | - | - | - | - |
| April 4, 2024 | 6 months | - | 500,000 | 500,000 | - | - | - | - | - | - |
| September 5, 2024 | 12 months | - | 813,863,295 | 813,863,295 | - | - | - | - | - | - |
| July 11, 2024 | 12 months | - | 1,401,925 | - | 1,401,925 | 1,398,121 | 1,398,077 | (44) | 3.28% | 2.14% |
| February 6, 2025 | 12 months | - | 16,113,295 | 16,113,295 | - | - | - | - | - | - |
| June 13, 2024 | 12 months | - | 26,400,000 | 26,400,000 | - | - | - | - | - | - |
| August 22, 2024 | 12 months | - | 15,700,000 | 15,700,000 | - | - | - | - | - | - |
| May 30, 2024 | 12 months | - | 495,729,105 | 495,729,105 | - | - | - | - | - | - |
| April 18, 2024 | 12 months | - | 488,002,910 | 488,002,910 | - | - | - | - | - | - |
| April 4, 2024 | 12 months | - | 2,100,000 | 2,100,000 | - | - | - | - | - | - |
| April 4, 2024 | 12 months | - | 10,000,000 | 10,000,000 | - | - | - | - | - | - |
| | 12 months | - | 8,000,000 | 8,000,000 | - | - | - | - | - | - |
| March 7, 2024 | 12 months | - | 16,752,000 | 16,752,000 | - | - | - | - | - | - |
| January 25, 2024 | 12 months | - | 1,730,000 | 1,730,000 | - | - | - | - | - | - |
| January 11, 2024 | 12 months | - | 260,000 | 260,000 | - | - | - | - | - | - |
| December 28, 2023 | 12 months | - | 47,989,800 | 47,989,800 | - | - | - | - | - | - |
| December 14, 2023 | 12 months | - | 24,097,500 | 24,097,500 | - | - | - | - | - | - |
| November 16, 2023 | 12 months | - | 5,823,630 | 5,823,630 | - | - | - | - | - | - |
| November 2, 2023 | 12 months | - | 17,025,000 | 17,025,000 | - | - | - | - | - | - |
| October 19, 2023 | 12 months | - | 8,400,000 | 8,400,000 | - | - | - | - | - | - |
| November 30, 2023 | 12 months | - | 100,000 | 100,000 | - | - | - | - | - | - |
| Total as at June 30, 2025 | | | | | | 42,712,146 | 42,710,119 | (2,027) | 100% | 65.34% |
| Total as at June 30, 2024 | | | | | | 3,567,412 | 3,556,311 | (11,101) | 100% | 22.87% |

5.2 Government securities - Pakistan Investment Bonds

| Issue Date | Tenor | Face value | | | Balance as at June 30, 2025 | | | Market value as a percentage of | |
|----------------------------------|---------|--------------------|---------------------------|--------------------------------|-----------------------------|----------------|--------------|---------------------------------------|-------------------------------|
| | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | Carrying value | Market value | Unrealised appreciation/ (diminution) | Total investments of the Fund |
| (Rupees in '000) | | | | | | | | | |
| September 8, 2022 | 2 Years | - | 2,710,000 | 2,710,000 | - | - | - | - | - |
| October 7, 2021 | 3 Years | - | 13,359,000 | 13,359,000 | - | - | - | - | - |
| April 7, 2022 | 3 Years | - | 20,076,300 | 20,076,300 | - | - | - | - | - |
| August 4, 2022 | 3 Years | - | 97,950,000 | 97,950,000 | - | - | - | - | - |
| September 8, 2022 | 3 Years | - | 3,901,800 | 3,901,800 | - | - | - | - | - |
| April 6, 2023 | 2 Years | - | 110,745,400 | 110,745,400 | - | - | - | - | - |
| September 21, 2023 | 2 Years | - | 11,420,000 | 11,420,000 | - | - | - | - | - |
| June 18, 2020 | 5 Years | - | 68,300,000 | 68,300,000 | - | - | - | - | - |
| October 15, 2020 | 5 Years | - | 5,400,000 | 5,400,000 | - | - | - | - | - |
| Total as at June 30, 2025 | | | | | - | - | - | - | - |
| Total as at June 30, 2024 | | | | | - | - | - | - | - |

5.3 Term deposit receipts

| Name of the investee company | Issue date | Maturity date | Profit rate | As at July 1, 2024 | Placed during the year | Matured during the year | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Market value as a percentage of | |
|----------------------------------|-------------------|------------------|-------------|--------------------|------------------------|-------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------|
| | | | | | | | | | Total investments of the Fund | Net assets of the Fund |
| (Rupees in '000) | | | | | | | | | | |
| Samba Bank Limited (AA, PACRA) | November 21, 2024 | December 5, 2024 | 15.00% | - | 2,000,000 | 2,000,000 | - | - | - | - |
| Total as at June 30, 2025 | | | | | - | - | - | - | - | - |
| Total as at June 30, 2024 | | | | | - | - | - | - | - | - |

5.4 Letter of placements

| Name of the investee company | Issue date | Maturity date | Profit rate | As at July 1, 2024 | Placed during the year | Matured during the year | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Market value as a percentage of | |
|---------------------------------------|--------------------|--------------------|-------------|--------------------|------------------------|-------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------|
| | | | | | | | | | Total investments of the Fund | Net assets of the Fund |
| (Rupees in '000) | | | | | | | | | | |
| Pak Brunei Investment Company Limited | December 24, 2024 | December 27, 2024 | 13.05% | - | 4,000,000 | 4,000,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | December 23, 2024 | December 24, 2024 | 13.05% | - | 2,500,000 | 2,500,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | December 17, 2024 | December 20, 2024 | 13.35% | - | 4,800,000 | 4,800,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | December 12, 2024 | December 17, 2024 | 15.00% | - | 4,300,000 | 4,300,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | November 8, 2024 | December 12, 2024 | 15.15% | - | 1,900,000 | 1,900,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | November 4, 2024 | November 5, 2024 | 17.60% | - | 1,700,000 | 1,700,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | October 31, 2024 | November 4, 2024 | 17.55% | - | 1,600,000 | 1,600,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | October 21, 2024 | October 25, 2024 | 17.80% | - | 500,000 | 500,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | October 17, 2024 | October 21, 2024 | 17.80% | - | 500,000 | 500,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | July 15, 2024 | August 2, 2024 | 20.40% | - | 1,500,000 | 1,500,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | April 21, 2025 | April 25, 2025 | 12.45% | - | 6,000,000 | 6,000,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | February 28, 2025 | March 11, 2025 | 12.15% | - | 5,000,000 | 5,000,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | January 17, 2025 | January 31, 2025 | 12.75% | - | 5,200,000 | 5,200,000 | - | - | - | - |
| Pak Brunei Investment Company Limited | January 16, 2025 | January 17, 2025 | 13.00% | - | 4,500,000 | 4,500,000 | - | - | - | - |
| Pak Kuwait Investment Company Limited | December 20, 2024 | January 20, 2025 | 13.00% | - | 5,000,000 | 5,000,000 | - | - | - | - |
| Pak Kuwait Investment Company Limited | June 10, 2025 | June 11, 2025 | 11.40% | - | 4,250,000 | 4,250,000 | - | - | - | - |
| Pak Oman Investment Company Limited | September 26, 2024 | September 27, 2024 | 18.00% | - | 1,000,000 | 1,000,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 31, 2024 | August 1, 2024 | 20.00% | - | 1,300,000 | 1,300,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 30, 2024 | July 31, 2024 | 19.60% | - | 1,300,000 | 1,300,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 29, 2024 | July 30, 2024 | 21.00% | - | 1,500,000 | 1,500,000 | - | - | - | - |

| Name of the investee company | Issue date | Maturity date | Profit rate | As at July 1, 2024 | Placed during the year | Matured during the year | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Market value as a percentage of | |
|-------------------------------------|-------------------|-------------------|-------------|--------------------|------------------------|-------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------|
| | | | | | | | | | Total investments of the Fund | Net assets of the Fund |
| | | | % | | (Rupees in '000) | | | | % | |
| Pak Oman Investment Company Limited | July 26, 2024 | July 29, 2024 | 20.50% | - | 1,400,000 | 1,400,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 25, 2024 | July 26, 2024 | 20.60% | - | 1,600,000 | 1,600,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 23, 2024 | July 24, 2024 | 20.45% | - | 1,500,000 | 1,500,000 | - | - | - | - |
| Pak Oman Investment Company Limited | July 18, 2024 | July 19, 2024 | 20.30% | - | 1,600,000 | 1,600,000 | - | - | - | - |
| Pak Oman Investment Company Limited | February 28, 2025 | March 11, 2025 | 12.15% | - | 5,000,000 | 5,000,000 | - | - | - | - |
| Pak Oman Investment Company Limited | February 10, 2025 | February 14, 2025 | 11.90% | - | 5,200,000 | 5,200,000 | - | - | - | - |
| Pak Oman Investment Company Limited | January 28, 2025 | January 31, 2025 | 12.00% | - | 5,200,000 | 5,200,000 | - | - | - | - |
| Pak Oman Investment Company Limited | January 20, 2025 | January 28, 2025 | 12.75% | - | 5,000,000 | 5,000,000 | - | - | - | - |
| Pak Oman Investment Company Limited | January 10, 2025 | January 17, 2025 | 12.72% | - | 5,300,000 | 5,300,000 | - | - | - | - |
| Pak Oman Investment Company Limited | January 6, 2025 | January 10, 2025 | 12.75% | - | 5,700,000 | 5,700,000 | - | - | - | - |
| Pak Oman Investment Company Limited | November 1, 2024 | November 5, 2024 | 17.60% | - | 1,600,000 | 1,600,000 | - | - | - | - |
| Total as at June 30, 2025 | | | | | | | - | - | - | - |
| Total as at June 30, 2024 | | | | | | | - | - | - | - |

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- (Rupees in '000) ----- |
|---|------|--------------------------------------|--------------------------------------|
| 5.5 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | | |
| Market value of investments | 5.1 | 42,710,119 | 3,556,311 |
| Less: carrying value of investments | 5.1 | 42,712,146 | 3,567,412 |
| | | <u>(2,027)</u> | <u>(11,101)</u> |
| 6 PROFIT RECEIVABLE | | | |
| Profit receivable on: | | | |
| Bank balances | 6.1 | 34,101 | 64,714 |
| | | <u>34,101</u> | <u>64,714</u> |
| 6.1 | | | |
| This includes an amount of Rs. 4.756 million (2024: Rs. 38.495 million) due from United Bank Limited (a related party). | | | |
| 7 PREPAYMENT, DEPOSIT AND OTHER RECEIVABLE | | | |
| Prepaid rating fee | | 155 | 116 |
| Security deposit with Central Depository Company of Pakistan Limited | | 100 | 100 |
| Other receivable | | 543 | 543 |
| | | <u>798</u> | <u>759</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 150 and 151. However, withholding tax on profit on bank balances, term deposit receipts, Market Treasury Bills, commercial papers, Pakistan Investment Bonds 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, Pakistan Investment Bonds and letters of placement amounted to Rs. 6.273 million (2024: Rs. 4.249 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 Honourable 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 of Pakistan granted the petitioners leave to appeal from the initial judgment of the 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, Pakistan Investment Bonds and letters of placement has been shown as advance tax as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

| 9 | PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY | Note | 2025 | 2024 |
|---|--|------|------------------------------|---------------|
| | | | ----- (Rupees in '000) ----- | |
| | Remuneration payable | 9.1 | 44,848 | 15,485 |
| | Sindh Sales Tax payable on remuneration of the management company | 9.2 | 6,727 | 2,013 |
| | Sales load and conversion charges payable | | 5,628 | 6,079 |
| | Selling and marketing expenses payable | 9.3 | 26 | 22,610 |
| | Sindh Sales tax on selling and marketing expenses payable | 9.4 | 4 | - |
| | Allocated expenses payable | 9.5 | 5,663 | 6,018 |
| | Sindh Sales Tax on allocated expenses payable | 9.6 | 849 | - |
| | | | <u>63,745</u> | <u>52,205</u> |

- 9.1** As per Regulation 61 of NBFC Regulations, 2008, 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 rate 0.90% not exceeding 1.25% (2024: 5.00%) per annum of average daily net assets of the Fund during the year ended June 30, 2025. The remuneration is payable to the Management Company in arrears.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1.25% to be calculated on a per annum basis of the average daily net assets, applicable to a "Money Market Scheme". This revision is effective from July 01, 2025. As at June 30, 2025 the Fund is not subject to a management fee cap.

- 9.2** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

Further, Sindh sales tax at the rate of 15% has also been levied on any reimbursable expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024.

- 9.3** In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to charging selling and marketing expenses, upto April 10, 2025 the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.29% (2024: 0.29%) of the average annual net assets of the Fund during the year.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly stated.

- 9.4** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on selling and marketing expenses has been charged at the rate of 15% (2024: Nil) effective July 1, 2024 vide Sindh Finance Act, 2024.

- 9.5** 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).

Upto April 10, 2025, the Management Company, has charged such expenses to the Fund based on its discretion at the rate of 0.06% (2024: 0.06%) of the average annual net assets of the Fund during the year.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly stated.

- 9.6** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on allocated expenses has been charged at the rate of 15% (2024: Nil) effective July 1, 2024 vide Sindh Finance Act, 2024.

| 10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2025 | 2024 |
|---|-------------|------------------------------|------------------------------|
| | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| Trustee remuneration payable | 10.1 | 2,749 | 835 |
| Sindh Sales Tax payable on remuneration of the Trustee | 10.2 | 412 | 109 |
| | | <u>3,161</u> | <u>944</u> |

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (2024: 0.055%) per annum of the average annual net assets of the Fund.

10.2 During the year, an amount of Rs. 3.465 million (2024: Rs. 1,092 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% (2024: 13%).

| 11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2025 | 2024 |
|---|-------------|------------------------------|------------------------------|
| | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| Fee payable | 11.1 | <u>3,741</u> | <u>1,136</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 0.075% per annum of the average daily net assets of the Fund, applicable to a "Money Market Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2024: 0.075%) per annum of the daily net assets during the year.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

| 12 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2025 | 2024 |
|---|-------------|------------------------------|------------------------------|
| | | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| Auditors' remuneration payable | | 480 | 251 |
| Withholding tax payable | | 939 | - |
| Capital gain tax payable | | 462,563 | 979 |
| Legal and professional charges payable | | 392 | 300 |
| Listing fee payable | | 55 | 28 |
| Sales load payable | | 10,006 | 30,136 |
| Brokerage payable | | 1,010 | 77 |
| Zakat payable | | 4,776 | 4,125 |
| 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 |
| Other payable | | 9 | 9 |
| | | <u>489,729</u> | <u>45,404</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 and sales load with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED and the related Sindh Sales Tax made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 9.499 million (2024: Rs. 9.499 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Asset Value of the Fund as at June 30, 2025 would have been higher by Re. 0.0147 (2024: Re. 0.0617) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

| 14 NUMBER OF UNITS IN ISSUE | 2025 | 2024 |
|---|-------------------------------|--------------------|
| | ----- (Number of units) ----- | |
| Total units in issue at the beginning of the year | 154,037,589 | 88,288,854 |
| Add: Units issued during the year | 2,348,359,471 | 466,605,754 |
| Less: Units redeemed during the year | (1,856,198,139) | (400,857,019) |
| Total units in issue at the end of the year | <u>646,198,921</u> | <u>154,037,589</u> |

| 15 AUDITORS' REMUNERATION | 2025 | 2024 |
|--|------------------------------|-------------|
| | ----- (Rupees in '000) ----- | |
| Annual audit fee | 527 | 400 |
| Fee for half yearly review of condensed interim financial statements | 323 | 250 |
| Fee for other certifications | 232 | 130 |
| Out of pocket expenses and Sindh Sales Tax | 195 | 137 |
| | <u>1,277</u> | <u>917</u> |

16 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 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. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above no provision for taxation has been made in these financial statements 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.

17 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2025 based on the current period results is 1.33% (2024: 1.51%) which includes 0.24% (2024: 0.20%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 2% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market Scheme'.

During the year ended 30 June, 2025, the SECP vide S.R.O 600(I)/2025 dated April 10, 2025, has TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with management fee cap which has been disclosed in note 9.1 to the financial statement.

18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 18.1** Connected persons / related parties include United Bank Limited being the holding company of the Management Company, UBL Fund Managers Limited being the Management Company, other collective investment schemes being managed by the Management Company, Al-Ameen Islamic Financial Services (Private) Limited being subsidiary of the Management Company, entities under common management or directorships, Central Depository Company of Pakistan Limited being the Trustee, directors and their close family members and key management personnel of the Management Company, any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund and any person able to exercise, directly or indirectly, ten percent or more of the total voting power of the Fund.
- 18.2** Transactions with connected persons 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.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 18.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

- 18.6 The details of transactions carried out by the Fund with connected persons / related parties during the year and balances with them as at year end are as follows:

| 2025 | | | | | |
|---|--|---------------|-------------------------------|----------------------------------|---|
| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| (Units in '000's) | | | | | |
| Units issued | 46,110 | 67 | - | 1,731 | 243,711 |
| Units redeemed | 41,473 | 38 | - | 720 | 199,178 |
| (Rupees in '000) | | | | | |
| Profit on savings accounts | - | 211,485 | - | - | - |
| Bank charges | - | - | - | - | - |
| Value of units issued | 5,069,338 | 7,467 | - | 182,036 | 25,981,639 |
| Value of units redeemed | 4,570,586 | 4,400 | - | 80,516 | 21,820,429 |
| Amount received on account of unit issuance against selling and marketing expenses **** | 5,574 | - | - | - | - |
| Purchase of securities | - | 1,790,233,812 | - | 5,087,949 | 7,881,148 |
| Sale of securities | - | 1,517,004,629 | - | - | 1,168,520 |
| Remuneration of UBL Fund Managers Limited - Management Company | 425,526 | - | - | - | - |
| Sindh Sales Tax on remuneration of the Management Company | 63,829 | - | - | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | - | - | 23,071 | - | - |
| Sindh Sales Tax on remuneration of the Trustee | - | - | 3,465 | - | - |
| Selling and marketing expenses | 1,927 | - | - | - | - |
| Sindh Sales Tax on selling and marketing expenses | 289 | - | - | - | - |
| Allocated expenses | 417 | - | - | - | - |
| Sindh Sales Tax on allocated expenses | 63 | - | - | - | - |
| CDS charges | - | - | 45 | - | - |

| 2024 | | | | | |
|--|--|------------|-------------------------------|----------------------------------|---|
| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| (Units) | | | | | |
| Units issued | - | - | - | 4,067 | 94,236 |
| Units redeemed | 91 | - | - | 2,381 | 78,408 |
| (Rupees in '000) | | | | | |
| Profit on savings accounts | - | 132,839 | - | - | - |
| Bank charges | - | 4 | - | - | - |
| Value of units issued | - | - | - | 471,141 | 10,271,710 |
| Value of units redeemed | 9,262 | - | - | 271,920 | 8,558,446 |
| Purchase of investments | - | 5,881,405 | - | 6,844,114 | - |
| Sale of investments | - | 12,214,800 | - | 1,738,594 | - |
| Remuneration of UBL Fund Managers Limited - Management Company | 147,999 | - | - | - | - |
| Sindh Sales Tax on remuneration of the Management Company | 19,240 | - | - | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | - | - | 8,403 | - | - |
| Sindh Sales Tax on remuneration of the Trustee | - | - | 1,092 | - | - |
| Selling and marketing expenses | 28,308 | - | - | - | - |
| Allocated expenses | 14,890 | - | - | - | - |
| CDS charges | - | - | 10 | - | - |
| Dividend paid | - | - | - | 33,957 | 344,632 |

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

**

*** These include transactions in relation to those directors, key executives and other connected persons / related parties that exist as at the reporting date.

**** During the year ended June 30, 2024, SECP carried out routine offsite review and onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling and marketing expenses to the funds under its management. As a result of this inspection, SECP recommended changes in the mechanism of chargeability of selling and marketing expenses to the fund. As agreed with SECP, during the period, the Management Company has refunded an aggregate amount of Rs. 5.574 million to the identified unit holders through the issuance of additional units of the Fund. There is no impact of this refund on Net Assets Value per unit of the Fund as June 30, 2025.

| As at June 30, 2025 | | | | | |
|---|--|-----------|-------------------------------|----------------------------------|---|
| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives *** | Other connected persons / related parties *** |
| Balances as at year end | | | | | |
| (Units) | | | | | |
| Units held | 4,637 | 29 | - | 1,011 | 62,246 |
| (Rupees in '000) | | | | | |
| Value of units held | 469,038 | 2,926 | - | 102,278 | 6,296,923 |
| Bank balances | - | 4,289,709 | - | - | - |
| Profit receivable on bank balances | - | 4,756 | - | - | - |
| Remuneration payable to the Management Company | 44,848 | - | - | - | - |
| Sindh Sales Tax payable on remuneration of the Management Company | 6,727 | - | - | - | - |
| Remuneration payable to the Trustee | - | - | 2,749 | - | - |
| Sindh Sales Tax payable on remuneration of the Trustee | - | - | 412 | - | - |
| Sales load and conversion charges payable | 5,628 | 9,127 | - | - | - |
| Selling and marketing expenses payable | 26 | - | - | - | - |
| Sindh Sales Tax payable on selling and marketing expenses | 4 | - | - | - | - |
| Allocated expenses payable | 5,663 | - | - | - | - |
| Sindh Sales Tax payable on allocated expenses | 849 | - | - | - | - |

| As at June 30, 2024 | | | | | |
|---|--|-----------|-------------------------------|----------------------------------|---|
| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives *** | Other connected persons / related parties *** |
| Balances | | | | | |
| (Units) | | | | | |
| Units held | - | - | - | 1,877 | 15,828 |
| (Rupees in '000) | | | | | |
| Value of units held | - | - | - | 189,451 | 1,597,474 |
| Bank balances | - | 5,383,924 | - | - | - |
| Profit receivable on bank balances | - | 38,495 | - | - | - |
| Remuneration payable to the Management Company | 15,485 | - | - | - | - |
| Sindh Sales Tax payable on remuneration of the Management Company | 2,013 | - | - | - | - |
| Remuneration payable to the Trustee | - | - | 835 | - | - |
| Sindh Sales Tax payable on remuneration of the Trustee | - | - | 109 | - | - |
| Sales load and conversion charges payable | 6,079 | 2,322 | - | - | - |
| Selling and marketing expenses payable | 22,610 | - | - | - | - |
| Allocated expenses payable | 6,018 | - | - | - | - |

* This represents Holding Company (including the related subsidiaries of the Holding Company) 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.

| 19 CASH AND CASH EQUIVALENTS | Note | 2025 | 2024 |
|---|------|------------------------------|-------------------|
| | | ----- (Rupees in '000) ----- | |
| Bank balances | 4 | 23,297,760 | 11,914,019 |
| Government securities - Market Treasury Bills | 5.1 | 40,314,787 | 487,252 |
| | | <u>63,612,547</u> | <u>12,401,271</u> |

20 FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | As at June 30, 2025 | | | As at June 30, 2024 | | |
|---|---------------------|--------------------------------------|-------------------|---------------------|--------------------------------------|-------------------|
| | At amortised cost | At fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Total |
| | Rupees in '000 | | | Rupees in '000 | | |
| Financial assets | | | | | | |
| Bank balances | 23,297,760 | - | 23,297,760 | 11,914,019 | - | 11,914,019 |
| Investments | - | 42,710,119 | 42,710,119 | - | 3,556,311 | 3,556,311 |
| Profit receivable | 34,101 | - | 34,101 | 64,714 | - | 64,714 |
| Receivable against conversion of units | 592,015 | - | 592,015 | 107,176 | - | 107,176 |
| Deposits and other receivables | 643 | - | 643 | 643 | - | 643 |
| | <u>23,924,519</u> | <u>42,710,119</u> | <u>66,634,638</u> | <u>12,086,552</u> | <u>3,556,311</u> | <u>15,642,863</u> |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 63,745 | - | 63,745 | 52,205 | - | 52,205 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 3,161 | - | 3,161 | 944 | - | 944 |
| Dividend payable | 10,292 | - | 10,292 | 681 | - | 681 |
| Accrued expenses and other liabilities | 11,952 | - | 11,952 | 30,801 | - | 30,801 |
| | <u>788,967</u> | <u>-</u> | <u>788,967</u> | <u>84,631</u> | <u>-</u> | <u>84,631</u> |

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk 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 constitutive documents of the Fund 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, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

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

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

Market risk comprises of three types of risks: currency risk, yield / interest rate risk and 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 as a result 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.

