30 CREDIT RATING

The Management Company has been rated as AM1 on 27 December 2018 (30 June 2018: AM1) by VIS.

The Fund has been rated as BBB+(f) on 31 December 2018 (30 June 2018: BBB+(f)) by VIS.

31 GENERAL

31.1 Date of authorisation for issue

These financial statements were authorized for issue by Board of Directors of the Management Company on 30-Aug-2019.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

AIAAF

Al-Ameen Islamic Asset Allocation Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	KPMG Taseer Hadi and Co., Chartered Accountants
Bankers	Allied Bank Limited - Islamic Banking Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Limited Faysal Bank Limited - Islamic Banking Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking MCB Bank Limited Meezan Bank Limited - Islamic Banking National Bank of Pakistan Soneri Bank Limited - Islamic Banking United Bank Limited -Islamic Banking
Management Co. Rating	AM1 (JCR-VIS)

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

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

Islamic Asset Allocation / Open-end

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

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

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

The Collective Investment Scheme achieved its stated objective.

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

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

v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AIAAF	0.76%	-0.02%	-0.42%	2.13%	-1.10%	-3.17%	3.81%	-0.44%	-1.12%	-1.72%	-0.57%	-2.19%	-4.16%
Benchmark	1.04%	-0.61%	-0.62%	1.70%	-1.57%	-3.78%	4.53%	-1.38%	-1.05%	-2.35%	-0.03%	-2.68%	-6.84%

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

The fund posted a negative return of 4.16% for the period under review FY19. At the end of FY19, the Fund Manager maintained 41% in Cash while 38% of total assets were invested in equities.

vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Equities	37%	38%
Placements with banks	5%	16%
Sukuks	1%	3%
Gop Ijarah Sukuk	0%	0%
Cash	56%	41%
Others	1%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	-4.16%
Standard Deviation (12m trailing):	7.80%
Sharpe Ratio (12m trailing):	(1.79)

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-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
3,599,138	6,455,833	(44.25)	112.3411	117.2141	(4.16)

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**

<u>Debt Market Review for FY19</u>

In twelve PIB auctions for FY19 conducted during the year, the government raised PKR ~871bn (PKR ~102 bn in FY18) against target of PKR 800bn. Consequently, outstanding amount for the PIBs in the market increased to PKR 769 bn. Participation in the auctions was largely skewed towards three and five year paper. Cut off yields in June auction increased to 13.69%, 13.80% and 13.70% for three, five and ten year PIB instruments respectively.

The yield curve based on government securities of various maturities has shifted upwards in line with the ongoing increasing discounts rates. Yield on 3M, 6M and 12M T-Bills increased by 5.97%, 5.95% and 5.94%, respectively. Similarly, yield on 3-year, 5-year and 10-year bonds increased 5.56%, 5.10% and 4.69%, respectively. Given the flat yield curve environment, spread between annualized yields of 1-year T-bills (13.13% p.a.) and 10-year PIBs (13.72% p.a.) narrowed at 0.59% as of 30 June 2019.

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

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 ---------------***		

xii) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements.** There were no significant changes in the state of affairs during the year under review.

xiii) Breakdown of unit holdings by size

Range of Units	Number of Investors
	AIAAF
0.0001 - 9,999.9999	1,620
10,000.0000 - 49,999.9999	467
50,000.0000 - 99,999.9999	82
100,000.0000 - 499,999.9999	54
500,000.0000 & Above	2
Total	**2,225**

xiv) Disclosure on unit split (if any), comprising:-
There were no unit splits during the period.

xv) Disclosures of circumstances that materially affect any interests of unit holders
Investments are subject to market risk.

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

Al - Ameen Islamic Asset Allocation Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**3,599,138**	6,455,833	7,894,823
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	**116.1495**	121.1877	122.8234
- Redemption	**112.3411**	117.2141	118.7962
RETURN OF THE FUND - %			
Total Return of the Fund	**(4.16)**	(1.33)	14.58
Capital Growth (per unit)	**(3.55)**	(1.12)	3.16
Date of Income Distribution	**-**	-	19-Jun-17
Income Distribution	**-**	-	11.00
AVERAGE ANNUAL RETURN - %			
One year	**-4.16**	-1.33	14.58
Two year	**-2.75**	6.63	11.87
Three year	**3.03**	7.47	13.90
Since Launch	**6.91**	9.13	11.74
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	**124.4618**	125.2156	139.2082
Highest price per unit - Class A units - Redemption	**120.3809**	121.1100	134.6438
Lowest price per unit - Class A units - Offer	**113.9243**	115.3613	117.0821
Lowest price per unit - Class A units - Redemption	**110.1889**	111.5788	113.2432

* Front-end load @ 3% is applicable

PORTFOLIO COMPOSITION - %

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**41.00**	56.00	63.00
Equity	**38.00**	37.00	34.00
Bank Placements	**16.00**	5.00	0.00
Others	**1.00**	1.00	1.00
sukuk	**3.00**	1.00	2.00
PORTFOLIO COMPOSITION BY MARKET - %			
Equity	**38.00**	37.00	34.00
Money Market / Debt	**62.00**	63.00	66.00

Note:

- The Launch date of Fund is 10 Dec 2013.

DISCLAIMER

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

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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC ASSET ALLOCATION FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Asset Allocation Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 18, 2019

UBL FUNDS

REPORT OF THE SHARIAH ADVISORY COMMITTEE

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

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

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

i. We have reviewed and approved the modes of investments of Al-Ameen Islamic Asset Allocation Fund (AIAAF) in light of Shariah requirements. The following is a list of equity investments of AIAAF as on 30 June 2019 and their evaluation according to the screening criteria established by us;

AIAAF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A <	B
1	The Hub Power Co. Ltd.	Generator of Electricity	33%	10%	0%	36%	(18.2)	62.0
2	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	21%	0%	33%	83.9	109.9
3	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	0%	9%	0%	17%	189.7	845.0
4	Engro Corporation	Manufacturer of Chemicals	15%	29%	0%	58%	(76.5)	227.5
5	Pak Petroleum Ltd	Explorer/Producer of Oil	0%	12%	0%	38%	51.2	110.7
6	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1	353.0
7	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)	92.0
8	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8	64.5
9	Kohat Cement Co. Ltd.	Manufacturer of Cement	19%	8%	0%	74%	(8.6)	41.5
10	Engro Fertilizer Ltd.	Manufacturer of Fertilizers	25%	11%	1%	74%	(32.5)	65.0

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

ii. On the basis of information provided by the management all operations of AIAAF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by AIAAF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside charity for such proportion of the income from Investee companies in order to purify the earning of the Fund.