21.1.2 Yield / interest rate risk

Yield / profit 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 profit rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances in savings accounts, Market Treasury Bills and Pakistan Investment Bonds. 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.

Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks in savings accounts which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 229.791 million (2024: Rs. 119.135 million).

The composition of the Fund's investment portfolio profit rates are 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, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

| 2025 | | | | | |
|---|---------------------------------------|---|--------------------|---|-------------------|
| Effective yield / interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / 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 | 9.00% - 18.5% | 23,297,270 | - | 490 | 23,297,760 |
| Investments | 20.3% - 10.948% | 40,314,787 | 2,395,332 | - | 42,710,119 |
| Profit receivable | | - | - | 34,101 | 34,101 |
| Receivable against conversion of units | | - | - | 592,015 | 592,015 |
| Deposit and other receivables | | - | - | 643 | 643 |
| | | 63,612,057 | 2,395,332 | 627,249 | 66,634,638 |
| Financial liabilities | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | - | - | 63,745 | 63,745 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 3,161 | 3,161 |
| Payable against conversion of units | | - | - | 699,817 | 699,817 |
| Dividend payable | | - | - | 10,292 | 10,292 |
| Payable against purchase of investments | | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 11,952 | 11,952 |
| | | - | - | 788,967 | 788,967 |
| On-balance sheet gap | | <u>63,612,057</u> | <u>2,395,332</u> | <u>(161,718)</u> | <u>65,845,671</u> |
| Total profit rate sensitivity gap | | <u>63,612,057</u> | <u>2,395,332</u> | <u>-</u> | |
| Cumulative profit rate sensitivity gap | | <u>63,612,057</u> | <u>66,007,389</u> | <u>66,007,389</u> | |

| 2024 | | | | | |
|---|---------------------------------------|---|--------------------|---|-------------------|
| Effective yield / interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / 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 | 8.00% - 22.50% | 11,913,529 | - | 490 | 11,914,019 |
| Investments | 19.93% - 21.40% | 3,556,311 | - | - | 3,556,311 |
| Profit receivable | | - | - | 64,714 | 64,714 |
| Receivable against conversion of units | | - | - | 107,176 | 107,176 |
| Deposit and other receivables | | - | - | 643 | 643 |
| | | 15,469,840 | - | 173,023 | 15,642,863 |
| Financial liabilities | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | - | - | 52,205 | 52,205 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 944 | 944 |
| Payable against redemption and conversion of units | | - | - | - | - |
| Dividend payable | | - | - | 681 | 681 |
| Payable against purchase of investments | | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 30,801 | 30,801 |
| | | - | - | 84,631 | 84,631 |
| On-balance sheet gap | | <u>15,469,840</u> | <u>-</u> | <u>88,392</u> | <u>15,558,232</u> |
| Total profit rate sensitivity gap | | <u>15,469,840</u> | <u>-</u> | <u>-</u> | |
| Cumulative profit rate sensitivity gap | | <u>15,469,840</u> | <u>15,469,840</u> | <u>15,469,840</u> | |

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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.

21.2 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 daily redemptions at the option of unit holders. 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. 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 and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also 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. The Fund did not withhold any redemptions during the year ended June 30, 2025.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

| 2025 | | | | | | |
|---|---|--|--|-------------------|--|----------------|
| 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) | | | | | | |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 63,745 | - | - | - | - | 63,745 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 3,161 | - | - | - | - | 3,161 |
| Dividend payable | 10,292 | - | - | - | - | 10,292 |
| Accrued expenses and other liabilities | 11,472 | 480 | - | - | - | 11,952 |
| | <u>788,487</u> | <u>480</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>788,967</u> |

| 2024 | | | | | | |
|---|---|--|--|-------------------|--|---------------|
| 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) | | | | | | |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 52,205 | - | - | - | - | 52,205 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 944 | - | - | - | - | 944 |
| Dividend payable | 681 | - | - | - | - | 681 |
| Accrued expenses and other liabilities | 30,550 | 251 | - | - | - | 30,801 |
| | <u>84,380</u> | <u>251</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>84,631</u> |

21.3 Credit risk

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

| | 2025 | | 2024 | |
|--|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and | Maximum exposure to credit risk | Balance as per statement of assets and | Maximum exposure to credit risk |
| (Rupees in '000) | | | | |
| Bank balances | 23,297,760 | 23,297,760 | 11,914,019 | 11,914,019 |
| Investments | 42,710,119 | - | 3,556,311 | - |
| Profit receivable | 34,101 | 34,101 | 64,714 | 64,714 |
| Receivable against conversion of units | 592,015 | 592,015 | 107,176 | 107,176 |
| Deposits and other receivables | 643 | 643 | 643 | 643 |
| | <u>66,634,638</u> | <u>23,924,519</u> | <u>15,642,863</u> | <u>12,086,552</u> |

The maximum exposure to credit risk as at June 30, 2025 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as investment in government securities are guaranteed by the Government of Pakistan.

21.3.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2025 with banks having following credit ratings:

| Banks | Rating agency | Rating Long Term | 2025 | 2024 |
|---------------------------------|---------------|------------------|--|----------------|
| | | | % of financial assets exposed to credit risk | |
| Allied Bank Limited* | PACRA | AAA | - | - |
| Bank Alfalah Limited | PACRA | AAA | 0.03% | 0.35% |
| Habib Metropolitan Bank Limited | PACRA | AA+ | 0.01% | - |
| United Bank Limited | VIS | AAA | 19.73% | 45.19% |
| Habib Bank Limited | VIS | AAA | 80.21% | 49.99% |
| Askari Bank Limited* | PACRA | AA+ | - | - |
| Meezan Bank Limited* | VIS | AAA | - | - |
| Muslim Commercial Bank Limited* | PACRA | AAA | 0.01% | 0.07% |
| Samba Bank Limited | PACRA | AA | 0.01% | 4.40% |
| Sindh Bank Limited* | VIS | AA- | - | - |
| Zarai Taraqiat Bank Limited* | PACRA | AAA | - | - |
| National Bank of Pakistan* | PACRA | AAA | - | - |
| Faysal Bank Limited* | PACRA | AA | - | - |
| | | | <u>100.00%</u> | <u>100.00%</u> |

* Nil figure due to round off

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2025.

21.3.3 Concentration on credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2025 and June 30, 2024 are unsecured and are not impaired.

22 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 the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

22.1 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, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair value:

| ASSETS | 2025 | | | |
|--|---------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Government securities - Market Treasury Bills - 'at fair value through profit or loss' | - | 42,710,119 | - | 42,710,119 |
| | - | 42,710,119 | - | 42,710,119 |

| ASSETS | 2024 | | | |
|--|---------|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Government securities - Market Treasury Bills - 'at fair value through profit or loss' | - | 3,556,311 | - | 3,556,311 |
| | - | 3,556,311 | - | 3,556,311 |

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.

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE AND FUND MANAGER

Following are the details in respect of members of the Investment Committee of the Fund:

| S. No | Name | Designation | Experience in years | Qualification |
|-------|---------------------|-----------------------------------|---------------------|-----------------|
| 1 | Asif Ali Qureshi | Chief Executive Officer | 29 | CFA, MBA |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 26 | CFA, MBA |
| 3 | Syed Sheeraz Ali | Head of Fixed Income Funds | 16 | BS, CFA Level I |
| 4 | Muhammad Waseem | Unit Head Equity - Islamic Funds | 11 | BBA, CFA |
| 5 | Mubeen Ashraf | Assurance and Company Secretary | 24 | FCA |
| 6 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | 20 | MA |

23.1 The name of the Fund Manager is Ghufran Ahmed. Other funds being managed by the Fund Manager are as follows:

- UBL Income Opportunity Fund;
- Al-Ameen Islamic Cash Fund;
- Al-Ameen Islamic Sovereign Fund; and
- Al-Ameen Islamic Aggressive Income Plan-I

24 UNIT HOLDING PATTERN OF THE FUND

| Category | 2025 | | | 2024 | | |
|---------------------------------------|------------------------|------------------------------------|---------------------|------------------------|------------------------------------|---------------------|
| | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total |
| Individuals | 7,330 | 29,376,956 | 45% | 4,850 | 12,864,668 | 82.75% |
| Insurance companies | 6 | 267,485 | 0.41% | 2 | 5,857 | 0.04% |
| Retirement funds | 70 | 3,509,891 | 5.37% | 10 | 98,412 | 0.63% |
| Associated Company and Key Executives | 15 | 309,782 | 0.47% | 5 | 189,491 | 1.22% |
| NBFC | 1 | 469,038 | 0.72% | - | - | - |
| Public limited companies | 37 | 19,997,065 | 30.53% | 13 | 2,371,777 | 15.26% |
| Others | 100 | 11,440,364 | 17.50% | 30 | 16,653 | 0.10% |
| | <u>7,559</u> | <u>65,370,581</u> | <u>100%</u> | <u>4,910</u> | <u>15,546,858</u> | <u>100%</u> |

25 UNIT HOLDERS' FUND RISK MANAGEMENT

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 on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

| 2025 | | 2024 | |
|------------------------------------|-------------------------------|--|-------------------------------|
| Name of broker | Percentage of commission paid | Name of broker | Percentage of commission paid |
| Alfalsh Securities (Pvt) Limited | 19.11% | Pearl Securities Ltd. | 58.13% |
| C & M Management Private Ltd. | 13.31% | C & M Management Private Ltd. | 26.60% |
| Arif Habib Limited | 10.09% | Alfalsh Securities (Pvt.) Ltd. | 6.96% |
| Paramount Capital Private Limited | 9.27% | Optimus Capital Management (Private) Limited | 3.00% |
| Invest One Markets Limited | 8.62% | K Trade Securities Ltd | 2.35% |
| Icon Securities (Pvt) Limited | 8.51% | Summit Capital (Pvt.) Ltd | 1.26% |
| Bright Capital Private Limited | 7.38% | Bright Capital Private Limited | 0.44% |
| Continental Exchange (Pvt) Limited | 7.22% | Vector Securities Ltd. | 0.44% |
| AKD Securities Limited | 4.25% | Paramount Capital Private Limited | 0.43% |
| Js Global Capital Limited. | 3.48% | Magenta Capital Private Limited | 0.39% |

27 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 the attendance of its members are given below:

| Particulars | July 25, 2024 | August 29, 2024 | October 28, 2024 | January 08, 2025 | February 11, 2025 | April 28, 2025 | Total meetings attended |
|---------------------------|---------------|-----------------|------------------|------------------|-------------------|----------------|-------------------------|
| Name of Director: | | | | | | | |
| Mr. Imran Sarwar | Yes | Yes | Yes | Yes | Yes | Yes | 6 |
| Mr. Alee Khalid Ghaznavi | Yes | Yes | Yes | No | No | No | 3 |
| Mr. Muhammad Rizwan Malik | Yes | Yes | Yes | Yes | Yes | Yes | 6 |
| Mr. Rashid Ahmed Jafer | Yes | Yes | Yes | Yes | Yes | Yes | 6 |
| Ms. Huma Pasha | Yes | Yes | Yes | Yes | Yes | Yes | 6 |
| Mr. Arif Akmal Saifi** | Yes | No | No | No | No | No | 1 |
| Mr. Yasir Qadri* | Yes | Yes | Yes | Yes | No | No | 4 |
| Mr. Asif Ali Quershi* | No | Yes | Yes | Yes | Yes | Yes | 5 |

*Mr. Yasir Qadri has resigned from the position of CEO, in its 150th meeting dated July 25 2024. Board has appointed Mr Asif Ali Qureshi, as the CEO of the Company with effect from July 26, 2024. Mr. Yasir Qadri has resigned from the position of Director on February 10, 2025.

**Mr. Arif Akmal Saifi has resigned from the position of Director, in its 150th meeting dated July 25 2024. Board has appointed Mr Asif Ali Qureshi as the Director of the Company with effect from July 26, 2024.

Mr. Farrukh Karim Khan was appointed on the Board in 155th Meeting dated April 28, 2025, with effect from April 29, 2025.

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2025 by the Board of Directors of the Management Company.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
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) |
| Auditor | Yousuf Adil & Co., Chartered Accountants |
| Bankers | United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited Barclays Bank Deutsche Bank Standard Chartered NIB- Gul Tower Branch Zarai Taraqati Microfinance bank Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited Bank of Punjab National Bank of Pakistan 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**
90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account 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'24 | Aug'24 | Sep'24 | Oct'24 | Nov'24 | Dec'24 | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | FYTD |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| UGSF | 20.20% | 21.44% | 45.33% | 18.70% | 15.72% | 6.12% | 16.57% | 9.91% | 8.81% | 12.70% | 24.38% | 12.47% | 19.18% |
| Benchmark | 19.59% | 18.24% | 16.58% | 14.06% | 13.10% | 12.00% | 11.84% | 11.75% | 11.75% | 11.83% | 11.22% | 10.87% | 13.59% |

- 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 a return of 19.18% p.a. whereas its net assets were PKR 10,382 million as at June 30, 2025. The Fund had exposure of 75.14% in PIBs and 11.56% in Cash as at June 30, 2025. The weighted average maturity of the Fund was 3.09 years as at June 30, 2025.

- 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-25 | Jun-24 |
|--------------------------------------|--------|--------|
| Placements with banks | 0% | 0% |
| PIBs | 75% | 37% |
| T-Bills | 11% | 49% |
| Cash | 12% | 12% |
| Others | 2% | 3% |
| Leverage | Nil | Nil |

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

| | |
|------------------------------------|--------|
| FY'25 Return: | 19.18% |
| Standard Deviation (12m trailing): | 1.35% |
| Sharpe Ratio (12m trailing): | 3.99 |

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-25 | 30-Jun-24 | Change | 30-Jun-25 | 30-Jun-24 | Change |
| Rupees (000) | | % | Rupees | | % |
| 10,381,903 | 4,998,200 | 107.71 | 106.5217 | 106.0683 | 0.43 |

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**

Please refer to relevant section in director report

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 ----- | | |
| 25-JUN-2025 | N/A | 1,479,053 | 19.7821 | 125.8304 | 106.0483 |
| | | | | | |

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 | 3,672 |
| 10,000.0000 - 49,999.9999 | 149 |
| 50,000.0000 - 99,999.9999 | 36 |
| 100,000.0000 - 499,999.9999 | 46 |
| 500,000.0000 & Above | 21 |
| Total | 3,924 |

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**

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|-------------------|------------------|----------------|------------------|------------------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 10,381,903 | 4,386,766 | 913,935 | 1,114,834 | 2,035,248 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees * | | | | | |
| Class C units - Offer * | 107.7467 | 107.2466 | 107.141 | 107.0517 | 106.9736 |
| - Redemption | 106.5217 | 106.0483 | 105.9438 | 105.8555 | 105.7783 |
| RETURN OF THE FUND - % | | | | | |
| Total Return of the Fund | 19.18 | 21.12 | 15.38 | 9.10 | 5.60 |
| Capital Growth (per unit) | 0.53 | 0.08 | 0.13 | 0.42 | 0.29 |
| Date of Income Distribution | 25-Jun-25 | 28-Jun-24 | 27-Jun-23 | 30-Jun-22 | 30-Jun-21 |
| Income Distribution | 19.7821 | 22.2915 | 16.1479 | 9.1822 | 5.6117 |
| AVERAGE ANNUAL RETURN - % | | | | | |
| One Year | 19.18 | 21.12 | 15.38 | 9.10 | 5.60 |
| Second Year | 20.15 | 18.25 | 12.24 | 7.35 | 10.21 |
| Third Year | 18.56 | 15.20 | 10.03 | 9.84 | 9.32 |
| Fourth Year | 16.20 | 12.80 | 11.23 | 9.27 | 8.17 |
| Since inception | 11.12 | 9.22 | 7.93 | 7.39 | 7.69 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees * | | | | | |
| Highest price per unit - Class C units - Offer | 127.2774 | 129.5745 | 123.1464 | 109.0423 | 107.5397 |
| Highest price per unit - Class C units - Redemption | 125.8304 | 128.1267 | 121.7704 | 107.8239 | 106.3381 |
| Lowest price per unit - Class C units - Offer | 107.2679 | 107.1410 | 106.9763 | 106.541 | 106.7858 |
| Lowest price per unit - Class C units - Redemption | 106.0483 | 105.9438 | 105.781 | 105.3505 | 105.5926 |
| * Front-end load @1% is applicable | | | | | |
| PORTFOLIO COMPOSITION - % | | | | | |
| Percentage of Net Assets as at 30 June | | | | | |
| PORTFOLIO COMPOSITION BY CATEGORY - % | | | | | |
| Bank Balances | 11.56 | 12 | 27 | 98 | 45 |
| Placements and Term Deposit Receipts | - | - | - | - | 4 |
| Government securities | 86.13 | 86 | 70 | 0 | 51 |
| Others | 2.31 | 3 | 3 | 2 | 1 |
| PORTFOLIO COMPOSITION BY MARKET - % | | | | | |
| Debt market | 100.00 | 100.00 | 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.

Head Office:

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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 GOVERNMENT SECURITIES FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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, 2025 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 10, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders 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) on behalf of UBL Government Securities Fund (the Fund) for the year ended June 30, 2025. 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, 2025.



Chartered Accountants

Place: Karachi

Date: September 26, 2025

UDIN: CR202510091WfCa8Qc5T

**STATEMENT OF COMPLIANCE WITH
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

NAME OF MANAGEMENT COMPANY: UBL FUND MANAGERS LIMITED
YEAR ENDED: JUNE 30, 2025

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, 2019 (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of underlying Funds (the Funds)), 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. Rashid Ahmed Jafer Ms. Huma Pasha |
| Executive Directors | Mr. Asif Ali Qureshi (CEO) |
| Non-Executive Directors | Mr. Imran Sarwar (Chairman) Mr. Alee Khalid Ghaznavi Mr. Muhammad Rizwan Malik Mr. Farrukh Karim Khan |
| Female Directors | Ms. Huma Pasha |

Mr. Yasir Qadri resigned from the position of CEO, in 150th meeting of the Board held on July 25 2024. The Board has appointed Mr. Asif Ali Qureshi as the CEO of the Company with effect from July 26, 2024.

Mr. Arif Akmal Saifia resigned from the position of Director, in 150th meeting of the Board held on July 25 2024. The Board appointed Mr. Asif Ali Qureshi as the Director of the Company with effect from July 26, 2024.

Mr. Yasir Qadri resigned from the position of Director dated on February 10, 2025. The Board has appointed Mr. Farrukh Karim Khan in its 155th BOD Meeting with effect from April 29, 2025.

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 the 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 the Regulations.

9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- Mr. Imran Sarwar
- Mr. Rashid Ahmed Jafer
- Ms. Huma Pasha
- Mr. Muhammad Rizwan Malik

The Management Company is planning to arrange the training for the remaining directors over the next year.

Executives

- Mr. Hadi Hassan Mukhi (Chief Operating Officer)
- Mr. Muhammad Zuhair Abbas (Chief Financial Officer)
- Mr. Zeeshan Qudus (Chief Business Development Officer)

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 | Chairman | Independent Director |
| Mr. Rashid Ahmed Jafer | Member | Independent Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |

b) Board Human Resource Remuneration & Nomination Committee

| Name | Designation | Type of Directorship |
|--------------------------|-------------|------------------------|
| Mr. Rashid Ahmed Jafer | Chairman | Independent Director |
| Mr. Imran Sarwar | Member | Non-Executive Director |
| Mr. Farrukh Karim Khan | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

c) Board Risk and Compliance Committee

| Name | Designation | Type of Directorship |
|---------------------------|-------------|------------------------|
| Mr. Imran Sarwar | Chairman | Non-Executive Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Ms. Huma Pasha | Member | Independent Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

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 Remuneration and Nomination Committee | Two (2) |
| 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, the 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. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

| S.No. | Requirement | Reg. No. | Explanation |
|-------|--|----------|--|
| 1. | <p>Independent Director</p> <p>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.</p> <p>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.</p> | 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. | <p>Director Training Program</p> <p>As per the Code of Corporate Governance regulation, it is encouraged that all the directors on board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.</p> <p>Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p> | 19 | The Company plans to conduct a Director Training Program for the two directors appointed during the current year, as well as for one director appointed in a previous year. Additionally, training sessions will be organised for female executives and the remaining Heads of Departments to support their professional development and enhance leadership capabilities. |
| 3. | <p>Environmental, Social and Governance (ESG) Matters</p> <p>The Board is responsible for governance and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place.</p> <p>The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.</p> | 10A | At present, the management has a policy in place duly approved by the Board which includes amongst others Environmental, Social and Governance (ESG) principles. Since the requirements was introduced by the SECP through notification dated June 12, 2024, it will be applied in due course. |

| S.No. | Requirement | Reg. No. | Explanation |
|-------|---|----------|--|
| 4. | <p>Director's Remuneration</p> <p>The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. Companies are encouraged to provide aforesaid details of remuneration of individual directors in annual report.</p> | 34(3) | Management understands that the information is confidential and was not previously publicly disclosed. However, now audited financial statement are available on the PSX website due to recent regulatory requirements. Hence management will state the remuneration note reference in the report onwards. |
| 5. | <p>Responsibilities of the Board and its members</p> <p>The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees and it is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.</p> | 10(3) | Management understands that the three years started from the date of the SRO. So they have timeline till March 2028 for the external evaluation. |

SD
Imran Sarwar
Chairman

SD
Asif Ali Qureshi
Chief Executive Officer

Karachi
Dated: August 22, 2025

21 - 43 / 0460
September 26, 2025

The Board of Directors
UBL Fund Managers Limited (Management Company)
4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi.

Dear Board Members,

AGREED-UPON PROCEDURES REPORT ON STATEMENT OF NET INCOME AND GAINS AND DIVIDEND DISTRIBUTION OF UBL GOVERNMENT SECURITIES FUND FOR THE YEAR ENDED JUNE 30, 2025

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

We refer to our engagement letter no. 21 - 43 / 0221 dated August 12, 2025 and are pleased to provide you with an agreed-upon procedures report on the annexed Statement of Net Income and Gains and Dividend Distribution (the Statement) of UBL Government Securities Fund (the Fund) for the year ended June 30, 2025, prepared by management. The Statement is based on the books and records of the Fund for the year ended June 30, 2025. The annexed Statement has been initialed by us for the purpose of identification only.