UBL FUND MANAGERS LIMITED
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4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

During the year, an amount of PKR 1,541,140 has been recognized as charity.

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

Mufti Muhammad Hassaan Kaleem
Member, Shariah Advisory Committee

Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:
DATE: 16 August 2019

UBL FUNDS

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

NAME OF FUND: **Al Ameen Islamic Asset Allocation Fund**

YEAR ENDING: **JUNE 30, 2019**

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

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed Mr. Tauqeer Mazhar Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

a. Mr. Imran Sarwar
b. Mr. Tauqeer Mazhar
c. Mr. Yasir Qadri
d. Ms. Naz Khan
e. Ms. Sadia Saeed
f. Syed Furrukh Zaeem

Executives

a. S.M. Aly Osman
b. Mr. Amin Gulamani
c. Mr. Ammar Valika
d. Mr. Hadi Hassan Mukhi
e. Mr. Umair Ahmed
f. Mr. Zeeshan Quddus

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

    a. Board Audit Committee
        i. Ms. Naz Khan (Chair),
        ii. Mr. Imran Sarwar,
        iii. Ms. Sadia Saeed,
        iv. Mr. Tauqeer Mazhar.
    b. Board Human Resource & Compensation Committee
        i. Mr. Azhar Hamid (Chairman),
        ii. Ms. Naz Khan,
        iii. Ms. Sadia Saeed,
        iv. Syed Furrukh Zaeem,
        v. Mr. Yasir Qadri.
    c. Board Risk & Compliance Committee
        i. Mr. Imran Sarwar (Chairman),
        ii. Mr. Azhar Hamid,
        iii. Syed Furrukh Zaeem,
        iv. Mr. Tauqeer Mazhar,
        v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

UBL FUNDS

15. The frequency of meetings of the Committee were as per following:
    a. Board Audit Committee : Quarterly Meeting-6 meetings held
    b. Board Human Resource & Compensation Committee: 4 meetings held
    c. Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.

AZHAR HAMID
Chairman

Karachi.
Dated: **August 30, 2019**

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit holders of Al-Ameen Islamic Asset Allocation Fund

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of UBL Fund Managers Limited ("the Management Company") for and on behalf of Al-Ameen Islamic Asset Allocation Fund ("the Fund") for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended 30 June 2019.

Further, we highlight that the Securities and Exchange Commission of Pakistan (SECP) through its letter dated 18 April 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective Investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of the Management Company, has voluntarily opted to comply with the relevant provisions of the Regulations.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 19 September 2019

Karachi

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Independent Auditors' Report

To the Unit holders of Al - Ameen Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Al - Ameen Islamic Asset Allocation Fund** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2019, income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of Directors are responsible for overseeing the Fund's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matter

The financial statements of the Fund for the year ended 30 June 2018 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 28 August 2018.

The engagement partner on the audit resulting in this independent auditors' report is Zeeshan Rashid.

KPMG Taseer Hadi & Co.

Date: 19 September 2019

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Al - Ameen Islamic Asset Allocation Fund
Statement of Assets and Liabilities
As at 30 June 2019

	Note	2019	2018
		----(Rupees in '000)----	
Assets			
Bank balances	6	**1,519,465**	3,646,368
Investments	7	**2,108,068**	2,839,282
Dividend and profit receivable	8	**27,414**	32,825
Deposits, prepayments and other receivables	9	**7,685**	10,442
Preliminary expenses and floatation costs	10	**-**	87
Advance tax	11	**1,994**	1,943
Total assets		**3,664,626**	6,530,947
Liabilities			
Payable to the Management Company	12	**13,440**	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	13	**435**	707
Payable to Securities and Exchange Commission of Pakistan	14	**4,922**	7,388
Accrued expenses and other payables	15	**46,692**	51,369
Total liabilities		**65,489**	75,114
Net assets		**3,599,137**	6,455,833
Unit holders' fund (as per statement attached)		**3,599,137**	6,455,833
Contingencies and Commitments	20		
		(Number of units)	
Number of units in issue		**32,037,578**	55,077,294
		(Rupees)	
Net assets value per unit	4.11	**112.3411**	117.2141

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

Al - Ameen Islamic Asset Allocation Fund
Income Statement
For the year ended 30 June 2019