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our agreed-upon procedures report is solely to assist management and the Board of Directors of the Management Company in confirming whether at least 90% of the net accounting income (excluding capital gains whether realized or unrealized) has been distributed to unit holders, in accordance with Regulation 63 of the Non-Banking Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, our report will be addressed to the Board of Directors of the Management Company and our report may not be suitable for another purpose.

Responsibilities of the Engaging Party (the Management Company)

Management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. Management is responsible for the preparation of the annexed Statement of the Fund for the year ended June 30, 2025 on the basis of books and records of the Fund for the year ended June 30, 2025 to confirm that the Statement complies with the requirements of Regulation 63 of the NBFC Regulations and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. It is the responsibility of management to comply with legal requirements and to design and implement such internal control as they determine is necessary to enable the preparation of the accompanying Statement that is free from material misstatement. Further, responsibilities of management are stated in the aforementioned engagement letter.

Our responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the management of the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements (including independence) of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), as adopted by The Institute of Chartered Accountants of Pakistan.

Our firm applies International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with UBL Fund Managers Limited (the Management Company) through our engagement letter:

| S. No. | Procedures | Findings | | | | | | | | | | |
|--|---|---|--|----------------|-------------------------|-----------|----------------|---------|---|---------|--|--------|
| 1 | We obtained 'Statement of Net Income and Gains and Dividend Distribution' (the Statement) of the Fund prepared by management and checked the arithmetical accuracy of the Statement. | We found the Statement to arithmetically accurate. | | | | | | | | | | |
| 2 | We traced the following amounts as appearing in the Statement with the books and records of the Fund for the year ended June 30, 2025: <ul style="list-style-type: none"> Total Accounting Income; Total Expenses; Net capital gain on sale of investments, if any; and Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss', if any. | We noted that the following amounts agree with the books and records of the Fund for the year ended June 30, 2025: <table border="1" data-bbox="816 1174 1428 1515"> <thead> <tr> <th></th> <th>Rupees in '000</th> </tr> </thead> <tbody> <tr> <td>Total Accounting Income</td> <td>2,147,080</td> </tr> <tr> <td>Total Expenses</td> <td>157,290</td> </tr> <tr> <td>Net capital gain on sale of investments</td> <td>382,868</td> </tr> <tr> <td>Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</td> <td>75,962</td> </tr> </tbody> </table> | | Rupees in '000 | Total Accounting Income | 2,147,080 | Total Expenses | 157,290 | Net capital gain on sale of investments | 382,868 | Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 75,962 |
| | Rupees in '000 | | | | | | | | | | | |
| Total Accounting Income | 2,147,080 | | | | | | | | | | | |
| Total Expenses | 157,290 | | | | | | | | | | | |
| Net capital gain on sale of investments | 382,868 | | | | | | | | | | | |
| Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 75,962 | | | | | | | | | | | |
| 3 | We obtained the Redemption Report for the year ended June 30, 2025 detailing unit holder wise breakup of the income paid on units redeemed from the finance department extracted from IMPRO (Accounting System) and traced the total income already paid on units redeemed with the amount appearing in the Statement. | We noted that the income already paid on units redeemed of Rs. 1,718,345 (in '000) as per the Redemption Report agrees with the amount on the Statement. | | | | | | | | | | |
| 4 | We obtained the announcement of the dividend payout and Dividend Report for the year ended June 30, 2025 detailing unit holder wise breakup of the payout from the finance department extracted from IMPRO (Accounting System) and traced the total payout amount with the amount appearing in the Statement. | We noted that the dividend payout amount of Rs. 232,792 (in '000) as per the Dividend Report agrees with the amount on the Statement. | | | | | | | | | | |

| S. No. | Procedures | Findings |
|--------|--|---|
| 5 | We recalculated the percentage of actual distribution to unit holders to accounting income eligible for distribution for the year to confirm that the actual distribution to unit holders made by the Fund (sum of amounts in findings 4 and 5 above) is at least 90% of the accounting income eligible for distribution for the year ended June 30, 2025 in accordance with Regulation 63 of NBFC Regulations and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. | We noted that the actual distribution to unit holders as a percentage of accounting income eligible for distribution is 127%. |

Yours truly,



Chartered Accountants

**UBL GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

| | 2025 | 2024 |
|---|-----------------------------|------------|
| Note | ----- Rupees in '000 ----- | |
| ASSETS | | |
| Bank balances | 5 1,391,606 | 611,930 |
| Investments | 6 10,334,462 | 4,255,344 |
| Mark-up receivable | 7 249,684 | 101,928 |
| Receivable against units issued | 15,662 | 22,613 |
| Advance income tax | 8 6,157 | 5,369 |
| Prepayments and other receivables | 9 1,264 | 1,016 |
| Total assets | 11,998,835 | 4,998,200 |
| LIABILITIES | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 9,118 | 26,492 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 742 | 312 |
| Payable to the Securities and Exchange Commission of Pakistan | 12 939 | 369 |
| Payable against units redeemed | 1,441,585 | 517,909 |
| Accrued expenses and other liabilities | 13 158,757 | 54,624 |
| Dividend payable | 5,791 | 11,728 |
| Total liabilities | 1,616,932 | 611,434 |
| NET ASSETS | 10,381,903 | 4,386,766 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 10,381,903 | 4,386,766 |
| Contingencies and commitments | 14 | |
| | ----- Number of units ----- | |
| Number of units in issue | 15 97,462,752 | 41,365,750 |
| | ----- Rupees ----- | |
| Net asset value per unit | 106.5217 | 106.0483 |
| Face value per unit | 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
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GOVERNMENT SECURITIES FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | | 2025 | 2024 |
|---|-----------|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | |
| INCOME | | | |
| Financial income | 16 | 1,688,250 | 701,949 |
| Gain / (loss) on sale of investments - net | | 382,868 | (21,670) |
| Unrealized gain / (loss) on revaluation of investments classified at fair value through profit or loss - net | 6.1 & 6.2 | 75,962 | (12,996) |
| Total income | | 2,147,080 | 667,283 |
| EXPENSES | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 10.1 | 110,227 | 36,071 |
| Sindh Sales Tax on remuneration of the Management Company | 10.2 | 16,534 | 4,689 |
| Allocated expenses | 10.3 | - | 3,256 |
| Selling and marketing expenses | 10.4 | 9,767 | 8,038 |
| Sindh Sales Tax on selling and marketing expenses | 10.4 | 1,465 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 11 | 7,251 | 2,072 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 12 | 8,764 | 2,501 |
| Auditor's remuneration | 17 | 499 | 326 |
| Brokerage and settlement charges | | 2,760 | 2,294 |
| Bank charges | | 128 | 5 |
| Legal and professional charges | | 300 | 255 |
| Fees and subscription charges | | 197 | 350 |
| Listing fee | | 28 | 27 |
| Total expenses | | 157,920 | 59,884 |
| Net income for the year before taxation | | 1,989,160 | 607,399 |
| Taxation | 18 | - | - |
| Net income for the year after taxation | | 1,989,160 | 607,399 |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 1,989,160 | 607,399 |
| Income already paid on units redeemed | | (1,718,345) | (283,156) |
| | | 270,815 | 324,243 |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 270,815 | - |
| - Excluding capital gains | | - | 324,243 |
| | | 270,815 | 324,243 |
| 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
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GOVERNMENT SECURITIES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|----------------------------|---------|
| | ----- Rupees in '000 ----- | |
| Net income for the year after taxation | 1,989,160 | 607,399 |
| 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 | 1,989,160 | 607,399 |

The annexed notes 1 to 30 form an integral part of these financial statements.

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

SD

Asif Ali Qureshi
Chief Executive Officer

SD

Muhammad Zuhair Abbas
Chief Financial Officer

SD

Rashid Ahmed Jafer
Director

**UBL GOVERNMENT SECURITIES FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | | | 2024 | | |
|---|---------------------|----------------------|---------------------|--------------------|----------------------|--------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Net assets at the beginning of the year | 4,178,703 | 208,063 | 4,386,766 | 708,776 | 205,159 | 913,935 |
| Issuance of 430,228,024 units (2024: 95,400,355 units) | | | | | | |
| - Capital value | 45,624,951 | - | 45,624,951 | 10,107,076 | - | 10,107,076 |
| - Element of income | 5,076,623 | - | 5,076,623 | 1,290,208 | - | 1,290,208 |
| Total amount received on issuance of units | 50,701,574 | - | 50,701,574 | 11,397,284 | - | 11,397,284 |
| Redemption of 374,131,022 units (2024: 62,661,208 units) | | | | | | |
| - Capital value | (39,675,960) | - | (39,675,960) | (6,638,566) | - | (6,638,566) |
| - Element of income | (3,822,239) | (1,718,345) | (5,540,584) | (832,486) | (283,156) | (1,115,642) |
| Total amount paid on redemption of units | (43,498,199) | (1,718,345) | (45,216,544) | (7,471,052) | (283,156) | (7,754,208) |
| Total comprehensive income for the year | - | 1,989,160 | 1,989,160 | - | 607,399 | 607,399 |
| Distribution for the year: Rs. 19.7821 per unit declared on June 25, 2025 (2024: 22.2915 per unit) declared on June 28, 2024 | (1,246,261) | (232,792) | (1,479,053) | (456,305) | (321,339) | (777,644) |
| Net income for the year less distribution | (1,246,261) | 1,756,368 | 510,107 | (456,305) | 286,060 | (170,245) |
| Net assets at the end of the year | 10,135,817 | 246,086 | 10,381,903 | 4,178,703 | 208,063 | 4,386,766 |
| Undistributed income brought forward comprising of: | | | | | | |
| - Realised | | 221,059 | | | 218,303 | |
| - Unrealised | | (12,996) | | | (13,144) | |
| | | 208,063 | | | 205,159 | |
| Accounting income available for distribution | | | | | | |
| - Related to capital gains | | 270,815 | | | - | |
| - Excluding capital gains | | - | | | 324,243 | |
| | | 270,815 | | | 324,243 | |
| Distribution during the year | | (232,792) | | | (321,339) | |
| Undistributed income carried forward | | 246,086 | | | 208,063 | |
| Undistributed income carried forward comprising of: | | | | | | |
| - Realised | | 170,124 | | | 221,059 | |
| - Unrealised | | 75,962 | | | (12,996) | |
| | | 246,086 | | | 208,063 | |
| ----- Rupees ----- | | | | | | |
| Net asset value per unit at the beginning of the year | | | 106.0483 | | | 105.9438 |
| Net asset value per unit at the end of the year | | | 106.5217 | | | 106.0483 |

The annexed notes 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GOVERNMENT SECURITIES FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|----------------------------|--------------------|
| Note | ----- Rupees in '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 1,989,160 | 607,399 |
| Adjustments for: | | |
| Financial income | (1,688,250) | (701,949) |
| (Gain) / loss on sale of investments - net | (382,868) | 21,670 |
| Unrealised (gain) / loss on revaluation of investments classified at fair value through profit or loss - net | (75,962) | 12,996 |
| | (2,147,080) | (667,283) |
| Cash used in operations before working capital changes | (157,920) | (59,884) |
| (Increase) / decrease in assets | | |
| Investments - net | (4,311,297) | (3,487,977) |
| Prepayments and other receivables | (248) | 242 |
| | (4,311,545) | (3,487,735) |
| Increase / (decrease) in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | (17,374) | 22,335 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 430 | 255 |
| Payable to the Securities and Exchange Commission of Pakistan | 570 | 132 |
| Payable against purchase of investments | - | (149,615) |
| Accrued expenses and other liabilities | 104,133 | (21,923) |
| | 87,759 | (148,816) |
| Cash used in operations | (4,381,706) | (3,696,435) |
| Mark-up received on bank balances | 124,620 | 125,034 |
| Mark-up received on investments | 1,415,874 | 503,172 |
| Advance income tax paid | (788) | (80) |
| Net cash used in operating activities | (2,842,000) | (3,068,309) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received on issuance of units | 49,462,264 | 10,918,520 |
| Amount paid on redemption of units | (44,292,868) | (7,236,299) |
| Dividend paid | (238,729) | (312,642) |
| Net cash generated from financing activities | 4,930,667 | 3,369,579 |
| Net increase in cash and cash equivalents | 2,088,667 | 301,270 |
| Cash and cash equivalents at the beginning of the year | 611,930 | 310,660 |
| Cash and cash equivalents at the end of the year | 2,700,597 | 611,930 |
| Cash and cash equivalents | | |
| Bank Balances | 5 1,391,606 | 611,930 |
| Market Treasury Bills (3-months) | 6.1 1,308,991 | - |
| | 2,700,597 | 611,930 |

The annexed notes 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GOVERNMENT SECURITIES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Government Securities Fund (the "Fund") was established under the Trust Deed executed, under the Trust Act, 1882, 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 19, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 16, 2011 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations). The Fund commenced its operations from July 07, 2011.

The Trust Act, 1882 was repealed during financial year 2021 due to promulgation of Provincial Trusts Act "Sindh Trusts Act, 2020", as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Management Company after fulfilling the requirements for registration, has registered the Collective Investment Scheme Trust Deed with the Registrar under Sindh Trusts Act, 2020 on August 13, 2021.

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 income 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 a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investments shall not exceed 4 years. This is intended to reduce risk while providing competitive returns and maintaining liquidity.

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 Limited has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company on January 9, 2025 and assigned stability rating of "AA(f)" to the Fund on January 9, 2025.

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. Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting 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 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 requirements of IFRS Accounting 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.

2.1.2 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 International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, 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

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 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 the 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, judgements 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 recognised 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 ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards that are effective for the year ended June 30, 2025

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any significant impact on the Fund's operations, therefore, have not been detailed in these financial statements.

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

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The 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 unless otherwise stated.

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

Financial liabilities are not recognised 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. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

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");
- At fair value through other comprehensive income ("FVTOCI"); and
- At fair value through profit or loss ("FVTPL").

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 recognized at FVTPL. 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 FVTPL.

Financial asset at amortised cost

A financial asset is measured at amortised 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 asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

Financial asset at FVTOCI

A financial asset is classified at 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, and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised, there is no subsequent reclassification of fair value gains and losses to income statement.

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 amortised 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.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- At amortized Cost ("AC"), or
- At 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.

Financial liabilities are 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 and PKFRV 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 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. 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 such 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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

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

4.7 Distributions to unit holders

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'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 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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/ distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company 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, if applicable. 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 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.

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 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 period in which they arise.
- Mark-up / return on investments in government securities is recognised using effective interest 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.

| | | 2025 | 2024 |
|---------------------------|------|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | ----- |
| 5. BANK BALANCES | | | |
| In local currency: | | | |
| - Savings accounts | 5.1 | 1,391,599 | 611,923 |
| - Current account | | 7 | 7 |
| | | <u>1,391,606</u> | <u>611,930</u> |

- 5.1 Mark-up rates on these savings accounts range from 9.5% to 10.5% (2024: 20.5% to 22.2%) per annum. These include an amount held by a related party, United Bank Limited, amounting to Rs. 1,350.129 million (2024: Rs. 253.945 million) on which return earned ranges between 9.5% to 10.5% (2024: 19.5% to 20.5%) per annum.

| | | 2025 | 2024 |
|---|------|----------------------------|------------------|
| | Note | ----- Rupees in '000 ----- | ----- |
| 6. INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Government securities | | | |
| - Market Treasury Bills | 6.1 | 1,318,559 | 2,421,591 |
| - Pakistan Investment Bonds | 6.2 | 9,015,903 | 1,833,753 |
| | | <u>10,334,462</u> | <u>4,255,344</u> |

6.1 Government securities - Market Treasury Bills

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealised gain / (loss) as at June 30, 2025 | Market value as a percentage of | |
|----------------------------|-----------|--------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|------------------------|
| | | As at July 1, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | | | | Total investments of the Fund | Net assets of the Fund |
| ----- Rupees in '000 ----- | | | | | | | | ----- % ----- | | |
| July 13, 2023 | 12 Months | - | 600,000 | 600,000 | - | - | - | - | - | |
| October 19, 2023 | 12 Months | 586,500 | 2,406,000 | 2,992,500 | - | - | - | - | - | |
| November 2, 2023 | 12 Months | - | 2,800,000 | 2,800,000 | - | - | - | - | - | |
| November 30, 2023 | 12 Months | 500 | - | 500 | - | - | - | - | - | |
| December 14, 2023 | 12 Months | - | 1,355,000 | 1,355,000 | - | - | - | - | - | |
| December 28, 2023 | 12 Months | - | 800,000 | 800,000 | - | - | - | - | - | |
| January 25, 2024 | 12 Months | 375,000 | - | 375,000 | - | - | - | - | - | |
| March 21, 2024 | 6 Months | - | 34,190 | 34,190 | - | - | - | - | - | |
| April 4, 2024 | 12 Months | 320,000 | - | 320,000 | - | - | - | - | - | |
| April 4, 2024 | 6 Months | - | 500,000 | 500,000 | - | - | - | - | - | |
| April 18, 2024 | 12 Months | - | 32,000 | 32,000 | - | - | - | - | - | |
| May 2, 2024 | 12 Months | 500,000 | 500,000 | 1,000,000 | - | - | - | - | - | |
| May 2, 2024 | 6 Months | - | 300,000 | 300,000 | - | - | - | - | - | |
| May 16, 2024 | 3 Months | - | 790,690 | 790,690 | - | - | - | - | - | |
| May 30, 2024 | 12 Months | 526,500 | - | 526,500 | - | - | - | - | - | |
| May 30, 2024 | 6 Months | - | 500,000 | 500,000 | - | - | - | - | - | |
| June 13, 2024 | 12 Months | 439,000 | - | 439,000 | - | - | - | - | - | |
| June 13, 2024 | 3 Months | - | 300,000 | 300,000 | - | - | - | - | - | |
| June 27, 2024 | 12 Months | - | 3,325 | 3,325 | - | - | - | - | - | |
| June 27, 2024 | 3 Months | - | 324,500 | 324,500 | - | - | - | - | - | |
| July 11, 2024 | 3 Months | - | 250,000 | 250,000 | - | - | - | - | - | |
| July 11, 2024 | 12 Months | - | 250,000 | 250,000 | - | - | - | - | - | |
| July 25, 2024 | 12 Months | - | 2,500,000 | 2,500,000 | - | - | - | - | - | |
| August 22, 2024 | 12 Months | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| August 22, 2024 | 6 Months | - | 250,000 | 250,000 | - | - | - | - | - | |
| September 5, 2024 | 12 Months | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| October 3, 2024 | 12 Months | - | 522,000 | 522,000 | - | - | - | - | - | |
| October 31, 2024 | 3 Months | - | 500,000 | 500,000 | - | - | - | - | - | |
| December 12, 2024 | 3 Months | - | 660,000 | 660,000 | - | - | - | - | - | |
| January 9, 2025 | 3 Months | - | 950,000 | 950,000 | - | - | - | - | - | |
| March 20, 2025 | 12 Months | - | 10,310 | - | 10,310 | 9,561 | 9,568 | 7 | 0.09% | |
| April 3, 2025 | 1 Month | - | 1,140,000 | 1,140,000 | - | - | - | - | - | |
| April 3, 2025 | 3 Months | - | 1,000,000 | 1,000,000 | - | - | - | - | - | |
| May 2, 2025 | 1 Month | - | 250,000 | 250,000 | - | - | - | - | - | |
| May 15, 2025 | 1 Month | - | 500,000 | 500,000 | - | - | - | - | - | |
| May 29, 2025 | 3 months | - | 501,000 | 176,000 | 325,000 | 320,264 | 320,028 | (236) | 3.10% | |
| May 29, 2025 | 1 month | - | 500,000 | 500,000 | - | - | - | - | - | |
| June 12, 2025 | 3 Months | - | 500,000 | - | 500,000 | 498,928 | 498,628 | (300) | 4.82% | |
| June 12, 2025 | 1 Month | - | 500,000 | - | 500,000 | 490,755 | 490,335 | (420) | 4.74% | |
| June 30, 2025 | | 2,747,500 | 24,029,015 | 25,441,205 | 1,335,310 | 1,319,508 | 1,318,559 | (949) | 12.75% | 12.69% |
| June 30, 2024 | | 90,000 | 23,747,720 | 21,090,220 | 2,747,500 | 2,420,850 | 2,421,591 | 741 | 56.91% | 55.20% |

6.1.1 These Market Treasury Bills carry effective yield ranging from 10.91% to 11.12% (2024: 18.77% to 22.76%) per annum.

6.2 Government securities - Pakistan Investment Bonds

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized gain / (loss) as at June 30, 2025 | Market value as a percentage of | |
|-----------------------------------|----------|---------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|------------------------|
| | | As at July 01, 2024 | Purchased during the year | Sold / matured during the year | As at June 30, 2025 | | | | Total investments of the Fund | Net assets of the Fund |
| | | | | | | | | ----- Rupees in '000 ----- | | |
| Fixed Rate (Note 6.2.1) | | | | | | | | | | |
| July 12, 2018 | 10 years | - | 4,500,000 | 4,500,000 | - | - | - | - | - | - |
| October 15, 2020 | 5 years | 500 | 716,000 | 716,000 | 500 | 448 | 495 | 47 | 0.00 | 0.00 |
| October 13, 2022 | 5 years | 482,000 | 1,750,000 | 1,050,000 | 1,182,000 | 1,161,656 | 1,168,766 | 7,110 | 0.11 | 0.11 |
| July 4, 2023 | 3 years | 3,500 | - | - | 3,500 | 3,365 | 3,537 | 172 | 0.00 | 0.00 |
| January 17, 2024 | 5 years | 75,000 | 2,500,000 | 1,304,200 | 1,270,800 | 1,362,459 | 1,369,726 | 7,267 | 0.13 | 0.13 |
| February 15, 2024 | 3 years | 302,200 | 4,475,000 | 4,777,200 | - | - | - | - | - | - |
| September 20, 2024 | 5 years | - | 917,000 | 317,000 | 600,000 | 631,270 | 651,356 | 20,086 | 0.06 | 0.06 |
| September 20, 2024 | 2 years | - | 600,000 | 250,000 | 350,000 | 296,374 | 308,398 | 12,024.00 | 0.03 | 0.03 |
| January 16, 2025 | 2 years | - | 4,090,000 | 2,650,000 | 1,440,000 | 1,222,747 | 1,226,268 | 3,521 | 0.12 | 0.12 |
| January 16, 2025 | 5 years | - | 3,250,000 | 3,250,000 | - | - | - | - | - | - |
| January 16, 2025 | 10 years | - | 500,000 | - | 500,000 | 480,391 | 492,864 | 12,473 | 0.05 | 0.05 |
| June 19, 2025 | 5 years | - | 250,000 | 250,000 | - | - | - | - | - | - |
| Floating Rate (Note 6.2.2) | | | | | | | | | | |
| October 29, 2021 | 5 years | - | 64,000 | 64,000 | - | - | - | - | - | - |
| April 6, 2023 | 2 years | 64,000 | 1,695,000 | 1,759,000 | - | - | - | - | - | - |
| April 6, 2023 | 5 years | 200,000 | 1,200,000 | 700,000 | 700,000 | 692,217 | 692,439 | 222 | 0.07 | 0.07 |
| October 19, 2023 | 5 years | 332,000 | - | - | 332,000 | 321,210 | 327,518 | 6,308 | 0.03 | 0.03 |
| October 19, 2023 | 3 years | - | 22,400 | - | 22,400 | 21,933 | 22,315 | 382 | 0.00 | 0.00 |
| April 18, 2024 | 4 years | 500,000 | 800,000 | 500,000 | 800,000 | 782,802 | 787,440 | 4,638 | 0.08 | 0.08 |
| June 27, 2024 | 5 years | - | 9,666,000 | 9,365,000 | 301,000 | 293,347 | 295,341 | 1,994 | 0.03 | 0.03 |
| October 3, 2024 | 5 years | - | 2,200,000 | 2,200,000 | - | - | - | - | - | - |
| November 14, 2024 | 5 years | - | 2,400,000 | 1,200,000 | 1,200,000 | 1,178,064 | 1,179,240 | 1,176 | 0.11 | 0.11 |
| April 17, 2025 | 5 years | - | 1,250,000 | 750,000 | 500,000 | 490,709 | 490,200 | (509) | 0.05 | 0.05 |
| June 30, 2025 | | 1,959,200 | 42,845,400 | 35,602,400 | 9,202,200 | 8,938,992 | 9,015,903 | 76,911 | 87% | 87% |
| June 30, 2024 | | 726,700 | 15,811,200 | 14,578,700 | 1,959,200 | 1,847,490 | 1,833,753 | (13,737) | 43.09% | 41.80% |

6.2.1 These fixed rate Pakistan Investment Bonds carry yield interest of 11.31% to 20% (2024: 9.32% to 20.89%) per annum.