	Note	2019	2018
		-----(Rupees in '000)-----	
Income / (Loss)			
Profit on bank deposits and Term Deposits Musharika calculated using the effective yield method	*16*	**272,515**	279,932
Profit / return on investments calculated using the effective yield method	*17*	**11,803**	8,248
Unrealised loss on revaluation of investments classified as:			
- designated at fair value through profit or loss		**-**	(383)
- at fair value through profit or loss	*7.1 / 7.2*	**(355,071)**	-
- held for trading		**-**	(173,149)
Dividend income		**112,673**	157,821
Realised (loss) / gain on sale of investments classified as:			
- designated at fair value through profit or loss		**-**	(993)
- at fair value through profit or loss		**(59,522)**	-
- held for trading		**-**	(210,309)
- available for sale		**-**	1,110
Other income		**124**	251
Total (loss) / Income		**(17,478)**	62,528
Impairment loss on investments classified as 'available for sale'		**-**	(35,058)
Expenses			
Remuneration of the Management Company	*12.1*	**96,163**	77,771
Sindh Sales Tax on the Management Company's remuneration	*12.2*	**12,501**	10,110
Allocation of expenses relating to the Fund		**5,181**	7,777
Selling and marketing expenses		**20,724**	31,110
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	*13*	**6,181**	8,777
Sindh Sales Tax on the Trustee's remuneration		**804**	1,141
Annual fee of Securities and Exchange Commission of Pakistan	*14*	**4,922**	7,388
Auditors' remuneration	*18*	**429**	406
Custody and settlement charges		**947**	978
Amortisation of preliminary expenses and floatation costs	*10*	**87**	200
Brokerage expenses		**2,679**	2,185
Legal and other professional charges		**208**	153
Shariah advisory fee	*12.3*	**350**	324
Charity		**1,541**	1,704
Listing Fee		**28**	28
Bank and other charges		**206**	324
Total operating expenses		**152,951**	150,376
Net loss for the year before taxation		**(170,429)**	(122,906)
Taxation	*19*	**-**	-
Net loss for the year after taxation		**(170,429)**	(122,906)

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

Al - Ameen Islamic Asset Allocation Fund

Statement of Comprehensive Income

For the year ended 30 June 2019

	2019	2018
	----(Rupees in '000)----	
Net loss for the year after taxation	**(170,429)**	(122,906)
Other comprehensive income for the year:		
Items that may be reclassified to profit or loss in subsquent periods:		
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	**-**	16,733
Total comprehensive loss for the year	**(170,429)**	(106,173)

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

Al - Ameen Islamic Asset Allocation Fund
Statement of Movement in Unit Holders' Fund
For the year ended 30 June 2019

		2019				2018			
		Capital value	**Undistributed income**	**Unrealised appreciation on 'available for sale' investments**	**Total**	Capital value	Undistributed income	Unrealised appreciation on 'available for sale' investments	Total
	Note	**(Rupees in '000)**				(Rupees in '000)			
Net assets at 30 June 2018 / 30 June 2017		**6,032,689**	**406,411**	**16,733**	**6,455,833**	7,365,506	529,317	-	7,894,823
Adjustment due to adoption of IFRS 9	*3*	**-**	**16,733**	**(16,733)**	**-**	-	-	-	-
Net assets at 01 July 2018 / 01 July 2017		**6,032,689**	**423,144**	**-**	**6,455,833**	7,365,506	529,317	-	7,894,823
Issuance of 7,613,004 units (2018: 30,997,774 units)									
- Capital value		**892,351**	**-**	**-**	**892,351**	3,682,418	-	-	3,682,418
- Element of income during the year									
-Relating to other comprehensive Income		**-**	**-**	**-**	**-**	6,886	-	-	6,886
-Relating to net loss for the year after taxation		**2,695**	**-**	**-**	**2,695**	(60,016)	-	-	(60,016)
Total proceeds on issuance of units		**895,046**	**-**	**-**	**895,046**	3,629,288	-	-	3,629,288
Redemption of 30,652,720 units (2018: 42,377,391 units)									
- Capital value		**(3,592,931)**	**-**	**-**	**(3,592,931)**	5,034,273	-	-	5,034,273
- Element of loss during the year									
-Relating to other comprehensive Income		**-**	**-**	**-**	**-**	15,730	-	-	15,730
-Relating to net loss for the year after taxation		**11,618**	**-**	**-**	**11,618**	(87,898)	-	-	(87,898)
Total payments on redemption of units		**(3,581,313)**	**-**	**-**	**(3,581,313)**	4,962,105	-	-	4,962,105
Total comprehensive loss for the year		**-**	**(170,429)**	**-**	**(170,429)**	-	(122,906)	16,733	(106,173)
Net assets at end of the year		**3,346,422**	**252,715**	**-**	**3,599,137**	6,032,689	406,411	16,733	6,455,833
Undistributed income brought forward:									
- Realised income			**406,411**				385,737		
- Unrealised income			**16,733**				143,580		
			423,144				529,317		
Net loss for the year after taxation			**(170,429)**				(122,906)		
Undistributed income carried forward			**252,715**				406,411		
Undistributed income carried forward comprises of:									
- Realised income			**607,786**				406,411		
- Unrealised loss			**(355,071)**				-		
			252,715				406,411		
					(Rupees)				(Rupees)
Net assets value per unit at beginning of the year					**117.2141**				118.7962
Net assets value per unit at end of the year					**112.3411**				117.2141

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

Al - Ameen Islamic Asset Allocation Fund

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019	2018
		----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		**(170,429)**	(122,906)
Adjustments for:			
Profit on bank deposits and Term Deposits Musharika using the effective yield method	*16*	**(272,515)**	(280,183)
Profit / return on investments using the effective yield method	*17*	**(11,803)**	(8,248)
Unrealised loss on revaluation of investments classified as:			
- designated at fair value through profit or loss		**-**	383
- at fair value through profit or loss		**355,071**	-
- held for trading		**-**	173,149
Dividend income		**(112,673)**	(157,821)
Loss / (gain) on sale of investments classified as:			
- designated at fair value through profit or loss		**-**	993
- at fair value through profit or loss		**59,522**	-
- held for trading		**-**	210,309
- available for sale		**-**	(1,110)
Amortisation of preliminary expenses and floatation costs		**87**	200
Impairment loss on investments classified as 'available for sale'		**-**	35,058
		17,689	(27,270)
Net cash used in operations before working capital changes		**(152,740)**	(150,176)
Working capital changes			
Decrease / (increase) in assets			
Investments		**616,621**	7,582
Receivable against sale of investments		**-**	(891)
Deposits and other receivables		**(1,944)**	21,946
Advance tax		**(51)**	(39)
		614,626	28,598
(Decrease) / increase in liabilities			
Payable to the Management Company		**(2,210)**	(4,640)
Payable to Central Depository Company of Pakistan Limited - Trustee		**(272)**	(82)
Payable to Securities and Exchange Commission of Pakistan		**(2,466)**	3,269
Payable against purchase of investments		**-**	(15,800)
Accrued expenses and other payables		**(4,677)**	(240,413)
		(9,625)	(257,666)
Profit and dividend received		**402,402**	442,947
Net cash flows generated from operating activities		**854,663**	63,703
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		**899,747**	3,629,288
Payments on redemption of units		**(3,581,313)**	(4,962,105)
Net cash flows used in financing activities		**(2,681,566)**	(1,332,817)
Net decrease in cash and cash equivalents		**(1,826,903)**	(1,269,114)
Cash and cash equivalents at beginning of the year		**3,946,368**	5,215,482
Cash and cash equivalents at end of the year		**2,119,465**	3,946,368
Cash and cash equivalents			
Bank balances		**1,519,465**	3,646,368
Term deposit musharika (TDM)		**600,000**	300,000
		2,119,465	3,946,368

The annexed notes 1 to 32 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

1 LEGAL STATUS AND NATURE OF BUSINESS

Al Ameen Islamic Asset Allocation Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 25 October 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 October 2013 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from 10 December 2013.

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

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

The objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes based on the market outlook. Under circular 07 dated 06 March 2009 issued by the SECP, the Fund has been categorised by the Management Company as an Islamic Asset Allocation Fund.

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

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

2.2 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 „Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 01 January 2019), clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Fund"s financial statements.

- IFRS 16 „Leases" (effective for annual periods beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 „Leases", IFRIC 4 „Determining whether an Arrangement contains a Lease", SIC-15 „Operating Leases - Incentives" and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard is not likely to have an impact on Fund"s financial statements.

- Amendment to IFRS 9 „Financial Instruments" – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are „solely payments of principal and interest". Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Fund"s financial statements.

- Amendment to IAS 28 „Investments in Associates and Joint Ventures" - Long Term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or „LTI"). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Fund"s financial statements.

- Amendments to IAS 19 „Employee Benefits"- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Fund"s financial statements.

- Amendment to IFRS 3 „Business Combinations" – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The above amendments are effective from annual periods beginning on or after 01 July 2019 and are not likely to have an impact on Fund‟s financial statements.

2.3 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4.2.1 / 4.3 - regarding the classification of investments.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 30 June 2019 is included in the following notes:

- Note 4.2.4 and 4.3 - Valuation of investments
- Note 4.2.5 and 4.3 - Impairment of financial assets and other assets

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

3 CHANGES IN ACCOUNTING POLICIES

Except as described below, the Fund has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements.

The Fund has adopted IFRS 9 'Financial instruments' from 01 July 2018. The Fund also adopted IFRS 15 „Revenue from contracts with customers‟ from 01 July 2018. A number of other new standards are effective from 01 July 2018 but they do not have a material effect on the Fund's financial statements.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities. As a result of adoption of IFRS 9, the Fund has adopted consequential amendments to IAS 1 Presentation of Financial statements', which requires separate presentation in the income statement and statement of comprehensive income, profit / mark-up calculated using the effective yield method.

Additionally, the Fund has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2019, but have not been applied to the comparative information.

The adoption of IFRS 15 did not impact the timing or amount of dividend, profit, and other investment income and related assets and liabilities recognised by the Fund. Accordingly, there is no impact on comparative information.

The key changes to the Fund‟s accounting policies resulting from its adoption of IFRS 9 are summarised below. The full impact of adopting the standard is set out in Note 5.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities therefore its adoption did not have a significant effect on the Fund‟s accounting policies related to financial liabilities.

For an explanation of how the Fund classifies financial assets under IFRS 9, see Note 4.3.

ii. Impairment of financial assets

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

The Fund has classified its financial assets as measured at: FVTPL or amortised cost. IFRS 9 has scoped out impairment for financial assets measured at 'fair value through profit or loss' where as for debt securities measured at amortised cost there are impairment requirements. However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and have instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes.

iii. Transition

The changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively except that comparative periods have not generally been restated. As the Fund presents the movement in Unit holder's Fund on net assets basis, there is no impact of the changes on net assets of the funds. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable to information presented for 2019 under IFRS 9.

For more information and details on the changes and implications resulting from the adoption of IFRS 9, see Note 5.

4 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied except for the change in accounting policy as mentioned in note 3, to all the periods presented.

4.1 Cash and cash equivalents

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

4.2 Financial assets (Policies applicable before 01 July 2018)

4.2.1 Classification

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

a) Financial assets at fair value through profit or loss

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

Financial asset which are acquired principally for the purpose of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading. All derivatives are classified as held for trading. These are initially recorded at cost.

Financial asset designated at fair value through profit or loss upon initial recognition include those group of financial asset which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

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

b) Available-for-sale

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

c) Loans and receivables

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

4.2.2 Regular way contracts

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

4.2.3 Initial recognition and measurement

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

4.2.4 Subsequent measurement

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

a) Basis of valuation of debt securities (other than Government securities)

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

b) Basis of valuation of Government securities

The fair value of government securities is determined using the PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan (MUFAP).

c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price or lower than the closing bid price.

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

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

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

4.2.5 Impairment

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

In case of equity securities classified as "available for sale", a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for "available for sale" financial assets, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income statement is reversed from other comprehensive income and recognized in the income statement.

Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in Circular No. 33 of 2012 dated 24 October 2012, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

4.3 Financial assets (Policies applicable after 01 July 2018)

i. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or 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 security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 objectives for managing the financial assets are 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).

ii. 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 yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

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

b) Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

c) Equity securities

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

iii. 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.

iv. Impairment of financial assets

Financial assets at amortised cost

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated 24 October 2012 issued by SECP. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

4.4 Derecognition

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

4.5 Offsetting of financial instruments

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

4.6 Financial liabilities

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

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

4.7 Unit holders' fund

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

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, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

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

4.9 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net 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 year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unit holders' fund.