6.2.2 These floating rate Pakistan Investment Bonds carry yield interest ranging from 11.92% to 11.95% (2024: 18.55% to 23.57%) per annum.

| | | 2025 | 2024 |
|------------------------------|------|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | |
| 7. MARK-UP RECEIVABLE | | | |
| Markup accrued on: | | | |
| - Savings accounts | 7.1 | 10,354 | 21,077 |
| - Pakistan Investment Bonds | | 239,330 | 80,851 |
| | | <u>249,684</u> | <u>101,928</u> |

7.1 This includes receivable from related parties amounting to Rs. 9.991 million (2024: Rs. 0.014 million) on balance maintained with United Bank Limited.

8. ADVANCE INCOME 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, MTBs and PIBs 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 withholderee. The tax withheld on profit on bank balances, MTBs and PIBs amounts to Rs. 6.157 million (2024: Rs. 5.369 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. Subsequently, 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, MTBs and PIBs have been shown as advance tax under assets as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| | | 2025 | 2024 |
|--|------|----------------------------|--------------|
| | Note | ----- Rupees in '000 ----- | |
| 9. PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Prepaid fees and expenses | | 413 | 165 |
| Receivable from UBL Fund Managers Limited - Management Company | | 851 | 851 |
| | | <u>1,264</u> | <u>1,016</u> |

10. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | | | |
|--|------|--------------|---------------|
| Remuneration payable to the Management Company | 10.1 | 5,453 | 5,473 |
| Sindh Sales Tax on remuneration payable to the Management Compar | 10.2 | 709 | 712 |
| Conversion charges payable | | 188 | 188 |
| Allocated expenses payable | 10.3 | 1 | 1,616 |
| Selling and marketing expenses payable | 10.4 | 6 | 5,298 |
| Sales load payable | | 2,744 | 13,188 |
| Other payable | | 17 | 17 |
| | | <u>9,118</u> | <u>26,492</u> |

- 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 (Note 20). The remuneration is payable to the Management Company monthly in arrears. During the year ended June 30, 2025, the Management Company has charged management fee at the rates as stated below:

| For the year ended June 30, 2025 | | | |
|---|--|--|---|
| Rate applicable from July 01, 2024 to December 3, 2024 | Rate applicable from December 4, 2024 to April 28, 2025 | Rate applicable from April 29, 2025 to May 13, 2025 | Rate applicable from May 14, 2025 to June 30, 2025 |
| 1.13% per annum of the daily net assets of the fund | 1.40% per annum of the daily net assets of the fund | 1.10% per annum of the daily net assets of the fund | 1.00% per annum of the daily net assets of the fund |
| For the year ended June 30, 2024 | | | |
| Rate applicable from July 01, 2023 to January 25, 2024 | Rate applicable from January 25, 2024 to February 18, 2024 | | Rate applicable from February 19, 2024 to June 30, 2024 |
| 1% per annum of the daily net assets of the fund | 1.19% per annum of the daily net assets of the fund | | 1.13% per annum of the daily net assets of the fund |

- 10.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 10.3** Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at the rate of 0% (2024: 0.15% to 1.19%) of daily net assets of the Fund at their discretion, subject to limits and conditions specified in the offering document and not being higher than actual expenses.
- 10.4** Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expense to the Fund. However, prior to such amendment, the Management Company charged such selling and marketing expenses to the Fund at the following rates per annum of daily net assets of the Fund during the year at their discretion, subject to limits and conditions specified in the offering document and not being higher than actual expenses.

| For the year ended June 30, 2025 | | | |
|---|--|---|--|
| Rate applicable from July 01, 2024 to December 3, 2024 | | Rate applicable from December 4, 2024 to June 30, 2025 | |
| 0.24% per annum of the daily net assets of the fund | | 0.0001% per annum of the daily net assets of the fund | |
| For the year ended June 30, 2024 | | | |
| Rate applicable from July 01, 2023 to January 24, 2024 | Rate applicable from January 25, 2024 to February 18, 2024 | Rate applicable from February 19, 2024 to March 25, 2024 | Rate applicable from March 26, 2024 to June 30, 2024 |
| 0.25% per annum of the daily net assets of the fund | 0.19% per annum of the daily net assets of the fund | 0.25% per annum of the daily net assets of the fund | 0.24% per annum of the daily net assets of the fund |

11. 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 0.055% (2024: 0.055%) 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 15% (2024: 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 0.075% (2024: 0.075%) of the average annual net assets of the Fund as annual fee.

| | | 2025 | 2024 |
|---|------|----------------------------|---------------|
| | Note | ----- Rupees in '000 ----- | |
| 13. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Provision for indirect duties and taxes | 13.1 | 52,558 | 52,558 |
| Capital gain tax payable | | 104,294 | 807 |
| Annual listing fee payable | | 25 | 28 |
| Zakat payable | | 235 | 168 |
| Brokerage expense payable | | 954 | 608 |
| Legal and professional charges payable | | 148 | 137 |
| Auditor's remuneration payable | | 320 | 231 |
| Other payables | | 223 | 87 |
| | | <u>158,757</u> | <u>54,624</u> |

13.1 Provision for indirect duties and taxes

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable High Court of Sindh (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 June 30, 2016, the SHC 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. 52.558 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, 2025 would have been higher by Rs. 0.54 per unit (2024: Rs. 1.27 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. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 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 the 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, the Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated November 14, 2018, for tax year 2016 claiming that the Fund failed to deduct and deposit withholding tax on payments made by the Fund. Tax counsel, on behalf of the Fund, responded to the 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 dated November 29, 2019 under sections 161, 205 and 182 of the Ordinance 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 Fund filed an appeal on December 30, 2019 before the Commissioner Inland Revenue (Appeals) (CIR(A)), Karachi, on both legal and factual grounds. The CIR(A) vide Appellate Order dated January 15, 2021 annulled the 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 sections 124 and 129 read with sections 161, 205 and 182 of the Ordinance were initiated by the DCIR, which was duly complied.

The DCIR passed Appeal Effect Monitoring Order on December 31, 2021 under sections 124 and 129 read with sections 161, 205 and 182 of the Ordinance whereby a default of tax under section 161 amounting to Rs. 4.03 million at the rate of 25% under section 150 of the Ordinance along with a 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 CIR(A), on both legal and factual grounds. On February 23, 2022, the CIR(A) 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 Fund as withholding agent, whereas it confirmed the chargeability of default surcharge u/s 205 and deleted the penalty. Further, appeal against the said Appellate Order was filed by the Fund before the Appellate Tribunal Inland Revenue (ATIR) on March 8, 2022. No date of hearing has been communicated to date. The Management Company is confident that the outcome of the appeal will be in favor of the Fund.

- 14.1.2** During the year ended June 30, 2022, DCIR issued a show-cause notice for tax years 2017 and 2018 dated December 20, 2021, claiming that the Fund failed to deduct and deposit withholding tax on payments made by the Fund. On March 30, 2022, DCIR issued orders under sections 161, 205 and 182 of the Ordinance, based on the reply submitted, demanding tax amounting to Rs. 0.152 million and Rs. 0.527 million for the tax years 2017 and 2018 respectively. DCIR's orders were based on factual inaccuracies, therefore, the Fund filed appeals for tax years 2017 and 2018 with CIR(A) against the said orders. However, as a matter of abundant caution, payment against the said orders was made by the Management Company.

On January 2, 2023, CIR(A) passed the order for both tax years and did not accept the judgment passed by Lahore High Court (LHC) on the ground that Sindh High Court (SHC) has also decided the said matter otherwise and held that exemption certificate is required from the concerned Commissioner Inland Revenue. Thereafter, the DCIR issued Appeal Effect Monitoring order under sections 124 , 129 read with 161 and 205 of the Ordinance creating aggregate demand of Rs. 0.094 million and 0.388 for tax years 2017 and 2018 respectively. However, on advice of tax advisors, the Fund had already filed appeal against the said Appellate Order before the ATIR on February 8, 2023.

- 14.1.3** During the year ended June 30, 2022, DCIR also issued a show-cause notice for tax year 2019 dated December 20, 2021, claiming that the Fund failed to deduct and deposit withholding tax on payments made by the Fund. On January 20, 2023, DCIR issued orders under sections 161, 205 and 182 of the Ordinance, based on the reply submitted, demanding tax amounting to Rs. 5.2 million for the tax year 2019. The Fund filed appeal on February 16, 2023 with CIR(A) against the said order. The CIR(A) remanded the matter to the DCIR for re-examination / re-verification vide Appellate Order dated May 11, 2023. Further appeal against the said Appellate Order has been filed before the ATIR on July 10, 2023. Thereafter, no proceedings have been made yet by the ATIR.

The DCIR initiated remand back proceedings under sections 124 and 129 read with 161 (1A) and 205 of the Ordinance vide its notice dated March 6, 2024. In response thereof, the Fund informed the DCIR vide letter dated March 11, 2024 that the Appellate Order dated May 11, 2023 was already challenged before the ATIR and is pending adjudication. On May 16, 2025 the DCIR, without considering the essence of reply and during the pendency of appeal before the Learned Appellate Tribunal, passed ex—parte Appeal Effect Monitoring Order u/ s 124 and 129 read with Sections 161, 182 and 205 of the Ordinance. This Appeal Effect Order reiterated the aggregate tax demand of Rs. 5.2 million.

The aforementioned ex-parte Appeal Effect Monitoring Order was neither received nor was served upon the Fund in terms of Section 218 of the Ordinance and the CIS came to know of the passing of said Order on the issuance of a Recovery Notice under section 138 (1) of the Ordinance, dated July 15, 2025. The said Order has been challenged in appeal before the Learned Commissioner Inland Revenue (Appeals) Karachi, on both legal & factual grounds, on July 24, 2025 alongwith application for stay of demand. No date of hearing has been

14.2 Commitments

There were no commitments outstanding as at June 30, 2025 and June 30, 2024.

| | 2025 | 2024 |
|---|-----------------------------|-------------------|
| | ----- Number of units ----- | |
| 15. NUMBER OF UNITS IN ISSUE | | |
| Total units in issue at beginning of the year | 41,365,750 | 8,626,603 |
| Units issued during the year | 430,228,024 | 95,400,355 |
| Units redeemed during the year | (374,131,022) | (62,661,208) |
| Total units in issue at end of the year | <u>97,462,752</u> | <u>41,365,750</u> |

| | 2025 | 2024 |
|-------------------------------|----------------------------|----------------|
| | ----- Rupees in '000 ----- | |
| 16. FINANCIAL INCOME | | |
| Mark-up / interest income on: | | |
| - Bank balances | 113,897 | 143,965 |
| - Government securities | 1,574,353 | 557,984 |
| | <u>1,688,250</u> | <u>701,949</u> |

| | | |
|--|------------|------------|
| 17. AUDITOR'S REMUNERATION | | |
| Annual audit fee | 230 | 147 |
| Fee for the review of half yearly financial statements | 90 | 70 |
| Fee for review of compliance with the requirements of the Code of Corporate Governance | 50 | 40 |
| Fee for other certifications / services | 50 | 40 |
| Out of pocket expenses and Sindh Sales Tax | 79 | 29 |
| | <u>499</u> | <u>326</u> |

18. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realized or unrealized, 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, 2025, 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 realized or unrealized, to the unit holders. Accordingly, no provision for taxation has been recognized in these financial statements.

19. 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.

20. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 1.38% (2024: 1.80%) which includes 0.26% (2024: 0.23%) representing Government Levy, SECP fee, and the sales tax. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme.

21. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2025 | 2024 |
|--|----------------------------|------------------|
| | ----- Rupees in '000 ----- | |
| Financial assets | | |
| At amortised cost | | |
| Bank balances | 1,391,606 | 611,930 |
| Mark-up receivable | 249,684 | 101,928 |
| Receivable against units issued | 15,662 | 22,613 |
| Receivable from UBL Fund Managers Limited - Management Company | 851 | 851 |
| At fair value through profit or loss | | |
| Investments | 10,334,462 | 4,255,344 |
| | <u>11,992,265</u> | <u>4,992,666</u> |

| Financial liabilities | 2025 | 2024 |
|---|----------------------------|-------------|
| | ----- Rupees in '000 ----- | |
| At amortised cost | | |
| Payable to UBL Fund Managers Limited - Management Company | 9,118 | 26,492 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 742 | 312 |
| Payable against units redeemed | 1,441,585 | 517,909 |
| Accrued expenses and other liabilities | 1,670 | 1,091 |
| Dividend payable | 5,791 | 11,728 |
| | 1,458,906 | 557,532 |

22. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management program 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, 2025.

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, 2025, the Fund is exposed to such risk on bank balances with savings accounts, 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

The Fund's variable interest rate risk arises from bank balances in savings accounts and floating rate Pakistan Investment Bonds (PIBs). The net income for the year would have increased / decreased by Rs. 51.821 million (2024: Rs. 16.733 million) had the interest rates on savings accounts with banks and floating rate PIBs increased / decreased by 100 basis points, with all other variables held constant.

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in Market Treasury Bills.

In case of 100 basis points increase in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been lower by Rs. 0.628 million.

In case of 100 basis points decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher by Rs. 0.651 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, it is based on the settlement date, which is as follows;

| 2025 | | | | | | |
|---|----------------|---------------------------------------|--|--------------------|---|--------------------|
| 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 | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 9.5 to 10.5 | 1,391,606 | 1,391,599 | - | - | 7 |
| Investment - Government securities | | | | | | |
| - Market Treasury Bills | 10.91 to 11.12 | 1,318,559 | 1,308,991 | 9,568 | - | - |
| - Pakistan Investment Bonds | 11.31 to 11.95 | 9,015,903 | - | 3,794,493 | 5,221,410 | - |
| Mark-up receivable | | 249,684 | - | - | - | 249,684 |
| Receivable against units issued | | 15,662 | - | - | - | 15,662 |
| Receivable from UBL Fund Managers Limited - Management Company | | 851 | - | - | - | 851 |
| | | 11,992,265 | 2,700,590 | 3,804,061 | 5,221,410 | 266,204 |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 9,118 | - | - | - | 9,118 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 742 | - | - | - | 742 |
| Payable against units redeemed | | 1,441,585 | - | - | - | 1,441,585 |
| Accrued expenses and other liabilities | | 1,670 | - | - | - | 1,670 |
| Dividend payable | | 5,791 | - | - | - | 5,791 |
| | | 1,458,906 | - | - | - | 1,458,906 |
| On-balance sheet gap (a) | | 10,533,359 | 2,700,590 | 3,804,061 | 5,221,410 | (1,192,702) |
| Off-balance sheet financial instruments | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a) + (b) | | | 2,700,590 | 3,804,061 | 5,221,410 | |
| Cumulative interest rate sensitivity gap | | | 2,700,590 | 6,504,651 | 11,726,061 | |

| 2024 | | | | | | |
|---|---------------------------------|------------------|---------------------------------------|--|--------------------|---|
| Particulars | 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 | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 20.5% to 22.20% | 611,930 | 611,923 | - | - | 7 |
| Investment - Government securities | | | | | | |
| - Market Treasury Bills | 18.77% to 22.76% | 2,421,591 | - | 2,421,591 | - | - |
| - Pakistan Investment Bonds | 9.32% to 23.57% | 1,833,753 | 1,061,355 | - | 772,398 | - |
| Mark-up receivable | | 101,928 | - | - | - | 101,928 |
| Receivable against units issued | | 22,613 | - | - | - | 22,613 |
| Receivable from UBL Fund Managers Limited - Management Company | | 851 | - | - | - | 851 |
| | | 4,992,666 | 1,673,278 | 2,421,591 | 772,398 | 125,399 |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 26,492 | - | - | - | 26,492 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 312 | - | - | - | 312 |
| Payable against units redeemed | | 517,909 | - | - | - | 517,909 |
| Payable against purchase of investment | | - | - | - | - | - |
| Accrued expenses and other liabilities | | 1,091 | - | - | - | 1,091 |
| Dividend payable | | 11,728 | - | - | - | 11,728 |
| | | 557,532 | - | - | - | 557,532 |
| On-balance sheet gap (a) | | 4,435,134 | 1,673,278 | 2,421,591 | 772,398 | (432,133) |
| Off-balance sheet financial instruments | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a) + (b) | | | 1,673,278 | 2,421,591 | 772,398 | |
| Cumulative interest rate sensitivity gap | | | 1,673,278 | 4,094,869 | 4,867,267 | |

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, 2025, 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.

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, 2025 and June 30, 2024 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, 2025 and June 30, 2024:

| Name of financial institution | Balances held by the Fund as at June 30, 2025 | Latest available published ratings at June 30, 2025 | Rating agency |
|-------------------------------|---|---|---------------|
|-------------------------------|---|---|---------------|

Rupees in '000

Bank balances and mark-up receivable thereon

| | | | |
|---------------------------------|------------------|-----|-------|
| Habib Bank Limited | 1,064 | AAA | VIS |
| Habib Metropolitan Bank Limited | 21 | AA+ | PACRA |
| Samba Bank Limited | 420 | AA | PACRA |
| Allied Bank Limited | 39 | AAA | PACRA |
| United Bank Limited | 1,360,120 | AAA | VIS |
| Bank of Punjab | - | AA+ | PACRA |
| Faysal Bank Limited | 35 | AA | PACRA |
| Bank Alfalah Limited | 59 | AAA | PACRA |
| JS Bank Limited | 20 | AA | PACRA |
| MCB Bank Limited | 45 | AAA | PACRA |
| Meezan Bank Limited | 7 | AAA | VIS |
| National Bank of Pakistan | 1,908 | AAA | PACRA |
| Askari Bank Limited | 6 | AA+ | PACRA |
| Sindh Bank Limited | 799 | AA- | VIS |
| Soneri Bank Limited | 38,194 | AA- | PACRA |
| Zarai Taraqati Bank Limited | (777) | AAA | VIS |
| | <u>1,401,960</u> | | |

| Name of Financial Institution | Balances held by the Fund as at June 30, 2024 | Latest available published ratings at June 30, 2024 | Rating agency |
|-------------------------------|---|---|---------------|
|-------------------------------|---|---|---------------|

Rupees in '000

Bank balances and mark- up receivable thereon

| | | | |
|---------------------------------|---------|-----|-------|
| Habib Bank Limited | 214 | AAA | VIS |
| Habib Metropolitan Bank Limited | 21 | AA+ | PACRA |
| Samba Bank Limited | 80 | AA | PACRA |
| Allied Bank Limited | 37 | AAA | PACRA |
| United Bank Limited | 253,967 | AAA | VIS |
| Bank of Punjab | - | AA+ | PACRA |
| Faysal Bank Limited | 35 | AA | PACRA |
| Bank Alfalah Limited | 1,086 | AAA | PACRA |
| JS Bank Limited | 19 | AA | PACRA |
| MCB Bank Limited | 42 | AAA | PACRA |
| Meezan Bank Limited | 7 | AAA | VIS |
| National Bank of Pakistan | 1,727 | AAA | PACRA |
| Askari Bank Limited | 6 | AA+ | PACRA |
| Sindh Bank Limited | 15 | AA- | VIS |
| Soneri Bank Limited | 375,744 | AA- | PACRA |
| Zarai Taraqiati Bank Limited | 7 | AAA | VIS |
| | 633,007 | | |

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.

| | Total | Upto three months | Over three months and upto one year | Over one year |
|---|-------------------|-------------------------------------|-------------------------------------|---------------|
| June 30, 2025 | | | | |
| ----- Rupees in '000 ----- | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 9,118 | 9,118 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 742 | 742 | - | - |
| Payable against units redeemed | 1,441,585 | 1,441,585 | - | - |
| Accrued expenses and other liabilities | 1,670 | 1,670 | - | - |
| Dividend payable | 5,791 | 5,791 | - | - |
| | 1,458,906 | 1,458,906 | - | - |
| Net assets attributable to redeemable units | 10,381,903 | 10,381,903 | - | - |
| | | | | |
| Total | Upto three months | Over three months and upto one year | Over one year | |
| ----- Rupees in '000 ----- | | | | |

June 30, 2024

Financial liabilities

| | | | | |
|---|------------------|------------------|---|---|
| Payable to UBL Fund Managers Limited - Management Company | 26,492 | 26,492 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 312 | 312 | - | - |
| Payable against units redeemed | 517,909 | 517,909 | - | - |
| Accrued expenses and other liabilities | 1,091 | 1,091 | - | - |
| Dividend payable | 11,728 | 11,728 | - | - |
| | 557,532 | 557,532 | - | - |
| Net assets attributable to redeemable units | 4,386,766 | 4,386,766 | - | - |

Above financial liabilities do not carry any mark-up.

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 that 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 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).

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.