4.10 Provisions

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

4.11 Net assets value per unit

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

4.12 Taxation

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

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

4.13 Revenue recognition

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

- Unrealised gains / (losses) arising on mark to market of investments classified as Financial assets at fair value through profit or loss are included in the Income Statement in the year in which they arise.

- Mark-up on deposits with banks and mark-up / return on investments in debt and governement securities is recognised using effective yield method.

- Dividend income is recognised when the right to receive the dividend is established.

4.14 Zakat Payable

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

4.15 Expenses

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

4.16 Earnings per unit

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

4.17 Distributions

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

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

4.18 Preliminary expenses and floatation costs

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

4.19 Other assets

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

5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table and the accompanying notes below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund"s financial assets and financial liabilities as at 01 July 2018:

	Note	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
				-------- (Rupees in '000)--------	
Financial assets					
Quoted equity securities	(a)	Available for sale	Mandatorily at FVTPL	750,449	750,449
Quoted equity securities	(b)	Designated at FVTPL	Mandatorily at FVTPL	1,691,162	1,691,162
Sukuk certificates	(c)	Designated at FVTPL	Mandatorily at FVTPL	97,671	97,671
Bank balances	(d)	Loans and receivables	Amortised cost	3,646,368	3,646,368
Term deposit Musharika	(d)	Loans and receivables	Amortised cost	300,000	300,000
Dividend and profit receivable	(d)	Loans and receivables	Amortised cost	32,825	32,825
Deposits, prepayments and other receivables	(d)	Loans and receivables	Amortised cost	10,442	10,442
				6,528,917	6,528,917
Financial liabilities					
Payable to the Management Company	(e)	Other financial liabilities	Amortised cost	15,650	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	(e)	Other financial liabilities	Amortised cost	707	-
Accrued expenses and other payables	(e)	Other financial liabilities	Amortised cost	11,289	11,289
				27,646	26,939

The reclassifications set out in the table above are explained below.

(a) Quoted equity securities classified as financial assets 'available for sale' have not been elected by the Fund to be classified to fair value through other comprehensive income.

(b) Quoted equity securities classified as financial assets at fair value through profit or loss - held for trading have been measured at fair value through profit or loss with value changes continue to be recognised in income statement.

(c) Sukuk Certificates classified as financial assets 'at fair value through profit or loss - held for trading' have been measured at 'fair value through profit or loss' based on the business model whose objective is neither to collect the contractual cash flows nor both collecting contractual cash flows and selling of financial assets.

(d) The financial assets classified as 'loans and receivables' have been classified as 'at amortised cost'.

(e) The financial liabilities classified as 'other financial liabilities' have been classified as 'at amortised cost'.

6 BANK BALANCES

	Note	**2019**	2018
		-----(Rupees in '000)-----	
In current accounts	*6.1*	**32,260**	24,871
In savings accounts	*6.2*	**1,487,205**	3,621,497
		1,519,465	3,646,368

6.1 This includes balance with United Bank Limited - Corporate Division of Rs. 1.43 million (30 June 2018: Rs. 0.12 million), holding company of the Management Company (a related company).

6.2 This includes balance with United Bank Limited - Islamic Banking Division of Rs. 249.11 million (30 June 2018: Rs. 2,599 million), holding company of the Management Company (a related company). These carry profit rates ranging from 6.3% to 12.25% (30 June 2018: 3.9% to 6.4%) per annum.

7 INVESTMENTS

	Note	**2019**	2018
		-----(Rupees in '000)-----	
Investments by Category			
At fair value through profit or loss			
- Equity securities - quoted	*7.1*	**1,398,436**	1,691,162
- Sukuk certificates	*7.2*	**109,632**	-
Desginated at fair value through profit or loss			
- Sukuk certificates		**-**	97,671
Available for sale			
- Equity securities - quoted		**-**	750,449
At amortised cost (30 June 2018: Loans and receivables)			
- Term deposit musharika (TDM)	*7.3*	**600,000**	300,000
		2,108,068	2,839,282

7.1 Quoted equity securities classified as 'at fair value through profit or loss '

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

Name of the Investee Company	Note	As at 01 July 2018	Purchases during the year	Bonus / rights issue	Sales during the year	As at 30 June 2019	Cost of holdings as at 30 June 2019	Market value as at 30 June 2019	Percentage of total investments	Percentage of net assets	Par value as a percentage of issued capital of the investee company
	Note	---------- (Number of shares) ----------					--------- (Rupees in '000) ---------		---------- % ----------		
Cement											
D.G. Khan Cement Company Limited		700	-	-	700	-	-	-	-	-	-
Fauji Cement Company Limited		190,000	-	-	190,000	-	-	-	-	-	-
Kohat Cement Company Limited		858,300	72,500	261,240	25,000	1,167,040	110,186	61,305	2.91	1.70	0.58
Lucky Cement Limited		193,550	91,450	-	164,350	120,650	58,115	45,904	2.18	1.28	0.04
Cherat Cement Company Limited		603,600	244,900	-	594,500	254,000	11,480	7,864	0.37	0.22	0.14
Pioneer Cement Limited		261,300	386,000	-	465,000	182,300	4,891	4,129	0.20	0.11	0.08
Attock Cement Pakistan Limited		196,900	-	-	196,900	-	-	-	-	-	-
Maple Leaf Cement Factory Limited		-	100,000	-	-	100,000	2,330	2,389	0.11	0.07	0.02
		2,304,350	894,850	261,240	1,636,450	1,823,990	187,002	121,591	5.77	3.38	0.86
Oil and gas exploration companies											
Mari Petroleum Company Limited		112,260	9,700	11,726	-	133,686	182,706	134,933	6.40	3.75	0.11
Oil & Gas Development Company Limited		1,256,300	108,500	-	216,000	1,148,800	177,272	151,056	7.17	4.20	0.03
Pakistan Oilfields Limited		204,100	74,600	40,820	98,300	221,220	120,254	89,791	4.26	2.49	0.08
Pakistan Petroleum Limited		847,500	61,000	130,125	339,200	699,425	129,769	101,018	4.79	2.81	0.03
		2,420,160	253,800	182,671	653,500	2,203,131	610,001	476,798	22.62	13.25	0.25
Oil and gas marketing companies											
Attock Petroleum Limited		99,350	-	7,090	106,440	-	-	-	-	-	-
Pakistan State Oil Company Limited	*7.1.1*	304,320	113,200	57,864	281,300	194,084	46,912	32,922	1.56	0.91	0.05
Sui Northern Gas Pipelines Limited		6,000	-	-	6,000	-	-	-	-	-	-
		409,670	113,200	64,954	393,740	194,084	46,912	32,922	1.56	0.91	0.05
Fertilizer											
Engro Fertilizers Limited		2,671,000	2,050,000	-	3,824,500	896,500	70,411	57,349	2.72	1.59	0.07
Engro Corporation Limited		655,700	156,500	46,870	389,300	469,770	132,675	124,771	5.92	3.47	0.08
Fauji Fertilizer Company Limited		118,000	952,500	-	288,500	782,000	77,557	68,190	3.23	1.89	0.06
		3,444,700	3,159,000	46,870	4,502,300	2,148,270	280,643	250,310	11.87	6.95	0.21
Chemical											
ICI Pakistan Limited		43,800	-	-	37,500	6,300	5,049	3,355	0.16	0.09	0.01
Engro Polymer & Chemicals Limited		2,054,000	960,890	-	1,054,000	1,960,890	61,560	52,866	2.51	1.47	0.22
Engro Polymer & Chemicals Limited (right)		759,890	-		759,890	-	-	-	-	-	-
Lotte Chemical Pakistan Limited		-	109,000		-	109,000	1,596	1,662	0.08	0.05	0.01
		2,857,690	1,069,890	-	1,851,390	2,076,190	68,205	57,883	2.75	1.61	0.24
Glass and ceramics											
Tariq Glass Industries Limited		251,500	-	-	196,500	55,000	5,894	4,215	0.20	0.12	0.07
		251,500	-	-	196,500	55,000	5,894	4,215	0.20	0.12	0.07
Cable and electrical goods											
Pak Elektron Limited		700	-	-	-	700	25	14	0.00	0.00	0.00
		700	-	-	-	700	25	14	0.00	0.00	0.00
Pharmaceuticals											
The Searle Company Limited	*7.1.1*	2,213	77,500	331	-	80,044	12,082	11,731	0.56	0.33	0.04
Highnoon Laboratories Limited	*7.1.1*	181	-	18	-	199	74	50	0.00	0.00	0.00
		2,394	77,500	349	-	80,243	12,156	11,781	0.56	0.33	0.04
Automobile parts and accessories											
Agriauto Industries Limited *		200	-	-	-	200	59	40	0.00	0.00	0.00
Thal Limited *		133,200	10,000	-	31,000	112,200	52,488	40,848	1.94	1.13	0.14
		133,400	10,000	-	31,000	112,400	52,547	40,888	1.94	1.13	0.14
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited		159,750	15,500	-	175,250	-	-	-	-	-	-
Millat Tractors Limited		27,780	-	-	27,780	-	-	-	-	-	-
		187,530	15,500	-	203,030	-	-	-	-	-	-
Engineering											
Amreli Steels Limited		497,200	-	-	483,000	14,200	1,002	350	0.02	0.01	0.00
Mughal Iron & Steel Industries Limited		144,000	-	-	144,000	-	-	-	-	-	-
International Steels Limited		675,500	-	-	646,500	29,000	2,949	1,152	0.05	0.03	0.01
International Industries Limited		-	115,000	-	19,000	96,000	13,479	7,399	0.35	0.21	0.08
		1,316,700	115,000	-	1,292,500	139,200	17,430	8,901	0.42	0.25	0.09
Food and personal care products											
Shezan International Limited		1,000	-	100	-	1,100	570	465	0.02	0.01	0.01
Al-Shaheer Corporation Limited		50,000	82,000	-	40,000	92,000	2,047	1,159	0.05	0.03	0.06
		51,000	82,000	100	40,000	93,100	2,617	1,624	0.07	0.04	0.07
Commercial banks											
Meezan Bank Limited		572,510	150,000	112,227	242,000	592,737	41,179	51,663	2.45	1.44	0.05
		572,510	150,000	112,227	242,000	592,737	41,179	51,663	2.45	1.44	0.05
Textile composite											
Nishat Mills Limited		851,100	56,500	-	244,900	662,700	92,828	61,856	2.93	1.72	0.19
		851,100	56,500	-	244,900	662,700	92,828	61,856	2.93	1.72	0.19
Power generation and distribution											
The Hub Power Company Limited	*7.1.2*	2,303,400	812,241	-	917,500	2,198,141	191,123	173,104	8.21	4.81	0.19
The Hub Power Company Limited (right)		-	286,273		286,273	-	-	-	-	-	-
K-Electric Limited **		5,294,500	225,000	-	524,000	4,995,500	28,001	21,930	1.04	0.61	0.02
Lalpir Power Limited		1,061,500	-	-	-	1,061,500	20,391	13,800	0.65	0.38	0.28
Pakgen Power Limited		1,580,000	-	-	-	1,580,000	30,462	22,404	1.06	0.62	0.42
Saif Power Limited		322,000	1,429,500	-	-	1,751,500	46,339	32,858	1.56	0.91	0.45
		10,561,400	2,753,014	-	1,727,773	11,586,641	316,316	264,096	12.52	7.33	1.36
Paper and board											
Packages Limited		3,300	31,000	-	-	34,300	12,332	10,309	0.49	0.29	0.04
		3,300	31,000	-	-	34,300	12,332	10,309	0.49	0.29	0.04
Technology and communication											
Avanceon Limited	*7.1.1*	123,907	-	1,982	118,950	6,939	328	340	0.02	0.01	0.00
		123,907	-	1,982	118,950	6,939	328	340	0.02	0.01	0.00
Refinery											
National Refinery Limited		-	30,000	-	1,400	28,600	4,605	3,245	0.15	0.09	0.04
		-	30,000	-	1,400	28,600	4,605	3,245	0.15	0.09	0.04
Total as at 30 June 2019							**1,751,020**	**1,398,436**			
Total as at 30 June 2018							1,864,311	1,691,162			

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

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

7.1.1 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other Asset Management Companies and Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. Investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 1.10 million (2018: Rs. 1.68 million) at year end. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end.