June 30, 2025

Financial assets measured at fair value through profits or loss

| | Level 2 | Level 3 | Total |
|-----------------------------|------------------|----------|------------------|
| - Market Treasury Bills | 1,318,559 | - | 1,318,559 |
| - Pakistan Investment Bonds | 5,221,410 | - | 5,221,410 |
| | 6,539,969 | - | 6,539,969 |

June 30, 2024

| | Level 2 | Level 3 | Total |
|---|------------------|----------|------------------|
| Financial assets measured at fair value through profits or loss | | | |
| - Market Treasury Bills | 2,421,591 | - | 2,421,591 |
| - Pakistan Investment Bonds | 772,398 | - | 772,398 |
| | <u>3,193,989</u> | <u>-</u> | <u>3,193,989</u> |

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 | Asif Ali Qureshi | Chief Executive Officer | CFA, MBA | 29 |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | CFA, MBA | 26 |
| 3 | Mubeen Ashraf | Assurance and Company Se FCA | | 24 |
| 4 | Mohammad Waseem | Head of Research | CFA, BBA | 11 |
| 5 | Syed Sheeraz Ali | Head of Fixed Income Funds BS, CFA Level 1 | | 16 |
| 6 | Ghufran Ahmed | Fund Manager - Fixed Incom M.A | | 20 |

25.1 Syed Sheeraz Ali is Fund Manager of the Fund. Syed Sheeraz Ali is also fund manager of UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth And Income Fund, UBL Special Savings Fund, UBL Fixed Return Fund, UBL Fixed Return Fund-II, UBL Fixed Return Fund-III, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Asset Allocation Fund, Al-Ameen Islamic Fixed Returned Fund, Al-Ameen Islamic Income Fund, UBL Special Savings Fund - II.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

| Top brokers during the year ended June 30, 2025 | % |
|---|---------------------|
| 1 Alfalah CLSA Securities (Private) Limited | 16.00 |
| 2 Paramount Capital (Private) Limited | 0.81 |
| 3 Continental Exchange (Private) Limited | 14.89 |
| 4 Invest One Markets Limited | 10.78 |
| 5 Icon Securities (Private) Limited | 14.89 |
| 6 JS Global Capital Limited | 2.87 |
| 7 AKD Securities Limited | 10.02 |
| 8 C&M Management (Private) | 3.55 |
| 9 Bright Capital (Private) Limited | 3.86 |
| 10 Arif Habib Limited | 1.77 |
| | <u>79.45</u> |

Top brokers during the year ended June 30, 2024 %

| | | |
|----|---|-------|
| 1 | Alfalah CLSA Securities (Private) Limited | 21.00 |
| 2 | Paramount Capital (Private) Limited | 11.00 |
| 3 | Continental Exchange (Private) Limited | 10.00 |
| 4 | Invest One Markets Limited | 10.00 |
| 5 | Icon Securities (Private) Limited | 7.00 |
| 6 | JS Global Capital Limited | 6.00 |
| 7 | AKD Securities Limited | 5.00 |
| 8 | C&M Management (Private) | 5.00 |
| 9 | Bright Capital (Private) Limited | 3.00 |
| 10 | Arif Habib Limited | 3.00 |
| | | 81.00 |

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, 2025

| | | | | |
|---------------------------------------|-------|------------|------------|--------|
| Individuals | 3,857 | 28,706,782 | 3,057,896 | 29.45% |
| Retirement funds | 29 | 16,864,594 | 1,796,446 | 17.30% |
| Associated Company and Key Executives | 5 | 1,960 | 215 | 0.00% |
| Public limited companies | 6 | 12,271,236 | 1,307,153 | 12.59% |
| Other | 26 | 4,731,298 | 503,984 | 4.85% |
| NBFC | 1 | 34,886,882 | 3,716,209 | 35.80% |
| | 3,924 | 97,462,752 | 10,381,903 | 100% |

| Category | Number of units holders | Number of units held | Unit holding or investment amount | Percentage of total |
|----------|-------------------------|----------------------|-----------------------------------|---------------------|
|----------|-------------------------|----------------------|-----------------------------------|---------------------|

Rupees in '000

June 30, 2024

| | | | | |
|---------------------------------------|-------|------------|-----------|--------|
| Individuals | 3,422 | 27,003,428 | 2,863,668 | 65.28% |
| Retirement funds | 22 | 5,357,206 | 568,123 | 12.95% |
| Associated Company and Key Executives | 3 | 279 | 30 | 0.00% |
| Public limited companies | 9 | 3,531,762 | 374,537 | 8.54% |
| Other | 24 | 5,473,075 | 580,408 | 13.23% |
| | 3,480 | 41,365,750 | 4,386,766 | 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 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, 2025 -----

----- Units in '000 -----

Transactions during the year

| | | | | | | |
|----------------|--------|---|-------|---|---|--------|
| Units issued | 64,381 | - | 3,387 | - | 2 | 12,905 |
| Units redeemed | 29,494 | - | - | - | - | 22 |

----- Rupees in '000 -----

| | | | | | | |
|---|-----------|-----------|---------|---------|-----|-----------|
| Value of units issued | 7,863,325 | - | 384,670 | - | 206 | 1,558,285 |
| Value of units redeemed | 3,709,694 | - | - | - | - | 2,303 |
| Sale of securities | - | - | - | - | - | 500,000 |
| Purchase of securities | - | 2,250,000 | - | 150,000 | - | 1,500,000 |
| Mark-up on savings account | - | 38,719 | - | - | - | - |
| Bank charges | - | 1,350,121 | - | - | - | - |
| Remuneration (including Sindh Sales Tax) | 126,761 | - | 7,251 | - | - | - |
| Allocated expenses | - | - | - | - | - | - |
| Selling and marketing expenses (including Sales Tax) | 11,232 | - | - | - | - | - |
| CDC expense | - | - | 45 | - | - | - |
| Dividend paid | 581,638 | - | - | - | 841 | 272,919 |
| Amount received against issuance to unit holders**** | 9 | - | - | - | - | - |

**** This represents amount reimbursed by the Management Company to the Fund against issuance of 79 units to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.

----- As at June 30, 2025 -----

----- Units in '000 -----

Balances held

| | | | | | | |
|------------|--------|---|-------|---|---|--------|
| Units held | 34,887 | - | 3,387 | - | 2 | 12,906 |
|------------|--------|---|-------|---|---|--------|

----- Rupees in '000 -----

| | | | | | | |
|---|-----------|-----------|---------|---|-----|-----------|
| Value of units held | 3,716,210 | - | 360,833 | - | 206 | 1,374,796 |
| Bank balances | - | 1,350,129 | - | - | - | - |
| Other receivable | 851 | - | - | - | - | - |
| Remuneration payable (inclusive of Sindh Sales Tax) | 6,162 | - | 742 | - | - | - |
| Mark-up receivable | - | - | - | - | - | - |
| Conversion charges payable | 188 | - | - | - | - | - |
| Allocated expenses payable | 1 | - | - | - | - | - |
| Selling and marketing expenses payable | 6 | - | - | - | - | - |
| Sales load payable | 2,744 | - | - | - | - | - |
| Other payable | 17 | - | - | - | - | - |

| 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, 2024-----

-----Units in '000-----

Transactions during the period

| | | | | | | |
|----------------|---|---|---|---|-----|---|
| Units issued | - | - | - | - | 239 | - |
| Units redeemed | 5 | - | - | - | 239 | - |

-----Rupees in '000-----

| | | | | | | |
|--|--------|-----------|-------|---|--------|---------|
| Value of units issued | - | - | - | - | 27,530 | - |
| Value of units redeemed | 554 | - | - | - | 27,646 | - |
| Sale of securities | - | 1,828,096 | - | - | - | 932,170 |
| Purchase of securities | - | 1,278,646 | - | - | - | 948,042 |
| Mark-up on savings account | - | 11,140 | - | - | - | - |
| Bank charges | - | 1,350,121 | - | - | - | - |
| Remuneration (including Sindh Sales Tax) | 40,760 | - | 2,072 | - | - | - |
| Allocated expenses | 3,256 | - | - | - | - | - |
| Selling and marketing expenses | 8,038 | - | - | - | - | - |
| CDC expense | - | - | 13 | - | - | - |
| Dividend paid | - | - | - | - | 5 | - |

-----As at June 30, 2024-----

-----Units in '000-----

Balances held

| | | | | | | |
|------------|---|---|---|---|---|---|
| Units held | - | - | - | - | - | - |
|------------|---|---|---|---|---|---|

-----Rupees in '000-----

| | | | | | | |
|--|--------|---------|-----|---|----|---|
| Value of units held | - | - | - | - | 30 | - |
| Bank balances | - | 253,953 | - | - | - | - |
| Other receivable | 851 | - | - | - | - | - |
| Remuneration payable | 6,185 | - | 312 | - | - | - |
| Mark-up receivable | - | 14 | - | - | - | - |
| Conversion charges | 188 | - | - | - | - | - |
| Allocated expenses payable | 1,616 | - | - | - | - | - |
| Selling and marketing expenses payable | 5,298 | - | - | - | - | - |
| Sales load payable | 13,188 | - | - | - | - | - |
| 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 balances in relation to those directors and key executives (including their close family members) that existed as at year end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the year.

*** These include transactions and balances in relation to the entities where common directorship exists as at year end. However, it does not include the transactions and balances whereby common directorship changed during the year.

29. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

| No. 150 | No. 151 | No. 152 | No. 153 | No. 154 | No. 155 | Total meetings attended |
|---------------|-----------------|------------------|------------------|-------------------|----------------|-------------------------|
| July 25, 2024 | August 29, 2024 | October 28, 2024 | January 08, 2025 | February 11, 2025 | April 28, 2025 | |

Directors:

| | | | | | | |
|----------------------------|---|---|---|---|---|---|
| Mr. Imran Sarwar | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Mr. Alee Khalid Ghaznavi | ✓ | ✓ | ✓ | x | ✓ | 5 |
| Mr. Muhammad Rizwan Malik | ✓ | ✓ | ✓ | x | x | 3 |
| Mr. Rashid Ahmed Jafer | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Ms. Huma Pasha | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Mr. Arif Akmal Saifi** | ✓ | x | x | x | x | 1 |
| Mr. Yasir Qadri*** | ✓ | ✓ | ✓ | ✓ | x | 4 |
| Mr. Farrukh Karim Khan**** | x | x | x | x | x | 0 |
| Mr. Asif Ali Qureshi* | x | ✓ | ✓ | ✓ | ✓ | 6 |

Key Executives:

| | | | | | | |
|---------------------------|---|---|---|---|---|---|
| Mr. Muhammad Zuhair Abbas | x | x | ✓ | ✓ | ✓ | 4 |
| Mr. Mubeen Ashraf | x | x | ✓ | ✓ | ✓ | 4 |
| Mr. Hadi Hassan Mukhi | ✓ | ✓ | x | x | x | 2 |
| Mr. Umair Ahmed | ✓ | ✓ | x | x | x | 2 |

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. Asif Ali Qureshi was appointed as Chief Executive Officer (CEO) on July 26, 2024.

** Mr. Arif Akmal Saifi resigned as director on July 25, 2024.

*** Mr. Yasir Qadri resigned as CEO on July 25, 2024 and as director on February 10, 2025.

**** Mr. Farrukh Karim Khan was appointed director on April 29, 2025.

30. GENERAL

30.1 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 August 22, 2025.

For UBL Fund Managers Limited
(Management Company)

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
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, short and long term debt instruments.

| | |
|-----------------------|---|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (For detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditor | BDO Ebrahim & Co., Chartered Accountant |
| Bankers | United Bank Limited Bank Alfalah Limited Faysal Bank Limited Telenor MicroFinance Bank Allied Bank Limited Khushalli Bank Limited MCB Bank Limited Js Bank Limited Samba Bank Limited Habib Bank Limited Sindh Bank LimitedZarai Taraqiati Bank Limited Soneri Bank Limited National Bank of Pakistan Deutsche Bank - Avari Tower BR Standard Chartered - MAIN BR First Microfinance Bank |
| Management Co. Rating | AM1 (VIS) |
| Fund Rating | AA-(f) (VIS) |

Fund Manager’s Report – UBL Income Opportunity Fund (UIOF) formerly UBL Financial Sector Bond Fund (UFBF)

- 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**
75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings account 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'24 | Aug'24 | Sep'24 | Oct'24 | Nov'24 | Dec'24 | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | FYTD |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| UIOF | 20.54% | 16.66% | 42.65% | 17.20% | 13.79% | 7.34% | 14.34% | 10.13% | 8.15% | 10.90% | 16.56% | 10.12% | 16.85% |
| Benchmark | 19.73% | 18.48% | 16.78% | 14.38% | 13.27% | 12.21% | 12.24% | 11.97% | 11.83% | 11.75% | 11.12% | 10.76% | 13.73% |

- 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 a return of 16.85% p.a. during FY25. The weighted average maturity of the Fund was 2.14 years at the end of June 30, 2025. The Fund’s Asset Size stood at PKR 9,169 million as at June 30, 2025. The fund composed of 44.71% of PIB-Floaters, 42.35% of Cash, and 8.08% of GOP Ijarah Sukuk.
- 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-25 | Jun-24 |
|--------------------------------------|--------|--------|
| Term Finance Certificates/ Sukuks | 2% | 10% |
| PIBs | 53% | 42% |
| T-Bills | 2% | 24% |
| Cash | 42% | 20% |
| Others | 1% | 4% |

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

| | |
|------------------------------------|--------|
| FY'25 Return: | 16.85% |
| Standard Deviation (12m trailing): | 1.03% |
| Sharpe Ratio (12m trailing): | 2.97 |

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-25 | 30-Jun-24 | Change | 30-Jun-25 | 30-Jun-24 | Change |
| Rupees (000) | | % | Rupees | | % |
| 9,168,752 | 1,996,905 | 359.15 | 110.8399 | 110.4454 | 0.36 |

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**

Please refer to relevant section in director report

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- | | |
| June 18, 2025 | N/A | 85,108 | 18.1482 | 128.6317 | 110.4835 |

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 |
|----------------|---------------------|
| | UFBF |

| | |
|-----------------------------|--------------|
| 0.0001 - 9,999.9999 | 2,617 |
| 10,000.0000 - 49,999.9999 | 94 |
| 50,000.0000 - 99,999.9999 | 31 |
| 100,000.0000 - 499,999.9999 | 47 |
| 500,000.0000 & Above | 19 |
| Total | 2,808 |

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 Income Opportunity Fund

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 9,168,753 | 1,996,905 | 668,244 | 2,111,026 | 2,204,349 | 607,342 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees | | | | | | |
| Class A units - Offer * | 112.7519 | 112.3174 | 112.2277 | 112.261 | 112.128 | 111.9682 |
| - Redemption | 110.8399 | 110.4454 | 110.3571 | 110.3899 | 110.2537 | 110.0966 |
| RETURN OF THE FUND - % | | | | | | |
| Total Return of the Fund | 16.85 | 21.85 | 16.13 | 9.2 | 6.37 | 15.78 |
| Capital Growth (per unit) | 0.42 | 0.09 | 0.04 | 0.13 | 0.15 | (0.06) |
| Date of Income Distribution | 15-Jun-25 | 28-Jun-24 | 27-Jun-23 | 24-Jun-22 | 18-Jun-21 | 26-Jun-20 |
| Income Distribution | 18.1482 | 24.0154 | 17.7620 | 9.9959 | 6.8465 | 17.4593 |
| AVERAGE ANNUAL RETURN - % | | | | | | |
| One Year | 16.85 | 21.85 | 16.13 | 9.20 | 6.37 | 15.78 |
| Second Year | 18.99 | 12.67 | 7.79 | 11.08 | 11.08 | 12.14 |
| Third Year | 15.73 | 10.57 | 10.45 | 10.21 | 10.21 | 9.53 |
| Fourth Year | 13.39 | 11.87 | 9.96 | 8.74 | 8.74 | 8.33 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees | | | | | | |
| Highest price per unit - Class A units - Offer | 130.8384 | 136.3865 | 129.8118 | 122.2472 | 118.8927 | 129.3152 |
| Highest price per unit - Class A units - Redemption | 128.6197 | 134.1133 | 127.6482 | 120.2096 | 116.9053 | 127.1536 |
| Lowest price per unit - Class A units - Offer | 112.3510 | 112.2277 | 111.9928 | 112.1225 | 111.9682 | 111.9476 |
| Lowest price per unit - Class A units - Redemption | 110.4488 | 110.3571 | 110.1262 | 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 | 42.35 | 11.63 | 39.96 | 73.36 | 38.50 | 40.00 |
| Spread Transaction | - | - | - | - | 26.80 | - |
| TFCS & Government Securities | - | 85.70 | 54.81 | 24.02 | 32.80 | 52.00 |
| T-Bills | 2.10 | - | - | 2.62 | 1.90 | 8.00 |
| PIB - Fixed | - | - | - | - | - | - |
| PIB - Floater | 44.71 | - | - | - | - | - |
| GOP Ijarah Sukuk | 8.08 | - | - | - | - | - |
| Term Finance Certificates/ Sukuks | 2.09 | - | - | - | - | - |
| Others | 0.67 | 2.67 | 5.23 | - | - | - |
| PORTFOLIO COMPOSITION BY MARKET - % | | | | | | |
| Debt Market | 100.00 | 100.00 | 100.00 | 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.

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL INCOME OPPORTUNITY FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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, 2025 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF UBL INCOME OPPORTUNITY 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 INCOME OPPORTUNITY FUND (the Fund) for the year ended June 30, 2025 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, 2025.

KARACHI

DATED: September 25, 2025

UDIN: CR202510067oszXuUWkN



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**STATEMENT OF COMPLIANCE WITH
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

NAME OF MANAGEMENT COMPANY: UBL FUND MANAGERS LIMITED
YEAR ENDED: JUNE 30, 2025

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, 2019 (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of underlying Funds (the Funds)), 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. Rashid Ahmed Jafer Ms. Huma Pasha |
| Executive Directors | Mr. Asif Ali Qureshi (CEO) |
| Non-Executive Directors | Mr. Imran Sarwar (Chairman) Mr. Alee Khalid Ghaznavi Mr. Muhammad Rizwan Malik Mr. Farrukh Karim Khan |
| Female Directors | Ms. Huma Pasha |

Mr. Yasir Qadri resigned from the position of CEO, in 150th meeting of the Board held on July 25 2024. The Board has appointed Mr. Asif Ali Qureshi as the CEO of the Company with effect from July 26, 2024.

Mr. Arif Akmal Saifia resigned from the position of Director, in 150th meeting of the Board held on July 25 2024. The Board appointed Mr. Asif Ali Qureshi as the Director of the Company with effect from July 26, 2024.

Mr. Yasir Qadri resigned from the position of Director dated on February 10, 2025. The Board has appointed Mr. Farrukh Karim Khan in its 155th BOD Meeting with effect from April 29, 2025.

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 the 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 the Regulations.

9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- Mr. Imran Sarwar
- Mr. Rashid Ahmed Jafer
- Ms. Huma Pasha
- Mr. Muhammad Rizwan Malik

The Management Company is planning to arrange the training for the remaining directors over the next year.

Executives

- Mr. Hadi Hassan Mukhi (Chief Operating Officer)
- Mr. Muhammad Zuhair Abbas (Chief Financial Officer)
- Mr. Zeeshan Qudus (Chief Business Development Officer)

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 | Chairman | Independent Director |
| Mr. Rashid Ahmed Jafer | Member | Independent Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |

b) Board Human Resource Remuneration & Nomination Committee

| Name | Designation | Type of Directorship |
|--------------------------|-------------|------------------------|
| Mr. Rashid Ahmed Jafer | Chairman | Independent Director |
| Mr. Imran Sarwar | Member | Non-Executive Director |
| Mr. Farrukh Karim Khan | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

c) Board Risk and Compliance Committee

| Name | Designation | Type of Directorship |
|---------------------------|-------------|------------------------|
| Mr. Imran Sarwar | Chairman | Non-Executive Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Ms. Huma Pasha | Member | Independent Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

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 Remuneration and Nomination Committee | Two (2) |
| 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, the 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. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

| S.No. | Requirement | Reg. No. | Explanation |
|-------|--|----------|--|
| 1. | <p>Independent Director</p> <p>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.</p> <p>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.</p> | 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. | <p>Director Training Program</p> <p>As per the Code of Corporate Governance regulation, it is encouraged that all the directors on board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.</p> <p>Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p> | 19 | The Company plans to conduct a Director Training Program for the two directors appointed during the current year, as well as for one director appointed in a previous year. Additionally, training sessions will be organised for female executives and the remaining Heads of Departments to support their professional development and enhance leadership capabilities. |
| 3. | <p>Environmental, Social and Governance (ESG) Matters</p> <p>The Board is responsible for governance and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place.</p> <p>The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.</p> | 10A | At present, the management has a policy in place duly approved by the Board which includes amongst others Environmental, Social and Governance (ESG) principles. Since the requirements was introduced by the SECP through notification dated June 12, 2024, it will be applied in due course. |

| S.No. | Requirement | Reg. No. | Explanation |
|-------|---|----------|--|
| 4. | <p>Director's Remuneration</p> <p>The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. Companies are encouraged to provide aforesaid details of remuneration of individual directors in annual report.</p> | 34(3) | Management understands that the information is confidential and was not previously publicly disclosed. However, now audited financial statement are available on the PSX website due to recent regulatory requirements. Hence management will state the remuneration note reference in the report onwards. |
| 5. | <p>Responsibilities of the Board and its members</p> <p>The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees and it is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.</p> | 10(3) | Management understands that the three years started from the date of the SRO. So they have timeline till March 2028 for the external evaluation. |

SD
Imran Sarwar
Chairman

SD
Asif Ali Qureshi
Chief Executive Officer

Karachi
Dated: August 22, 2025



FINANCIAL STATEMENTS OF
UBL INCOME OPPORTUNITY FUND
FOR THE YEAR ENDED
JUNE 30, 2025

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements UBL Income Opportunity Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund 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. | <p>Existence and valuation of investments</p> <p>As disclosed in note 6 to the accompanying financial statements of the Fund for the year ended June 30, 2025, the investment constitutes the most significant component of the Net Assets Value. Investments of the Fund as at June 30, 2025 amounted to Rs. 5,251.865 million and these represents 57.27% of the total assets.</p> | <p>Our audit procedures amongst others included the following:</p> |

| S.NO | Key audit matter(s) | How the matter was addressed in our audit |
|------|--|--|
| | <p>The existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2025.</p> <p>We considered existence and valuation of investment as Key audit matter due to its significance in relation to total assets.</p> | <ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with the books and records of the Fund. • 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. • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. • Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. |

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

The 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 the Management and Those Charged with Governance of the Management Company for the Financial Statements

The 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 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 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 either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance 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 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 those charged with governance 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 those charged with governance 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 those charged with governance 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, 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 Zulfikar Ali Causer,

KARACHI

DATED: 29 SEP 2025

UDIN: AR202510067oO9sLmBbq



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**UBL INCOME OPPORTUNITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

| | | 2025 | 2024 |
|---|------|-------------------------------|------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 5 | 3,902,827 | 398,585 |
| Investments | 6 | 5,251,880 | 1,530,845 |
| Profit / mark-up receivable | 8 | 47,585 | 57,289 |
| Advances, deposits, prepayments and other receivables | 9 | 9,597 | 23,286 |
| Advance tax | 10 | 4,509 | 4,471 |
| TOTAL ASSETS | | 9,216,398 | 2,014,476 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 11 | 17,937 | 12,150 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 12 | 474 | 169 |
| Payable to Securities and Exchange Commission of Pakistan | 13 | 411 | 149 |
| Accrued expenses and other liabilities | 14 | 28,823 | 5,104 |
| TOTAL LIABILITIES | | 47,645 | 17,571 |
| NET ASSETS | | 9,168,753 | 1,996,905 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 9,168,754 | 1,996,905 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 15 | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | 16 | 82,720,722 | 18,080,472 |
| | | ----- (Rupees) ----- | |
| NET ASSET VALUE PER UNIT | | 110.8399 | 110.4454 |

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL INCOME OPPORTUNITY FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|---|------------------------------|----------------|
| Note | ----- (Rupees in '000) ----- | |
| Income | | |
| Financial income | 414,018 | 364,763 |
| Capital gain/(loss) on sale of investments - net | 69,675 | (291) |
| Unrealized appreciation on re-measurement of investment classified as financial assets at 'fair value through profit or loss' - net | 1,225 | 535 |
| Dividend income | - | 1,705 |
| Other income | 352 | 1,053 |
| Total income | 485,270 | 367,765 |
| Expenses | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 26,907 | 18,308 |
| Sindh Sales tax on Management Company's remuneration | 4,036 | 2,380 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 2,137 | 1,312 |
| Sindh Sales tax on remuneration of the Trustee | 320 | 171 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 2,138 | 1,309 |
| Auditors' remuneration | 599 | 407 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 808 | 1,455 |
| Selling and marketing expense | 2,885 | 4,183 |
| Fees and subscription | 458 | 424 |
| Securities transaction and settlement costs | 1,123 | 1,341 |
| Bank charges | 96 | 14 |
| | 41,507 | 31,304 |
| Net income for the year before taxation | 443,763 | 336,461 |
| Taxation | - | - |
| Net income for the year | 443,763 | 336,461 |
| Allocation of net income for the year | | |
| Net income for the year after taxation | 443,763 | 336,461 |
| Income already paid on units redeemed | (362,354) | (197,804) |
| Net income for the year available for distribution | 81,409 | 138,657 |
| Accounting income available for distribution: | | |
| Relating to capital gains | 69,675 | - |
| Excluding capital gains | 11,734 | 138,657 |
| | 81,409 | 138,657 |

The annexed notes from 1 to 33 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL INCOME OPPORTUNITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|---|------------------------------|----------------|
| | ----- (Rupees in '000) ----- | |
| Net income for the year | 443,763 | 336,461 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>443,763</u> | <u>336,461</u> |

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

 SD
Asif Ali Qureshi
Chief Executive Officer

 SD
Muhammad Zuhair Abbas
Chief Financial Officer

 SD
Rashid Ahmed Jafer
Director

**UBL INCOME OPPORTUNITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | | | 2024 | | |
|---|------------------|----------------------|--------------|------------------|----------------------|-------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Net assets at the beginning of the year | 1,983,449 | 13,456 | 1,996,905 | 654,532 | 13,714 | 668,244 |
| Issuance of 162,869,286 units (2024: 43,713,042 units) | | | | | | |
| Capital value | 17,988,159 | - | 17,988,159 | 4,824,045 | - | 4,824,045 |
| Element of income during the year | 932,744 | - | 932,744 | 433,584 | - | 433,584 |
| Total proceeds on issuance of units | 18,920,903 | | 18,920,903 | 5,257,629 | | 5,257,629 |
| Redemption of 98,229,036 units (2024: 31,687,859 units) | | | | | | |
| Capital value | (10,848,945) | - | (10,848,945) | (3,496,980) | - | (3,496,980) |
| Element of loss during the year | (896,415) | (362,354) | (1,258,769) | (266,575) | (197,804) | (464,379) |
| Total payments on redemption of units | (11,745,360) | (362,354) | (12,107,714) | (3,763,555) | (197,804) | (3,961,359) |
| Total comprehensive income for the year | - | 443,767 | 443,767 | - | 336,461 | 336,461 |
| Distribution during the year Rs 18.1482 @ Jun 18, 2025 (2024: Rs 24.0154 @ Jun 28, 2024) | (28,317) | (56,791) | (85,108) | (165,156) | (138,913) | (304,069) |
| Net assets at the end of the year | 9,130,675 | 38,078 | 9,168,753 | 1,983,449 | 13,456 | 1,996,905 |
| Undistributed income brought forward comprises of: | | | | | | |
| Realized gain | | 12,921 | 12,921 | | 18,548 | 18,548 |
| Unrealized gain | | 535 | 535 | | (4,834) | (4,834) |
| Total undistributed income brought forward | | 13,456 | 13,456 | | 13,714 | 13,714 |
| Income available for distribution: | | | | | | |
| Relating to capital gains | 69,675 | 69,675 | 69,675 | - | - | - |
| Excluding capital gains | 11,734 | 11,734 | 11,734 | 138,657 | 138,657 | 138,657 |
| | 81,409 | 81,409 | 81,409 | 138,657 | 138,657 | 138,657 |
| Distribution during the year Rs 18.1482 @ Jun 18, 2025 (2024: Rs 24.0154 @ Jun 28, 2024) | | (56,791) | (56,791) | | (138,913) | (138,913) |
| Undistributed income carried forward | | 38,074 | 38,074 | | 13,458 | 13,458 |
| Undistributed income carried forward comprises of: | | | | | | |
| Realized gain | | 36,849 | 36,849 | | 12,923 | 12,923 |
| Unrealized gain | | 1,225 | 1,225 | | 535 | 535 |
| Total undistributed income carried forward | | 38,074 | 38,074 | | 13,458 | 13,458 |
| | | | | | | 2024 |
| | | | | | | (Rupees) |
| Net assets value per unit at the beginning of the year | | | 110.4454 | | | 110.3571 |
| Net assets value per unit at the end of the year | | | 110.8399 | | | 110.4454 |

The annexed notes from 1 to 33 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

UBL INCOME OPPORTUNITY FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

| | June 30, 2025 | June 30, 2024 |
|---|------------------------------|--------------------------|
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 443,763 | 336,461 |
| Adjustments for: | | |
| Dividend income | - | (1,705) |
| Capital (loss)/gain on sale of investments - net | (69,675) | 291 |
| Unrealized loss on revaluation of investments classified as 'at fair value through profit or loss' - net | (1,225) | (535) |
| | <u>(70,900)</u> | <u>(1,949)</u> |
| Cash (used in) operations before working capital changes | 372,863 | 334,514 |
| Working capital changes | | |
| (Increase) / decrease in assets | | |
| Investments - net | (3,650,135) | (1,058,352) |
| Profit / mark-up receivable | 9,706 | (23,416) |
| Advance tax | (39) | (774) |
| Advances, deposits, prepayments and other receivables | (22) | (15,768) |
| | <u>(3,640,490)</u> | <u>(1,098,310)</u> |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | 5,788 | 8,744 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 305 | 99 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | 263 | (146) |
| Accrued expenses and other liabilities | 23,208 | (184,517) |
| | <u>29,564</u> | <u>(175,820)</u> |
| Dividend received | - | 1,706 |
| Net cash (used in) operating activities | <u>(3,238,063)</u> | <u>(937,910)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 18,934,619 | 5,257,629 |
| Payments against redemption of units | (12,107,714) | (3,961,359) |
| Dividend paid | (84,600) | (304,069) |
| Net cash generated from financing activities | <u>6,742,305</u> | <u>992,201</u> |
| Net increase in cash and cash equivalents during the year | 3,504,242 | 54,291 |
| Cash and cash equivalents at the beginning of the year | 398,585 | 344,294 |
| Cash and cash equivalents at the end of the year | <u><u>3,902,827</u></u> | <u><u>398,585</u></u> |

The annexed notes from 1 to 33 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

Asif Ali Qureshi
Chief Executive Officer

Muhammad Zuhair Abbas
Chief Financial Officer

Rashid Ahmed Jafer
Director

**UBL INCOME OPPORTUNITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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 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 registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.4 The fund has been categorised as an open ended 'income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is quoted on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre-IPO at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuk issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall not apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.

- 1.6 VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on January 09, 2025 and a stability rating of "AA-(f)" to the Fund as at January, 09, 2025.
- 1.7 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF 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) 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
- NBFC Rules, the NBFC Regulations and requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention unless stated otherwise.

2.3 Functional and presentation currency

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

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|--|--|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements | January 01, 2024 |
| Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| 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' - Non-current liabilities with covenants | January 01, 2024 |
| Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements | January 01, 2024 |

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 Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

| | |
|--|------------------|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |

| | Effective date (annual periods beginning on or after) |
|---|--|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| IFRS 17 Insurance Contracts | January 01, 2026 |

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material 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 in savings and current accounts.

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 (FVTOCI) or fair value through profit and loss (FVTPL).

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.

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.

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.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Fund's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.
- Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: this includes shariah complaint debt securities. These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

Reclassifications

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.

Subsequent Measurement

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

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any profit/markup or dividend income, are recognised in income statement.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. profit/markup , foreign exchange gains and losses and impairment are recognised in income statement.

4.2.2 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.3 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.

4.2.4 De-recognition

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

4.3 Financial liabilities

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

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

4.3.1 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.

4.4 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 recognized in the income statement.

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

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 realized or unrealized, 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 realized or unrealized, to its unit holders.

4.7 Distributions

Distribution to the unit holders are recognised upon declaration and approval 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.

Distributions declared subsequent to 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.

4.8 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Earning per unit

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

4.10 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 net assets value on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) at the beginning of the relevant accounting period.

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

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

4.11 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.

4.12 Revenue recognition

- Realized capital gains / (losses) arising on sale of investments is accounted for in the year in which it arises.
- Unrealized (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.
- Dividend income is recognized when the right to receive the dividend is established.
- Income on reverse repurchase lending arrangements, certificates of investment, placements, Government securities and investments in debt securities is recognized at rate of return implicit in the instrument / arrangement on a time proportionate basis.
- Profit on bank balances and term deposits and government securities is recorded on accrual basis.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognized in the Income Statement when incurred.

4.14 Use of estimates and judgments

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

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

| | Notes |
|---|--------------|
| Classification and valuation of investments | 4.2.1.1 |
| Impairment of investment | 4.2.2 |
| Provisions | 4.5 |

| 5 | BANK BALANCES | Note | 2025 ----- (Rupees in '000) ----- | 2024 |
|------------|---|-------------|---|------------------|
| | Cash at bank | | | |
| | In current accounts | | 48 | 48 |
| | In savings accounts | 5.1 | 3,902,779 | 398,537 |
| | | | <u>3,902,827</u> | <u>398,585</u> |
| 5.1 | Profit rates on these savings accounts ranges from 3% to 20.1% per annum (June 30, 2024: 20.50% to 22.5% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 2,863.05 million (June 30, 2024 : Rs. 68.98 million) on which return is earned at 9.5%-19% (June 30, 2024 : 20%) per annum. | | | |
| 6 | INVESTMENTS | | | |
| | Financial assets | | | |
| | At fair value through profit or loss | 6.1 | 5,251,880 | 1,530,845 |
| | | | <u>5,251,880</u> | <u>1,530,845</u> |
| 6.1 | Financial assets at fair value through profit or loss | | | |
| | Government securities | | | |
| | Market treasury bills | 6.1.1 | 193,450 | 485,696 |
| | Pakistan Investment Bonds | 6.1.2 | 4,865,368 | 838,311 |
| | Term Finance Certificates | 6.1.3 | 170,056 | 181,641 |
| | Corporate Sukuk bonds | 6.1.4 | 23,006 | 25,197 |
| | | | <u>5,251,880</u> | <u>1,530,845</u> |

6.1.1 Market Treasury Bills

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized appreciation | Market value as a percentage of net assets | Market value as a percentage of total investments |
|----------------------------------|-----------|--------------------|-----------------------------|-----------------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|--|---|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at June 30, 2025 | | | | | |
| -----Rupees in '000'----- %----- | | | | | | | | | | |
| June 12, 2025 | 1-Months | - | 4,500,000 | 4,500,000 | - | - | - | - | 0.00% | 0.00% |
| May 2, 2025 | 1-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| May 29, 2025 | 1-Months | - | 300,000 | 300,000 | - | - | - | - | 0.00% | 0.00% |
| May 15, 2025 | 1-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| April 3, 2025 | 1-Months | - | 600,000 | 600,000 | - | - | - | - | 0.00% | 0.00% |
| May 2, 2025 | 3-Months | - | 705,220 | 700,000 | 5,220 | 5,183 | 5,183 | 0 | 0.06% | 0.10% |
| July 11, 2024 | 3-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| June 12, 2025 | 3-Months | - | 500,000 | 500,000 | - | - | - | - | 0.00% | 0.00% |
| January 9, 2025 | 3-Months | - | 150,000 | 150,000 | - | - | - | - | 0.00% | 0.00% |
| October 31, 2024 | 3-Months | - | 800,000 | 800,000 | - | - | - | - | 0.00% | 0.00% |
| December 26, 2024 | 3-Months | - | 800,000 | 800,000 | - | - | - | - | 0.00% | 0.00% |
| December 12, 2024 | 3-Months | - | 800,000 | 800,000 | - | - | - | - | 0.00% | 0.00% |
| November 14, 2024 | 3-Months | - | 300,000 | 300,000 | - | - | - | - | 0.00% | 0.00% |
| August 8, 2024 | 3-Months | - | 150,000 | 150,000 | - | - | - | - | 0.00% | 0.00% |
| July 25, 2024 | 3-Months | - | 125,000 | 125,000 | - | - | - | - | 0.00% | 0.00% |
| May 2, 2024 | 3-Months | - | 500,000 | 500,000 | - | - | - | - | 0.00% | 0.00% |
| April 18, 2024 | 3-Months | - | 700,000 | 700,000 | - | - | - | - | 0.00% | 0.00% |
| August 22, 2024 | 6-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| December 26, 2024 | 6-Months | - | 500,000 | 500,000 | - | - | - | - | 0.00% | 0.00% |
| December 12, 2024 | 6-Months | - | 2,000,000 | 2,000,000 | - | - | - | - | 0.00% | 0.00% |
| May 16, 2024 | 6-Months | - | 80,000 | 80,000 | - | - | - | - | 0.00% | 0.00% |
| May 2, 2024 | 6-Months | - | 5,000 | 5,000 | - | - | - | - | 0.00% | 0.00% |
| October 19, 2023 | 12-Months | - | 725,000 | 725,000 | - | - | - | - | 0.00% | 0.00% |
| February 6, 2025 | 12-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| December 28, 2023 | 12-Months | - | 600,000 | 600,000 | - | - | - | - | 0.00% | 0.00% |
| April 4, 2024 | 12-Months | - | 800,000 | 800,000 | - | - | - | - | 0.00% | 0.00% |
| October 3, 2024 | 12-Months | - | 200,000 | 200,000 | - | - | - | - | 0.00% | 0.00% |
| July 25, 2024 | 12-Months | - | 600,000 | 600,000 | - | - | - | - | 0.00% | 0.00% |
| November 2, 2023 | 12-Months | 200,000 | 875,000 | 1,075,000 | - | - | - | - | 0.00% | 0.00% |
| August 22, 2024 | 12-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| July 11, 2024 | 12-Months | - | 1,500,000 | 1,500,000 | - | - | - | - | 0.00% | 0.00% |
| May 16, 2024 | 12-Months | - | 250,000 | 250,000 | - | - | - | - | 0.00% | 0.00% |
| February 22, 2024 | 12-Months | - | 500,000 | 500,000 | - | - | - | - | 0.00% | 0.00% |
| December 14, 2023 | 12-Months | - | 300,000 | 300,000 | - | - | - | - | 0.00% | 0.00% |
| January 9, 2025 | 12-Months | - | 199,000 | - | 199,000 | 188,265 | 188,267 | 2 | 2.05% | 3.58% |
| May 30, 2024 | 12-Months | 350,000 | - | 350,000 | - | - | - | - | 0.00% | 0.00% |
| Total - As at June 30, 2025 | | 550,000 | 21,564,220 | 21,910,000 | 204,220 | 193,447 | 193,450 | 3 | 2.11% | 3.68% |
| Total - As at June 30, 2024 | | - | 9,095,000 | 8,545,000 | 550,000 | 485,463 | 485,696 | 233 | 24.32% | 31.73% |

6.1.2 Pakistan Investment Bonds

6.1.2.1 Non-Floating

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized (diminution) | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-----------------------------|-----------|--------------------|-----------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|--|---|
| | | As at July 1, 2024 | Purchases during the period | Sales during the period | As at June 30, 2025 | | | | | |
| -----Rupees in '000----- | | | | | | | | | | |
| January 16, 2025 | 2 -Years | - | 2,750,000 | 1,875,000 | 875,000 | 744,942 | 745,128 | 186 | 8.13% | 14.19% |
| February 15, 2024 | 3 -Years | 100,000 | 850,000 | 950,000 | - | - | - | - | 0.00% | 0.00% |
| January 17, 2024 | 5 -Years | - | 200,000 | 200,000 | - | - | - | - | 0.00% | 0.00% |
| October 15, 2020 | 5 -Years | - | 204,500 | 204,500 | - | - | - | - | 0.00% | 0.00% |
| December 10, 2020 | 10 -Years | - | 188,400 | 188,400 | - | - | - | - | 0.00% | 0.00% |
| July 12, 2018 | 10 -Years | - | 550,000 | 550,000 | - | - | - | - | 0.00% | 0.00% |
| Total - As at June 30, 2025 | | 100,000 | 4,742,900 | 3,967,900 | 875,000 | 744,942 | 745,128 | 186 | 8.13% | 14.19% |
| Total - As at June 30, 2024 | | - | 3,937,600 | 3,837,600 | 100,000 | 94,788 | 94,475 | (313) | 4.73% | 6.17% |

6.1.2.2 Floating

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized (diminution) / appreciation | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-----------------------------|---------|--------------------|-----------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|--|--|---|
| | | As at July 1, 2024 | Purchases during the period | Sales during the period | As at June 30, 2025 | | | | | |
| -----Rupees in '000----- | | | | | | | | | | |
| April 18, 2024 | 5 Years | 670,000 | - | 670,000 | - | - | - | - | 0.00% | 0.00% |
| June 27, 2024 | 5 Years | - | 4,930,000 | 1,730,000 | 3,200,000 | 3,139,056 | 3,139,840 | 784 | 34.25% | 59.79% |
| April 17, 2025 | 5 Years | - | 2,000,000 | 1,000,000 | 1,000,000 | 980,155 | 980,400 | 245 | 10.69% | 18.67% |
| Total - As at June 30, 2025 | | 670,000 | 6,930,000 | 3,400,000 | 4,200,000 | 4,119,211 | 4,120,240 | 1,029 | 44.94% | 78.45% |
| Total - As at June 30, 2024 | | 211,800 | 6,415,000 | 5,856,800 | 770,000 | 742,414 | 743,836 | 1,422 | 37.25% | 48.59% |

6.1.2.2.1 As at June 30, 2025, Pakistan Investment Bonds (PIBs) had a face value of Rs. 4,200 million (June 30, 2024: 770 million) carrying effective yield 11.49% to 12.45% per annum (June 30, 2024: 21.30% to 22.85% per annum).

6.1.3 Term Finance Certificates

| Name of the investee company | As at July 1, 2024 | Purchases during the period | Sales during the period | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized (diminution) | Market value as a percentage of net assets | Market value as a percentage of total investments |
|----------------------------------|--------------------|-----------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|--|---|
| | ----- Units ----- | | | | (Rupees in '000) | | | ----- % ----- | |
| Term Finance Certificates | | | | | | | | | |
| Samba Bank Limited | 333 | - | - | 333 | 33,459 | 33,178 | (280) | 0.36% | 0.63% |
| Bank Al-Habib Limited | 5,000 | - | - | 5,000 | 24,591 | 24,591 | - | 0.27% | 0.47% |
| The Bank of Punjab | 800 | - | - | 800 | 78,552 | 78,537 | (15) | 0.86% | 1.50% |
| Kashf Foundation | 450 | - | - | 450 | 33,750 | 33,750 | - | 0.37% | 0.64% |
| Total - As at June 30, 2025 | 6,583 | - | - | 6,583 | 170,351 | 170,056 | (295) | 1.85% | 3.24% |
| Total - as at June 30, 2024 | 26,133 | 5,450 | 25,000 | 6,583 | 182,641 | 181,641 | (1,000) | 9.10% | 11.87% |

6.1.3.1 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 | | |
| Samba Bank Limited | 333 | 99,880 | 33,260,040 | 6M KIBOR + 1.35% | March 01, 2031 |
| Bank Al-Habib Limited | 5,000 | 4,995 | 24,975,000 | 6M KIBOR + 0.75% | September 30, 2031 |
| Kashf Foundation | 450 | 100,000 | 45,000,000 | 6M KIBOR + 1.5% | December 08, 2028 |
| The Bank of Punjab | 800 | 99,960 | 79,968,000 | 6M KIBOR + 1.25% | April 17, 2033 |

6.1.4 Corporate Sukuk Bond

| Name of the investee company | As at July 1, 2024 | Purchases during the period | Sales during the period | As at June 30, 2025 | Carrying value as at June 30, 2025 | Market value as at June 30, 2025 | Unrealized (diminution) | Market value as a percentage of net assets | Market value as a percentage of total investments |
|------------------------------|--------------------|-----------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------|--|---|
| | ----- Units ----- | | | | (Rupees in '000) | | | ----- % ----- | |
| Corporate Sukuk Bond | | | | | | | | | |
| K-Electric Limited | 250 | - | - | 250 | 22,702 | 23,006 | 304 | 0.25% | 0.44% |
| Total - As at June 30, 2025 | 250 | - | - | 250 | 22,702 | 23,006 | 304 | 0.25% | 0.44% |
| Total - as at June 30, 2024 | 250 | - | - | 250 | 25,000 | 25,197 | 197 | 1.26% | 1.65% |

6.1.4.1 Significant terms and conditions of Corporate Sukuk Bond outstanding at the year end are as follows:

| Name of the investee company | Remaining principal (per certificate) | Mark-up rate (per annum) | Issue date |
|------------------------------|---------------------------------------|--------------------------|------------------|
| Corporate Sukuk Bond | | | |
| K-Electric Limited | 100,000 | 3 months KIBOR + 1.7% | November 1, 2022 |

| | 2025 | 2024 |
|--|------------------------------|------------|
| Note | ----- (Rupees in '000) ----- | |
| 7 | | |
| Unrealised loss on revaluation of investment classified as 'at fair value through profit or loss' - net | | |
| Market value of investments | 5,251,880 | 1,530,845 |
| less: Carrying value of investments | (5,250,655) | 1,530,310 |
| Unrealised Gain | <u>1,225</u> | <u>535</u> |

8 MARK UP / INTEREST RECEIVABLE

Mark-up / interest receivable on:

| | | |
|---------------------------|---------------|---------------|
| Savings accounts | 14,216 | 9,895 |
| Pakistan Investment Bonds | 28,269 | 38,379 |
| Term Finance Certificates | 4,782 | 8,399 |
| Corporate Sukuk bonds | 319 | 615 |
| | <u>47,585</u> | <u>57,289</u> |

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

| | | | |
|---|-----|--------------|---------------|
| National Clearing Company of Pakistan Limited (NCCPL) | | 1,000 | 1,000 |
| Central Depository Company of Pakistan Limited | | 100 | 100 |
| Prepaid expenses | 9.1 | 40 | 19 |
| Advance against NCCPL exposure margin | | 2,062 | 2,062 |
| Receivable on issuance of units | | 6,395 | 20,106 |
| | | <u>9,597</u> | <u>23,286</u> |

9.1 This includes prepaid expenses recognized in respect of payment made for rating fee and listing fee.

10 ADVANCE TAX

| | | |
|-------------|--------------|--------------|
| Advance tax | <u>4,509</u> | <u>4,471</u> |
|-------------|--------------|--------------|

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). Furthermore, 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 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). However, 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 refund application within stipulated time as per Income Tax Ordinance , 2001.

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- (Rupees in '000) ----- |
|--|------|--------------------------------------|--------------------------------------|
| 11 PAYABLE TO UBL FUND MANAGERS LIMITED- MANAGEMENT COMPANY | | | |
| Remuneration payable of the Management Company | 11.1 | 2,465 | 1,922 |
| Sindh Sales Tax payable on the Management | 11.2 | 370 | 250 |
| Conversion charges payable to management company | | 61 | 61 |
| Sales load payable | | 4,749 | 6,256 |
| Allocated expenses payable | 19 | 1,664 | 856 |
| Conversion charges payable | | 8,628 | - |
| Selling and marketing expense payable | 11.3 | - | 2,805 |
| | | 17,937 | 12,150 |

- 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 changed method of calculating management fee and has charged remuneration at the rate of 7.5% of the gross earnings of the Fund calculated on a daily basis with a floor and cap of 0.25% and 1.5% on average daily net assets. From July 01, 2024 to June 30, 2025 1% of the daily net assets.
- 11.2 Sindh Sales Tax has been levied at 15% (2024: 13%) on the management fee charged during the year.
- 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 and keeping in view the overall return and the total expense ratio limit of fund as defined under the NBFC Regulations, has charged selling and marketing expense at the rate of 0.25% from July 01, 2024 to December 03, 2024, of the daily net assets.

| | Note | 2025 ----- (Rupees in '000) ----- | 2024 ----- |
|---|------|--------------------------------------|---------------|
| 12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Trustee fee payable | 12.1 | 420 | 150 |
| Sales tax on remuneration payable | 12.2 | 54 | 19 |
| | | <u>474</u> | <u>169</u> |

12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein, based on the average annual net assets of the Fund. The Fund has charged Trustee Fee at the rate of 0.075% (June 30, 2024: 0.075%) per annum of average daily net assets of the Fund during the year. The fee is paid to the Trustee monthly in arrears.