7.1.2 Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

	2019	2018	**2019**	2018
	-- (Number of shares) --		**---- (Rupees in '000) ----**	
The Hub Power Company Limited	**250,000**	250,000	**19,688**	23,040

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

Name of the Investee Company	*Note*	**As at 01 July 2018**	**Purchases during the year**	**Sales during the year**	**As at 30 June 2019**	**Cost of holdings as at 30 June 2019**	**Market Value as at 30 June 2019**	**Percentage of total investment**	**Percentage of net assets**
		(Number of certificates)				**(Rupees in '000)**		**%**	
Quoted									
Chemical									
Engro Corporation Limited	*7.2.1*	1,000	-	-	1,000	5,422	5,025	0.24	0.15
		1,000	**-**	**-**	**1,000**	**5,422**	**5,025**	**0.24**	**0.14**
Unquoted									
Chemical									
Ghani Gases Limited	*7.2.1*	750	-	-	750	47,346	46,617	2.26	1.32
		750	**-**	**-**	**750**	**47,346**	**46,617**	**2.22**	**1.30**
Electricity									
WAPDA Sukuk III		2,000	-	2,000	-	-	-	-	-
		2,000	**-**	**2,000**	**-**	**-**	**-**	**-**	**-**
Fertilizer									
Dawood Hercules Corporation Limited	*7.2.1*	270		-	270	24,349	24,220	1.17	0.68
		270	**-**	**-**	**270**	**24,349**	**24,220**	**1.17**	**0.68**
Cement									
Javedan Corporation Limited	*7.2.1*	**-**	**350**	**-**	**350**	35,000	33,770	1.64	0.97
		-	**350**	**-**	**350**	**35,000**	**33,770**	**1.64**	**0.97**
		3,270	**350**	**2,000**	**1,620**	**112,117**	**109,632**	**3.05**	**1.79**

7.2.1 Significant terms and conditions of sukuk certificates outstanding as at 30 June 2019 are as follows:

Name of Security	**Issue date**	**Remaining principal (Rupees in '000)**	**Mark-up rate per annum**	**Maturity**	**Secured / unsecured**	**Rating**
Chemical						
Engro Corporation Limited - Listed	11 July 2014	5,000	13.5% (Fixed Rate Security)	11 July 2019	Secured	AA+
Ghani Gases Limited - Listed	02 February 2017	46,875	3 months KIBOR + 1%	02 February 2023	Secured	A
Fertilizer						
Dawood Hercules Corporation Limited	16 November 2017	24,300	3 months KIBOR + 1%	16 November 2022	Secured	AA
Cement						
Javedan Corporation Limited	04 October 2018	35,000	6 months KIBOR + 1.75%	04 October 2026	Secured	AA-

7.3 Profit rate on TDMs is between 11.35% to 12.5% (2018: 5.8% to 7.16%) per annum with maturities up to 17 July 2019 (2018: 12 July 2018).

7.4 Letter of placements - at amortised cost

Name of Company	**Maturity Date**	**Purchases during the year**	**Income Accrued**	**Matured during the year**	**As at 30 June 2019**	**Percentage of total value of investments**	**Percentage of Net Assets**
		(Rupees in '000)				**%**	
Javedan Corporation Limited	15 October 2018	35,000	113	35,113	-	-	-
BankIslami Pakistan Limited	25 January 2019	200,000	1,743	201,743	-	-	-
BankIslami Pakistan Limited	25 Feburary 2019	200,000	1,801	201,801	-	-	-
BankIslami Pakistan Limited	14 March 2019	90,000	2,330	92,330	-	-	-
BankIslami Pakistan Limited	27 March 2019	200,000	1,743	201,743	-	-	-
BankIslami Pakistan Limited	15 April 2019	90,000	836	90,836	-	-	-
BankIslami Pakistan Limited	29 April 2019	200,000	1,935	201,935	-	-	-
BankIslami Pakistan Limited	15 May 2019	90,000	792	90,792	-	-	-
BankIslami Pakistan Limited	03 June 2019	200,000	2,081	202,081	-	-	-
		1,305,000	**13,374**	**1,318,374**	**-**		

8 DIVIDEND AND PROFIT RECEIVABLE

	2019	2018
	----(Rupees in '000)----	
Dividend receivable	-	8,691
Profit receivable on:		
Bank balances	**14,671**	19,060
Term deposit musharika	**10,023**	3,713
Investments		
- Sukuk certificates	**2,720**	1,361
	27,414	24,134
	27,414	32,825

9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2019	2018
Security deposit with Central Depository Company of Pakistan Limited - Trustee	**100**	100
Deposit with National Clearing Company of Pakistan Limited	**2,500**	2,500
Receivable against issuance of units	**2,250**	6,951
Receivable against sale of investments	**2,835**	891
	7,685	10,442

10 PRELIMINARY EXPENSES AND FLOATATION COSTS

	2019	2018
Preliminary expenses and floatation costs	**87**	287
Amortisation during the year	**(87)**	(200)
	-	87

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

11 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax Year 2019.