12.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

| | | | |
|--------------------|------|------------|------------|
| Annual fee payable | 13.1 | <u>411</u> | <u>149</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. The Fund has charged this at the rate of 0.075% from July 01, 2024 to June 30, 2025 of the daily net assets. The fee is payable annually in arrears.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | |
|--|------|---------------|--------------|
| Zakat deducted at source payable | | 177 | 140 |
| Federal excise duty payable | 14.1 | 1,597 | 1,597 |
| Capital gains tax payable | | 25,235 | 18 |
| Auditors' remuneration payable | | 170 | 406 |
| Brokerage expense payable | | 955 | 1,016 |
| Sales load payable to UBL | 14.2 | - | 1,187 |
| Dividend Payable as capital re-payment non taxable | | - | 621 |
| Payable against legal expenses and professional fees | | 162 | 95 |
| Withholding tax payable | | - | - |
| Listing fee payable | | 15 | 18 |
| Dividend Payable | | 508 | - |
| Other payables | | 4 | 5 |
| | | <u>28,823</u> | <u>5,104</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 recorded, the net asset value per unit of the Fund as at June 30, 2024 would have been higher by Rs.0.200 per unit (June 30, 2023: Rs. 0.264 per unit).

- 14.2 This represents sales load payable to United Bank Limited amounting to Rs 107 (June 30, 2024: Rs. Nil).

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 (June 30, 2024 Nil).

| | 2025 | 2024 |
|---|-------------------------------|-------------------|
| | ----- (Number of units) ----- | |
| 16 NUMBER OF UNITS IN ISSUE | | |
| Total units in issue at the beginning of the year | 18,080,472 | 6,055,289 |
| Add: Units issued | 162,869,286 | 43,713,042 |
| Less: Units redeemed | (98,229,036) | (31,687,859) |
| Total units in issue at the end of the year | <u>82,720,722</u> | <u>18,080,472</u> |

| | 2025 | 2024 |
|--|------------------------------|---------|
| | ----- (Rupees in '000) ----- | |
| 17 FINANCIAL INCOME | | |
| Mark-up / interest income on: | | |
| Bank balances | 67,926 | 133,071 |
| Term deposit receipts | - | 1,735 |
| Pakistan investment bonds | 193,361 | 94,877 |
| Market treasury bills | 116,838 | 80,544 |
| Term finance certificates | 31,728 | 48,616 |
| Corporate sukuk bonds | 4,165 | 5,920 |
| Commercial paper | - | - |
| | 414,018 | 364,763 |
| 18 AUDITORS' REMUNERATION | | |
| Annual audit fee | 208 | 140 |
| Fee for half yearly review | 111 | 64 |
| Fee for review of compliance with the requirements | 91 | 59 |
| Fee for other certifications / services | 86 | 64 |
| Out of pocket expense and sales tax | 103 | 80 |
| | 599 | 407 |
| 19 ALLOCATED EXPENSES | | |

Until April 09, 2025, In accordance with Regulation 60 of the NBFC Regulations, Management Company was entitled Until April 09, 2025, to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to Collective Investment Scheme (CIS).

SECP through SRO 600(I)/2025 dated April 10, 2025, has amended Schedule XX of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 whereby the charging of expenses shall not include the following:

- (a) Printing costs and related expenses for issuing the quarterly, half-yearly, and annual reports of the CIS;
- (b) Fees and expenses related to registrar services, accounting, operations, and valuation services of the CIS;
- (c) Selling and marketing expenses for the purpose of opening and maintenance of branches;
- (d) Payment of salaries/commission to the sales team and distributors;
- (e) Advertising and publicity expenses, and development of alternate delivery/distribution channels for the CIS.

20 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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.

21 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.46% as on June 30, 2025 (2024: 1.79%) and this includes 0.08% (2024: 0.91%) representing Government levy and SECP fee.

22 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2025, the financial assets carried on the statement of assets and liabilities are categorised either as at 'amortized 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, 2025 | | |
|-------------------------------|---------------------|--|------------------|
| | Amortized cost | Financial assets 'at fair value through profit or loss' | Total |
| ----- Rupees in '000 ----- | | | |
| Financial assets | | | |
| Bank balances | 3,902,827 | - | 3,902,827 |
| Investments | - | 5,251,880 | 5,251,880 |
| Other receivables | 9,557 | - | 9,557 |
| Mark up / interest receivable | 47,585 | - | 47,585 |
| | <u>3,959,969</u> | <u>5,251,880</u> | <u>9,211,849</u> |

| Particulars | As at June 30, 2025 | | |
|---|---|----------------|---------------|
| | Financial liabilities 'at fair value through profit or loss' | Amortised cost | Total |
| ----- Rupees in '000 ----- | | | |
| Financial liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 17,937 | 17,937 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | 474 | 474 |
| Accrued expenses and other liabilities | - | 28,823 | 28,823 |
| | <u>-</u> | <u>47,234</u> | <u>47,234</u> |

| Particulars | As at June 30, 2024 | | |
|-------------------------------|---------------------|--|------------------|
| | Amortized cost | Financial assets 'at fair value through profit or loss' | Total |
| Financial assets | | | |
| Bank balances | 398,585 | - | 398,585 |
| Investments | - | 1,530,845 | 1,530,845 |
| Other receivables | 23,268 | - | 23,268 |
| Mark up / interest receivable | 57,289 | - | 57,289 |
| | <u>479,142</u> | <u>1,530,845</u> | <u>2,009,986</u> |

| Particulars | As at June 30, 2024 | | |
|---|---|-------------------|---------------|
| | Financial liabilities 'at fair value through profit or loss' | At amortised cost | Total |
| | | | |
| Financial liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 12,150 | 12,150 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | 169 | 169 |
| Accrued expenses and other liabilities | - | 5,104 | 5,104 |
| | - | <u>17,423</u> | <u>17,423</u> |

----- Rupees in '000 -----

23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGE

**June 30, 2025
(Percentage)**

| | | |
|----|---|---------------|
| 1 | CURRENCY MARKET ASSOCIATES (PVT.) LTD | 22.39% |
| 2 | ICON SECURITIES (PRIVATE) LTD. | 18.70% |
| 3 | C&M MANAGEMENT PVT LIMITED | 14.17% |
| 4 | CONTINENTAL EXCHANGE (PVT) LIMITED | 11.16% |
| 5 | AKD SECURITIES LIMITED | 8.89% |
| 6 | ARIF HABIB LIMITED | 6.83% |
| 7 | ALFALAH CLSA SECURITIES (PRIVATE) LIMITED | 4.90% |
| 8 | INVEST ONE MARKETS LIMITED | 4.51% |
| 9 | PARAMOUNT CAPITAL (PVT) LTD | 4.06% |
| 10 | OPTIMUS MARKETS (PVT.) LTD. | 1.50% |
| | | <u>97.12%</u> |

24 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 | Asif Ali Qureshi | Chief Executive Officer | 29 | MBA, CFA |
| 2 | Syed Suleman Akhtar | Chief Investment Officer | 26 | CFA, MBA |
| 3 | Irfan Nepal | Unit Head Trading Desk | 32 | EMBA, MA |
| 4 | Hadi Hassan Muki | Head of Risk Management, Compliance Quality | 26 | B.Com, CA (Inter) |
| 5 | Mubeen Ashraf | Assurance and Company Secretary | 24 | FCA |
| 6 | Syed Sheeraz Ali | Head of Fixed Income Funds | 16 | BS, CFA Level I |
| 7 | Mubashir Anis | Divisional Head - Equities | 13 | BSC, CFA |
| 8 | Muhammad Waseem | Head of Research | 11 | BBA, CFA |
| 9 | Ghufran Ahmed* | Fund Manager - Fixed Income Funds | 20 | M.A |

Ghufran Ahmed is Fund Manager of the Fund. Ghufran Ahmed is also fund manager of UBL Money Market Fund, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Aggressive Income Fund Plan-I.

25 PATTERN OF UNIT HOLDING

| Category | -----June 30, 2025----- | | |
|---------------------------------------|-------------------------|----------------------|--------------------------|
| | Number of unit holders | Number of units held | Percentage of units held |
| Associated Company and Key Executives | 2 | 46,977 | 0.06% |
| Individuals | 2,772 | 27,759,258 | 33.56% |
| Insurance companies | 1 | 96,377 | 0.12% |
| Others | 18 | 50,636,167 | 61.21% |
| Public limited companies | 4 | 1,822,370 | 2.20% |
| Retirement funds | 11 | 2,359,573 | 2.85% |
| | <u>2,808</u> | <u>82,720,722</u> | <u>100%</u> |

| Category | -----June 30, 2024----- | | |
|---------------------------------------|-------------------------|----------------------|--------------------------|
| | Number of unit holders | Number of units held | Percentage of units held |
| Associated Company and Key Executives | 1 | 2 | 0.00% |
| Individuals | 2,270 | 12,912,457 | 15.61% |
| Insurance companies | 1 | 77,565 | 0.09% |
| Others | 15 | 2,044,221 | 2.47% |
| Public limited companies | 3 | 1,608,521 | 1.94% |
| Retirement funds | 5 | 1,437,708 | 1.74% |
| | <u>2,295</u> | <u>18,080,473</u> | <u>22%</u> |

26 TRANSACTIONS AND BALANCES 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.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of 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, 2025 | | | | | | |
| Profit on savings accounts | - | 27,523 | - | - | - | - |
| Bank charges | - | 95 | - | - | - | - |
| Units issued (in Units '000') | - | - | - | - | - | 76,511 |
| Units redeemed (in Units '000') | - | - | - | - | - | 35,378 |
| Units issued (in Rupees '000') | - | - | - | - | - | 9,050,052 |
| Units redeemed (in Rupees '000') | - | - | - | - | - | 4,538,322 |
| Sales load paid | - | 39,559 | - | - | - | - |
| Dividend paid | - | - | - | - | - | 223 |
| Sale of securities | - | 3,987,764 | - | 545,244 | - | - |
| Remuneration (including Sindh sales tax) | 30,943 | - | 2,457 | - | - | - |
| Allocated expenses | 808 | - | - | - | - | - |
| CDS expense | - | - | 30 | - | - | - |
| Selling and marketing expense | 2,885 | - | - | - | - | - |
| Transactions during the year ended June 30, 2024 | | | | | | |
| Profit on savings accounts | - | 10,195 | - | - | - | - |
| Bank charges | - | - | - | - | - | - |
| Units issued (in Units '000') | - | - | - | - | 223 | - |
| Units redeemed (in Units '000') | - | - | - | - | 223 | - |
| Units issued (in Rupees '000') | - | - | - | - | 26,887 | - |
| Units redeemed (in Rupees '000') | - | - | - | - | 26,944 | - |
| Sales load paid | 10,578 | 534 | - | - | - | - |
| Dividend paid | - | - | - | - | 34 | - |
| Sale of securities | - | 685,591 | - | 24,413 | - | 480,538 |
| Remuneration (including Sindh sales tax) | 20,688 | - | 1,483 | - | - | - |
| Allocated expenses | 1,455 | - | - | - | - | - |
| CDS expense | - | - | 31 | - | - | - |
| Selling and marketing expense | 4,183 | - | - | - | - | - |

| | 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, 2025 | | | | | | |
| Units held (in Units '000') | - | - | - | - | - | 41,134 |
| Units held (in Rupees '000') | - | - | - | - | - | 4,559,247 |
| Bank balances | - | 11 | - | - | - | - |
| Remuneration payable | 2,835 | - | 474 | - | - | - |
| Sales load payable | 1,664 | - | - | - | - | - |
| Conversion charges payable | 8,628 | - | - | - | - | - |
| Allocated expenses payable | 1,664 | - | - | - | - | - |
| Profit receivable | - | 10,964 | - | - | - | - |
| Selling and marketing expense payable | - | - | - | - | - | - |
| Balances held as at June 30, 2024 | | | | | | |
| Units held (in Units '000') | - | - | - | - | 2 | - |
| Units held (in Rupees '000') | - | - | - | - | 221 | - |
| Bank balances | - | 68,980 | - | - | - | - |
| Remuneration payable | 2,172 | - | 169 | - | - | - |
| Sales load payable | 6,256 | - | - | - | - | - |
| Conversion charges payable | 61 | - | - | - | - | - |
| Allocated expenses payable | 856 | - | - | - | - | - |
| Profit receivable | - | 1,774 | - | - | - | - |
| Selling and marketing expense payable | 2,805 | - | - | - | - | - |

27 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

| | Receivable against issuance of units | Payable against redemption of units | Dividend payable | Total |
|--------------------------------------|--------------------------------------|-------------------------------------|------------------|--------------|
| ----- (Rupees in '000) ----- | | | | |
| Opening balance as at July 1, 2024 | 20,106 | - | - | 20,106 |
| Receivable against issuance of units | 18,920,903 | - | - | 18,920,903 |
| Payable against redemption of units | - | 12,107,714 | - | 12,107,714 |
| Payable against dividends | - | - | 85,108 | 85,108 |
| | 18,920,903 | 12,107,714 | 85,108 | 31,113,725 |
| Amount received on issuance of units | (18,934,619) | - | - | (18,934,619) |
| Amount paid on redemption of units | - | (12,107,714) | - | (12,107,714) |
| Dividend paid | - | - | (84,600) | (84,600) |
| | (18,934,619) | (12,107,714) | (84,600) | (31,126,933) |
| Closing balance as at June 30, 2025 | 6,390 | - | 508 | 6,898 |

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

Meetings of the Board of Directors were held on July 25, 2024, August 29, 2024, October 28,2024, January 08, 2025, February 11,2025 and April 28,2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

| S.No. | Name of Director | Number of meetings | | | Meetings not attended |
|-------|---------------------------|--------------------|----------|---------------|-----------------------|
| | | Held | Attended | Leave granted | |
| 1 | Mr. Imran Sarwar | 6 | 6 | - | - |
| 2 | Mr. Alee Khalid Ghaznavi | 6 | 3 | 3 | 3 |
| 3 | Mr. Muhammad Rizwan Malik | 6 | 6 | - | - |
| 4 | Mr. Rashid Ahmed Jafer | 6 | 6 | - | - |
| 5 | Ms. Huma Pasha | 6 | 6 | - | - |
| 6 | Mr. Arif Akmal Saifi** | 6 | 1 | - | - |
| 7 | Mr. Yasir Qadri* | 6 | 4 | - | - |
| 8 | Mr. Asif Ali Quershi* | 6 | 5 | 1 | 1 |

*Mr. Yasir Qadri has resigned from the position of CEO, in its 150th meeting dated July 25 2024. Board has has appointed Mr Asif Ali Qureshi, as the CEO of the Company with effect from July 26, 2024. Mr. Yasir Qadri has resigned from the position of Director on February 10, 2025.

**Mr. Arif Akmal Saifie has resigned from the position of Director, in its 150th meeting dated July 25 2024 Board has appointed Mr Asif Ali Qureshi as the Director of the Company with effect from July 26, 2024.

*** Mr. Farrukh Karim Khan was appointed on the Board in 155th Meeting dated April 28, 2025.with effect from April 29, 2025.

29 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.

29.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the regulations laid down by the SECP.

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

29.1.1 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.

29.1.2 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, 2025, the Fund is exposed to such risk on its balances held with banks, Government securities, debt securities and money market securities. 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

Presently, the investment in PIBs, TFCs and Sukuk bonds are 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. 52.518 (2024: Rs. 15.308) 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, 2025 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.

29.2 Liquidity risk

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

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

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

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further the Fund also has the ability to suspend redemptions of units with the approval of Board of Directors of the Management Company in extraordinary circumstances. An interval of six working days between the receipt of a redemption request and issuance of against it to the holder provides a cushion in the repayment of on-demand redemption of units. However, during the year no such option was exercised or considered necessary.

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

| Particulars | June 30, 2025 | | | Total |
|---|-------------------|--|---------------|---------------|
| | Upto three months | More than three months and upto one year | Over one year | |
| ----- Rupees in '000 ----- | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 17,937 | - | - | 17,937 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 474 | - | - | 474 |
| Accrued expenses and other liabilities | 28,823 | - | - | 28,823 |
| Total liabilities | 47,234 | - | - | 47,234 |

| Particulars | June 30, 2024 | | | Total |
|---|-------------------|--|---------------|---------------|
| | Upto three months | More than three months and upto one year | Over one year | |
| ----- Rupees in '000 ----- | | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 12,150 | - | - | 12,150 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 169 | - | - | 169 |
| Accrued expenses and other liabilities | 5,104 | - | - | 5,104 |
| Total liabilities | 17,423 | - | - | 17,423 |

29.3 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:

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, 202 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

| | 2025 | 2024 |
|---------------------------|------------------------------|---------|
| | ----- (Rupees in '000) ----- | |
| Bank balances | 3,902,827 | 398,585 |
| Term finance certificates | 170,056 | 181,641 |

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.

29.3.1 The analysis below summarizes the credit quality of the Fund's portfolio in total as on June 30, 2024:

| | 2025 | 2024 |
|---|--------------------------|-------------|
| | ----- (Percentage) ----- | |
| Bank balances by rating category | | |
| AAA | 99.02% | 17.68% |
| AA- to AA+ | 0.98% | 82.31% |
| A+ | 0.00% | 0.00% |
| AA to A | 0.00% | 0.01% |
| Total | 100.00% | 100.00% |
| Term finance certificates by rating category | | |
| AAA | 34.31% | 38.32% |
| AA+ | 46.18% | 0.00% |
| AA | 0.00% | 43.25% |
| AA- | 19.51% | 18.43% |
| A+ | 0.00% | 0.00% |
| Total | 100.00% | 100.00% |
| Sukuk bond by rating category | | |
| AA+ | 100% | 100% |
| | 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.

30 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders.

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

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

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

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

| Particulars | June 30, 2025 | | | |
|--|---------------|-----------|---------|-----------|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | | | |
| Financial assets measured at fair value | | | | |
| Term Finance Certificates | 24,591 | 145,465 | - | 170,056 |
| Corporate Sukuk bonds | 23,006 | - | - | 23,006 |
| Pakistan Investment Bonds | - | 4,865,368 | - | 4,865,368 |
| Market Treasury Bills | - | 193,450 | - | 193,450 |
| | 47,597 | 5,204,283 | - | 5,251,880 |

| Particulars | June 30, 2024 | | | |
|--|---------------|-----------|---------|-----------|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | | | |
| Financial assets measured at fair value | | | | |
| Term Finance Certificates | - | 181,641 | - | 181,641 |
| Corporate Sukuk bonds | 25,197 | - | - | 25,197 |
| Pakistan Investment Bonds | - | 838,311 | - | 838,311 |
| Market Treasury Bills | - | 485,696 | - | 485,696 |
| | 25,197 | 1,505,648 | - | 1,530,845 |

31.1 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.

31.2 During the year ended June 30, 2025, 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.

31.3 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.

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company on August 22, 2025.

33 GENERAL

33.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

For UBL Fund Managers Limited (Management Company)

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

UGIF

UBL GROWTH AND INCOME FUND

INVESTMENT OBJECTIVE

UGIF is an open-end Fixed Income Fund, investing in a long term fixed income instrument as well a short term money market instruments and seek to generate superior, long term, risk adjusted return 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) |
| Auditor | Yousuf Adil, Chartered Accountants |
| Bankers United Bank Limited | Bank Alfalah Limited MCB Bank Faysal bank Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited JS Bank Limited Khushali Bank Limited Silk Bank Limited Summit Bank Limited Telenor Microfinance Bank The Bank of Punjab Soneri Bank |
| Management Co.Rating | AM1 (VIS) |
| Fund Rating | AA+(f) |

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, long term, risk-adjusted returns while preserving capital over the long-term.

iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective

The Collective Investment Scheme has a long-term investment objective. Significant efforts were made during the year for the achievement of the long-term objective.

iv) Statement of benchmark(s) relevant to the Collective Investment Scheme

90% twelve (12) months KIBOR + 10% twelve (12) months average of the highest rates on savings account 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'24 | Aug'24 | Sep'24 | Oct'24 | Nov'24 | Dec'24 | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | FYTD |
|----------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|
| UGIF | 20.99% | 19.12% | 45.70% | 16.02% | 17.38% | 169.89% | 15.99% | 9.61% | 7.57% | 9.17% | 21.04% | 9.51% | 34.10% |
| Benchmark | 18.70% | 17.58% | 16.13% | 13.69% | 13.03% | 12.24% | 12.29% | 12.22% | 12.32% | 12.40% | 11.84% | 11.48% | 13.68% |

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 a return of 39.62% p.a. during 9MFY25. Its fund size stood at PKR 2,927 million as at March 31, 2025. The Fund manager had major exposure of 33.85% in PIB-Floater, weighted average time to maturity of the fund was 3.18 years as at March 31, 2025.

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-25 | Jun-24 |
|-----------------------------------|--------|--------|
| Term Finance Certificates/ Sukuks | 7% | 8% |
| Cash | 61% | 75% |
| T-Bills | 11% | 8% |
| PIBs | 20% | 8% |

| | | |
|-----------------------|-----|-----|
| Others | 2% | 2% |
| Placements with Banks | 0% | 0% |
| Leverage | Nil | Nil |

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

| | |
|------------------------------------|--------|
| FY'25 Return: | 34.10% |
| Standard Deviation (12m trailing): | 14.04% |
| Sharpe Ratio (12m trailing): | 1.45 |

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-25 | 30-Jun-24 | Change | 30-Jun-25 | 30-Jun-24 | Change |
| Rupees (000) | | % | Rupees | | % |
| 6,539,299 | 3,347,016 | 95.38 | 85.67 | 85.32 | 0.41 |

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**

Please refer to relevant section in director report

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 ----- | | |
| 18-June-25 | N/A | 363,423 | 28.67 | 113.94 | 85.32 |
| | | | | | |

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 | 2,038 |
| 10,000.0000 - 49,999.9999 | 131 |
| 50,000.0000 - 99,999.9999 | 65 |
| 100,000.0000 - 499,999.9999 | 108 |
| 500,000.0000 & Above | 35 |
| Total | 2377 |

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

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------------|-------------|-------------|-------------|-------------|
| NET ASSETS AS AT 30 JUNE - Rupees in '000 | 6,539,299 | 3,347,016 | 1,193,947 | 1,433,787 | 1,794,689 |
| NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees | | | | | |
| Income units - Offer * | 87.1497 | 86.7642 | 88.5024 | 86.5583 | 86.4741 |
| - Redemption | 85.6719 | 85.3181 | 87.0273 | 85.1156 | 85.0286 |
| Growth units - Offer | 87.1497 | 86.7642 | 88.5024 | 86.5583 | 86.4741 |
| - Redemption ** | 85.6719 | 85.3181 | 87.0273 | 85.1156 | 85.0286 |
| RETURN OF THE FUND - % | | | | | |
| Total Return of the Fund | 34.10 | 27.58 | 22.29 | 9.67 | 10.85 |
| Capital Growth (per unit) | 5.48 | 1.90 | 5.63 | 1.54 | 1.70 |
| Date of Income Distribution | | | | - | - |
| Income Distribution | | | | - | - |
| Date of Income Distribution | 18-Jun-24 | 26-Jun-24 | 27-Jun-23 | 27-Jun-22 | 28-Jun-21 |
| Income Distribution | 28.6177 | 25.6758 | 16.6553 | 8.1297 | 9.1504 |
| AVERAGE ANNUAL RETURN - % | | | | | |
| One Year | 34.1 | 27.58 | 22.29 | 9.67 | 10.85 |
| Second Year | 30.84 | 15.98 | 10.26 | 10.85 | 10.85 |
| Third Year | 27.99 | 14.27 | 10.26 | 9.40 | 9.40 |
| Fourth Year | 23.41 | 14.27 | 9.49 | 8.00 | 8.00 |
| Fifth Year | 20.898 | 12.69 | 8.42 | 7.70 | 7.70 |
| Sixth Year | 20.898 | 11.194 | 8.09 | 8.57 | 8.57 |
| Seventh Year | 18.74 | 10.45666667 | 8.76 | 9.13 | 9.13 |
| OFFER / REPURCHASE DURING THE YEAR- Rupees | | | | | |
| Highest price per unit - Income units - Offer * | 115.9372 | 112.5123 | 103.3297 | 94.7831 | 95.7078 |
| Highest price per unit - Income units - Redemption * | 113.9712 | 110.637 | 101.6075 | 93.2033 | 94.1080 |
| Highest price per unit - Growth units - Offer * | 115.9372 | 112.5123 | 103.3297 | 94.7831 | 95.7078 |
| Highest price per unit - Growth units - Redemption * | 113.9712 | 110.637 | 101.6075 | 93.2033 | 94.1080 |
| Lowest price per unit - Income units - Offer * | 85.357 | 86.5583 | 86.4452 | 86.4701 | 86.3692 |
| Lowest price per unit - Income units - Redemption * | 85.357 | 85.1156 | 85.0044 | 85.0289 | 84.9255 |
| Lowest price per unit - Growth units - Offer * | 85.357 | 86.5583 | 86.4452 | 86.4701 | 86.3692 |
| Lowest price per unit - Growth units - Redemption * | 85.357 | 85.1802 | 85.0044 | 85.0289 | 84.9255 |

* Front-end load @1.46% 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 | 62.34 | 74.96 | 21.3 | 74.06 | 28.20 |
| Placements & Term Deposit Receipts | 4.68 | 0 | 0 | 0.00 | 7.20 |
| TFCs, Sukuks, Government securities, Commercial papers | 31.22 | 23.06 | 67.45 | 15.92 | 32.30 |
| Spread Transaction | 0 | 0 | 0 | 0.00 | 30.00 |
| Others | 1.75 | 1.97 | 11.25 | 10.00 | 2.30 |

PORTFOLIO COMPOSITION BY MARKET - %

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

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URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GROWTH AND INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 and 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, 2025 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 16, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders 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) on behalf of UBL Growth and Income Fund (the Fund) for the year ended June 30, 2025. 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, 2025.



Chartered Accountants

Place: Karachi

Date: September 26, 2025

UDIN: CR202510091vj7Q9yAGF

**STATEMENT OF COMPLIANCE WITH
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

NAME OF MANAGEMENT COMPANY: UBL FUND MANAGERS LIMITED
YEAR ENDED: JUNE 30, 2025

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, 2019 (the Regulations). However, the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company of underlying Funds (the Funds)), 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. Rashid Ahmed Jafer Ms. Huma Pasha |
| Executive Directors | Mr. Asif Ali Qureshi (CEO) |
| Non-Executive Directors | Mr. Imran Sarwar (Chairman) Mr. Alee Khalid Ghaznavi Mr. Muhammad Rizwan Malik Mr. Farrukh Karim Khan |
| Female Directors | Ms. Huma Pasha |

Mr. Yasir Qadri resigned from the position of CEO, in 150th meeting of the Board held on July 25 2024. The Board has appointed Mr. Asif Ali Qureshi as the CEO of the Company with effect from July 26, 2024.

Mr. Arif Akmal Saifia resigned from the position of Director, in 150th meeting of the Board held on July 25 2024. The Board appointed Mr. Asif Ali Qureshi as the Director of the Company with effect from July 26, 2024.

Mr. Yasir Qadri resigned from the position of Director dated on February 10, 2025. The Board has appointed Mr. Farrukh Karim Khan in its 155th BOD Meeting with effect from April 29, 2025.

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 the 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 the Regulations.

9. The following directors and executives have acquired the prescribed Directors' Training Program (DTP) certification:

Directors

- Mr. Imran Sarwar
- Mr. Rashid Ahmed Jafer
- Ms. Huma Pasha
- Mr. Muhammad Rizwan Malik

The Management Company is planning to arrange the training for the remaining directors over the next year.

Executives

- Mr. Hadi Hassan Mukhi (Chief Operating Officer)
- Mr. Muhammad Zuhair Abbas (Chief Financial Officer)
- Mr. Zeeshan Qudus (Chief Business Development Officer)

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 | Chairman | Independent Director |
| Mr. Rashid Ahmed Jafer | Member | Independent Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |

b) Board Human Resource Remuneration & Nomination Committee

| Name | Designation | Type of Directorship |
|--------------------------|-------------|------------------------|
| Mr. Rashid Ahmed Jafer | Chairman | Independent Director |
| Mr. Imran Sarwar | Member | Non-Executive Director |
| Mr. Farrukh Karim Khan | Member | Non-Executive Director |
| Mr. Alee Khalid Ghaznavi | Member | Non-Executive Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

c) Board Risk and Compliance Committee

| Name | Designation | Type of Directorship |
|---------------------------|-------------|------------------------|
| Mr. Imran Sarwar | Chairman | Non-Executive Director |
| Mr. Muhammad Rizwan Malik | Member | Non-Executive Director |
| Ms. Huma Pasha | Member | Independent Director |
| Mr. Asif Ali Qureshi | Member | Executive Director |

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 Remuneration and Nomination Committee | Two (2) |
| 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, the 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. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

| S.No. | Requirement | Reg. No. | Explanation |
|-------|--|----------|--|
| 1. | <p>Independent Director</p> <p>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.</p> <p>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.</p> | 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. | <p>Director Training Program</p> <p>As per the Code of Corporate Governance regulation, it is encouraged that all the directors on board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. However, a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.</p> <p>Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p> | 19 | The Company plans to conduct a Director Training Program for the two directors appointed during the current year, as well as for one director appointed in a previous year. Additionally, training sessions will be organised for female executives and the remaining Heads of Departments to support their professional development and enhance leadership capabilities. |
| 3. | <p>Environmental, Social and Governance (ESG) Matters</p> <p>The Board is responsible for governance and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place.</p> <p>The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.</p> | 10A | At present, the management has a policy in place duly approved by the Board which includes amongst others Environmental, Social and Governance (ESG) principles. Since the requirements was introduced by the SECP through notification dated June 12, 2024, it will be applied in due course. |

| S.No. | Requirement | Reg. No. | Explanation |
|-------|---|----------|--|
| 4. | <p>Director's Remuneration</p> <p>The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. Companies are encouraged to provide aforesaid details of remuneration of individual directors in annual report.</p> | 34(3) | Management understands that the information is confidential and was not previously publicly disclosed. However, now audited financial statement are available on the PSX website due to recent regulatory requirements. Hence management will state the remuneration note reference in the report onwards. |
| 5. | <p>Responsibilities of the Board and its members</p> <p>The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees and it is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.</p> | 10(3) | Management understands that the three years started from the date of the SRO. So they have timeline till March 2028 for the external evaluation. |

SD
Imran Sarwar
Chairman

SD
Asif Ali Qureshi
Chief Executive Officer

Karachi
Dated: August 22, 2025

21 - 43 / 0464
September 26, 2025

The Board of Directors
UBL Fund Managers Limited (Management Company)
4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi.

Dear Board Members,

AGREED-UPON PROCEDURES REPORT ON STATEMENT OF NET INCOME AND GAINS AND DIVIDEND DISTRIBUTION OF UBL GROWTH AND INCOME FUND FOR THE YEAR ENDED JUNE 30, 2025

Purpose of this Agreed-Up on Procedures Report and Restriction on Use and Distribution

We refer to our engagement letter no. 21 - 43 / 0221 dated August 12, 2025 and are pleased to provide you with an agreed-upon procedures report on the annexed Statement of Net Income and Gains and Dividend Distribution (the Statement) of UBL Growth and Income Fund (the Fund) for the year ended June 30, 2025, prepared by management. The Statement is based on the books and records of the Fund for the year ended June 30, 2025. The annexed Statement has been initiated by us for the purpose of identification only.

Purpose of this Agreed-Up on Procedures Report and Restriction on Use and Distribution

Our agreed-upon procedures report is solely to assist management and the Board of Directors of the Management Company in confirming whether at least 90% of the net accounting income (excluding capital gains whether realized or unrealized) has been distributed to unit holders, in accordance with Regulation 63 of the Non-Banking Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, our report will be addressed to the Board of Directors of the Management Company and our report may not be suitable for another purpose.

Responsibilities of the Engaging Party (the Management Company)

Management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. Management is responsible for the preparation of the annexed Statement of the Fund for the year ended June 30, 2025 on the basis of books and records of the Fund for the year ended June 30, 2025 to confirm that the Statement complies with the requirements of Regulation 63 of the NBFC Regulations and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. It is the responsibility of management to comply with legal requirements and to design and implement such internal control as they determine is necessary to enable the preparation of the accompanying Statement that is free from material misstatement. Further, responsibilities of management are stated in the aforementioned engagement letter.

Our responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Up on Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the management of the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements (including independence) of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), as adopted by The Institute of Chartered Accountants of Pakistan.

Our firm applies International Standard on Quality Control 1 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Services Engagements', and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with UBL Fund Managers Limited (the Management Company) through our engagement letter:

| S. No. | Procedures | Findings | | | | | | | | | | |
|--|---|---|--|----------------|-------------------------|-----------|----------------|--------|---|--------|--|--------|
| 1 | We obtained 'Statement of Net Income and Gains and Dividend Distribution' (the Statement) of the Fund prepared by management and checked the arithmetical accuracy of the Statement. | We found the Statement to arithmetically accurate. | | | | | | | | | | |
| 2 | We traced the following amounts as appearing in the Statement with the books and records of the Fund for the year ended June 30, 2025: <ul style="list-style-type: none"> Total Accounting Income; Total Expenses; Net capital gain on sale of investments, if any; and Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss', if any. | We noted that the following amounts agree with the books and records of the Fund for the year ended June 30, 2025: <table border="1" data-bbox="837 1174 1449 1515"> <thead> <tr> <th></th> <th>Rupees in '000</th> </tr> </thead> <tbody> <tr> <td>Total Accounting Income</td> <td>1,027,940</td> </tr> <tr> <td>Total Expenses</td> <td>73,607</td> </tr> <tr> <td>Net capital gain on sale of investments</td> <td>68,194</td> </tr> <tr> <td>Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</td> <td>32,605</td> </tr> </tbody> </table> | | Rupees in '000 | Total Accounting Income | 1,027,940 | Total Expenses | 73,607 | Net capital gain on sale of investments | 68,194 | Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 32,605 |
| | Rupees in '000 | | | | | | | | | | | |
| Total Accounting Income | 1,027,940 | | | | | | | | | | | |
| Total Expenses | 73,607 | | | | | | | | | | | |
| Net capital gain on sale of investments | 68,194 | | | | | | | | | | | |
| Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 32,605 | | | | | | | | | | | |
| 3 | We obtained the Redemption Report for the year ended June 30, 2025 detailing unit holder wise breakup of the income paid on units redeemed from the finance department extracted from IMPRO (Accounting System) and traced the total income already paid on units redeemed with the amount appearing in the Statement. | We noted that the income already paid on units redeemed of Rs. 846,533 (in '000) as per the Redemption Report agrees with the amount on the Statement. | | | | | | | | | | |
| 4 | We obtained the announcement of the dividend payout and Dividend Report for the year ended June 30, 2025 detailing unit holder wise breakup of the payout from the finance department extracted from IMPRO (Accounting System) and traced the total payout amount with the amount appearing in the Statement. | We noted that the dividend payout amount of Rs. 97,042 (in '000) as per the Dividend Report agrees with the amount on the Statement. | | | | | | | | | | |



| S. No. | Procedures | Findings |
|--------|--|---|
| 5 | We recalculated the percentage of actual distribution to unit holders to accounting income eligible for distribution for the year to confirm that the actual distribution to unit holders made by the Fund (sum of amounts in findings 4 and 5 above) is at least 90% of the accounting income eligible for distribution for the year ended June 30, 2025 in accordance with Regulation 63 of NBFC Regulations and Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. | We noted that the actual distribution to unit holders as a percentage of accounting income eligible for distribution is 110%. |

Yours truly,

Yousuf Adil

Chartered Accountants

**UBL GROWTH AND INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

| | 2025 | 2024 |
|---|-----------------------------|------------|
| Note | ----- Rupees in '000 ----- | |
| ASSETS | | |
| Bank balances | 5 4,148,045 | 2,319,356 |
| Investments | 6 2,387,829 | 781,855 |
| Advance income tax | 7 4,426 | 4,348 |
| Mark-up receivable | 8 84,719 | 35,610 |
| Receivable against issuance of units | 10,146 | 273,807 |
| Deposits and other receivables | 9 14,842 | 15,493 |
| Total assets | 6,650,007 | 3,430,469 |
| LIABILITIES | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 12,019 | 4,143 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 288 | 91 |
| Payable to the Securities and Exchange Commission of Pakistan | 12 248 | 80 |
| Payable against units redeemed | 1,200 | 41,910 |
| Dividend payable | 1,874 | 3,365 |
| Accrued expenses and other liabilities | 13 95,079 | 33,864 |
| Total liabilities | 110,708 | 83,453 |
| NET ASSETS | 6,539,299 | 3,347,016 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 6,539,299 | 3,347,016 |
| Contingencies and commitments | 14 | |
| | ----- Number of units ----- | |
| Number of units in issue | 15 76,329,563 | 39,229,835 |
| | ----- Rupees ----- | |
| Net asset value per unit | 85.6719 | 85.3181 |
| Face value per unit | 100.0000 | 100.0000 |

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GROWTH AND INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | | 2025 | 2024 |
|---|----------------|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | |
| INCOME | | | |
| Financial income | 16 | 469,903 | 211,446 |
| Gain on sale of investments - net | | 70,148 | 7,171 |
| Dividend income | | 4,365 | - |
| Loss on sale of deliverable future contracts | | (1,954) | - |
| Unrealised gain on revaluation of investments classified at fair value through profit or loss - net | 6.1, 6.2 & 6.3 | 32,605 | 325 |
| Other income | | 1,100 | 2,926 |
| Total income | | 576,167 | 221,868 |
| Reversal of provision against debt securities - net | 6.5, 6.6 & 6.7 | 451,773 | 33,363 |
| EXPENSES | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 10.1 | 53,796 | 9,591 |
| Sindh Sales Tax on remuneration of the Management Company | 10.2 | 8,069 | 1,247 |
| Allocated expenses | 10.3 | 714 | 1,648 |
| Sindh Sales Tax on allocated expenses | 10.3 | 107 | - |
| Selling and marketing expenses | 10.4 | 3,087 | 2,642 |
| Sindh Sales Tax on selling and marketing expenses | 10.4 | 463 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 11 | 2,734 | 825 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 12 | 2,376 | 730 |
| Brokerage and settlement expenses | | 748 | 523 |
| Auditor's remuneration | 17 | 500 | 327 |
| Legal and professional charges | | 557 | 420 |
| Bank charges and other expenses | | 456 | 28 |
| Total expenses | | 73,607 | 17,981 |
| Net income for the year before taxation | | 954,333 | 237,250 |
| Taxation | 18 | - | - |
| Net income for the year after taxation | | 954,333 | 237,250 |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 954,333 | 237,250 |
| Income already paid on units redeemed | | (846,533) | (94,485) |
| | | 107,800 | 142,765 |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 102,753 | 7,496 |
| - Excluding capital gains | | 5,047 | 135,269 |
| | | 107,800 | 142,765 |
| Earnings per unit | 19 | | |

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GROWTH AND INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|----------------------------|---------|
| | ----- Rupees in '000 ----- | |
| Net income for the year after taxation | 954,333 | 237,250 |
| 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 | 954,333 | 237,250 |

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GROWTH AND INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | | | 2024 | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Capital value | Undistributed loss | Total | Capital value | Undistributed loss | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Net assets at beginning of the year | 3,812,454 | (465,438) | 3,347,016 | 1,648,305 | (454,358) | 1,193,947 |
| Amount received on issuance of 129,066,239 units (2024: 36,609,181) units | | | | | | |
| - Capital value | 11,011,686 | - | 11,011,686 | 3,185,998 | - | 3,185,998 |
| - Element of income | 918,567 | - | 918,567 | 73,079 | - | 73,079 |
| Total amount received on issuance of units | 11,930,253 | - | 11,930,253 | 3,259,077 | - | 3,259,077 |
| Amount paid on redemption of 91,966,511 units (2024: 11,098,564) units | | | | | | |
| - Capital value | (7,846,408) | - | (7,846,408) | (965,878) | - | (965,878) |
| - Element of income | (635,935) | (846,533) | (1,482,472) | (40,753) | (94,485) | (135,238) |
| Total amount paid on redemption of units | (8,482,343) | (846,533) | (9,328,880) | (1,006,631) | (94,485) | (1,101,116) |
| Total comprehensive income for the year | - | 954,333 | 954,333 | - | 237,250 | 237,250 |
| Distribution during the year: Rs. 28.6177 per unit declared on June 18, 2025 (2024: 25.6758 per unit declared on June 26, 2024) | (266,381) | (97,042) | (363,423) | (88,297) | (153,845) | (242,142) |
| Net income for the year less distribution | (266,381) | 857,291 | 590,910 | (88,297) | 83,405 | (4,892) |
| Net assets at end of the year | 6,993,983 | (454,680) | 6,539,299 | 3,812,454 | (465,438) | 3,347,016 |
| Undistributed loss brought forward: | | | | | | |
| comprising of: | | | | | | |
| - Realised | | (465,763) | | | (436,449) | |
| - Unrealised | | 325 | | | (17,909) | |
| | | (465,438) | | | (454,358) | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | 102,753 | | | 7,496 | |
| - Excluding capital gains | | 5,047 | | | 135,269 | |
| These financial statements were authorised | | 107,800 | | | 142,765 | |
| Distribution during the year | | (97,042) | | | (153,845) | |
| Undistributed loss carried forward | | (454,680) | | | (465,438) | |
| Undistributed loss carried forward | | | | | | |
| comprising of: | | | | | | |
| - Realised | | (487,285) | | | (465,763) | |
| - Unrealised | | 32,605 | | | 325 | |
| | | (454,680) | | | (465,438) | |
| | | | | | | |
| | | | | --- Rupees --- | | --- Rupees --- |
| Net asset value per unit at the beginning of the year | | | 85.3181 | | | 87.0273 |
| Net asset value per unit at the end of the year | | | 85.6719 | | | 85.3181 |

The annexed notes from 1 to 30 form an integral part of these financial statements.

| | | |
|--|--|---|
| <u>SD</u> Asif Ali Qureshi Chief Executive Officer | For UBL Fund Managers Limited (Management Company) <u>SD</u> Muhammad Zuhair Abbas Chief Financial Officer | <u>SD</u> Rashid Ahmed Jafer Director |
|--|--|---|

**UBL GROWTH AND INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|----------------------------|------------------|
| Note | ----- Rupees in '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 954,333 | 237,250 |
| Adjustments for: | | |
| Financial income | (469,903) | (211,446) |
| Gain on sale of investments - net | (70,148) | (7,171) |
| Unrealised gain on revaluation of investments classified at fair value through profit or loss - net | (32,605) | (325) |
| Reversal of provision against debt securities - net | (451,773) | (33,363) |
| Dividend income | (4,365) | - |
| Loss on sale of deliverable future contracts | 1,954 | - |
| | <u>(1,026,840)</u> | <u>(252,305)</u> |
| Cash used in operations before working capital changes | (72,507) | (15,055) |
| Decrease / (increase) in assets | | |
| Investments | (556,912) | 305,210 |
| Deposits and other receivables | 651 | (170) |
| | <u>(556,261)</u> | <u>305,040</u> |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | 7,876 | (6,328) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 197 | 2 |
| Payable to the Securities and Exchange Commission of Pakistan | 168 | (241) |
| Payable against purchase of investments | - | (99,611) |
| Accrued expenses and other liabilities | 61,215 | (27,615) |
| | <u>69,456</u> | <u>(133,793)</u> |
| Cash (used in) / generated from operations | (559,312) | 156,192 |
| Mark-up received on bank balances | 78,580 | 52,878 |
| Mark-up received on placements | 2,120 | - |
| Mark-up received on investments | 340,094 | 174,616 |
| Advance income tax paid | (78) | (853) |
| Dividend income received | 4,365 | - |
| | <u>(134,231)</u> | <u>382,833</u> |
| Net cash (used in) / generated from operating activities | (134,231) | 382,833 |
| <small>These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting</small> | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received on issuance of units | 11,927,533 | 2,905,257 |
| Dividend paid | (98,533) | (212,735) |
| Amount paid on redemption of units | (9,369,590) | (1,060,406) |
| Net cash generated from financing activities | 2,459,410 | 1,632,116 |
| Net increase in cash and cash equivalents | 2,325,179 | 2,014,949 |
| Cash and cash equivalents at the beginning of the year | 2,319,356 | 304,407 |
| Cash and cash equivalents at the end of the year | 4,644,535 | 2,319,356 |
| Cash and cash equivalents | | |
| Bank balances | 5 | 4,148,045 |
| Market treasury bills - 3 months | 6.1 | 496,490 |
| | | <u>4,644,535</u> |
| | | <u>2,319,356</u> |

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

SD
Asif Ali Qureshi
Chief Executive Officer

SD
Muhammad Zuhair Abbas
Chief Financial Officer

SD
Rashid Ahmed Jafer
Director

**UBL GROWTH AND INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Growth and Income Fund (the "Fund") was established under the Trust Deed executed, under the Trust Act, 1882, between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on December 21, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 07, 2005 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules, 2003) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations). The Fund commenced its operations from March 02, 2006.

The Trust Act, 1882 was repealed during financial year 2021 due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020", as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Management Company after fulfilling the requirements for registration, has registered the Collective Investment Scheme's Trust Deed with the Registrar acting under Sindh Trusts Act, 2020 on August 27, 2021.

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 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.

The investment objective of the Fund is to invest 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.

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.

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.

VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on January 09, 2025 and 'A+(f)' to the Fund on January 09, 2025.

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. Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting 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

These The NBFC Rules, 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 requirements of IFRS Accounting 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.

- 2.1.2** 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 International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, 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

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 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 the 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, judgements 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 ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards that are effective for the year ended June 30, 2025

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any significant impact on the Fund's operations, therefore, have not been detailed in these financial statements.

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

There are certain amendments to accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2025. However, these do not have any significant impact on the Fund's operations, therefore, have not been detailed in these financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

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

Financial liabilities are not recognised 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. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

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");
- At fair value through other comprehensive income ("FVTOCI"); and
- At fair value through profit or loss ("FVTPL").

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 recognized at FVTPL. 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 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 asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

Financial asset at FVTOCI

A financial asset is classified at 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.