12 PAYABLE TO THE MANAGEMENT COMPANY

	Note	2019	2018
		----(Rupees in '000)----	
Management remuneration payable	*12.1*	**6,051**	5,439
Sindh Sales Tax on management remuneration	*12.2*	**787**	707
Sales load and other payables		**2,187**	1,468
Shariah advisory fee	*12.3*	**204**	25
Payable against allocation of expenses relating to the Fund	*12.4*	**303**	1,120
Selling and marketing expenses payable	*12.5*	**3,908**	6,891
		13,440	15,650

12.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 2 percent of average daily net assets of the Fund. The Management Company has charged remuneration at the rate of 1% per annum of the average daily net assets of the Fund till 12 August 2018 and 2% onwards. The remuneration is paid to the Management Company on monthly basis in arrears.

12.2 Sindh Sales Tax has been charged at 13% (30 June 2018: 13%) on the management fee charged during the year.

12.3 As per amended NBFC Regulations dated 25 November 2015, the Management Company is entitled to charge shariah advisory fee from the Fund. Accordingly, the Management Company has charged Rs. 0.350 million (2018: Rs. 0.324 million) as shariah advisory fee under a contract signed with the shariah advisors.

12.4 As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the Management Company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) up to a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being lower.

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

13 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2019	2018
		----(Rupees in '000)----	
Trustee Remuneration	13.1	**385**	626
Sindh Sales Tax on the Trustee's remuneration	13.2	**50**	81
		435	707

13.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee for the year ended 30 June 2019 is as follows:

Net assets:	Tariff per annum
- up to Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets of the Fund, whichever is higher
- exceeding Rs. 1 billion	Rs. 2 million plus 0.10% per annum of net assets of the Fund value exceeding Rs. 2 billion.

13.2 Sales tax at the rate of 13% (2018: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

14 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.095% of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008.

15 ACCRUED EXPENSES AND OTHER PAYABLES

	Note	2019	2018
		----(Rupees in '000)----	
Provision for indirect duties and taxes	15.1	**15,834**	15,834
Provision for Sindh Workers' Welfare Fund	15.2	**24,246**	24,246
Withholding tax payable		**17**	17
Zakat deducted at source payable		**2,307**	3,685
Sales tax payable		**12**	12
Capital gains tax payable		**82**	59
Auditors' remuneration payable		**291**	275
Brokerage payable		**888**	796
Charity payable		**834**	1,787
Sales load payable		**120**	4,608
Other payables		**2,061**	50
		46,692	51,369

15.1 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED up to 30 June 2016.

On 30 June 2016, the Honourable Sindh High Court had passed a judgement that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 4.56 million (2018: Rs. 4.56 million) until the matter is resolved. Had the provision not been made, the net assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.1423 per unit (30 June 2018: Rs. 0.0827) 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, since 30 June 2016, provision for FED has not been made.

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

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

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

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

i) The provision against the Federal WWF held by the Mutual Funds till 30 June 2015 should be reversed on 12 January 2017; and

ii) Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. 21 May 2015).

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on 12 January 2017. In response to the aforementioned letter SECP vide its letter dated 01 February 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

Had the provision not been made, the net assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.7568 per unit (30 June 2018: Rs. 0.4402) per unit.

	2019	2018
16 PROFIT ON BANK DEPOSITS AND TERM DEPOSITS MUSHARIKA CALCULATED USING THE EFFECTIVE YIELD METHOD	**----(Rupees in '000)----**	
Profits on:		
- Bank balances	**247,673**	234,983
- Term deposit musharika (TDM)	**24,842**	44,949
	272,515	279,932

17 PROFIT / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE YIELD METHOD

- GoP ijarah sukuks	**-**	40
- Sukuk certificates	**11,803**	8,208
	11,803	8,248

18 AUDITORS' REMUNERATION

	2019	2018
	----(Rupees in '000)----	
Annual audit fee	**214**	174
Half yearly review fee	**87**	87
Fee for certifications and other services	**41**	81
	342	342
Sales tax	**27**	27
Out of pocket expenses	**60**	37
	87	64
	429	406

19 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. Since, no distributable income has been earned by the Fund, therefore, no dividend has been distributed.

20 CONTINGENCIES AND COMMITMENTS

Except as stated in note 15.2, there are no contingencies and commitments as at 30 June 2019.

21 TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that collective investment scheme (CIS) shall disclose Total Expense Ratio (all the expenses, including government levies, incurred during the year divided by average net assets value for the year) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended 30 June 2019 is 2.95% which include 0.36% representing government levy, Workers' Welfare Fund and SECP fee.

22 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against sale of units	Payable against redemption of units	Total
	----------------- (Rupees in '000) -----------------		
Opening balance as at 01 July 2018	6,951	-	6,951
Receivable against issuance of units	895,046	-	895,046
Payable against redemption of units	-	3,581,313	(3,581,313)
	895,046	3,581,313	(2,686,267)
Amount received on issuance of units	(899,747)	-	(899,747)
Amount paid on redemption of units	-	(3,581,313)	3,581,313
	(899,747)	(3,581,313)	2,681,566
Closing balance as at 30 June 2019	**2,250**	**-**	**2,250**

23 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

23.1 Transactions during the year

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	----- (Rupees in '000) -----					
2019						
Units issued	**-**	**-**	**-**	**-**	**796**	**-**
Units redeemed	**-**	**221,410**	**-**	**-**	**793**	**-**
Profit on PLS saving accounts	**-**	**149,263**	**-**	**-**	**-**	**-**
Bank and other charges	**-**	**185**	**-**	**-**	**-**	**-**
Remuneration	**96,163**	**-**	**6,181**	**-**	**-**	**-**
Sales tax on remuneration	**12,501**	**-**	**804**	**-**	**-**	**-**
Allocation of expenses relating to the Fund	**5,181**	**-**		**-**	**-**	**-**
Centeral Depository Services Expenses	**-**	**-**	**108**	**-**	**-**	**-**
Selling and marketing expenses	**20,724**	**-**	**-**	**-**	**-**	**-**
Shariah advisory fee	**350**	**-**	**-**	**-**	**-**	**-**
2018						
Units issued	-	-	-	-	4,006	59,234
Units redeemed	-	1,247	-	-	1	64,627
Profit on PLS saving accounts	-	176,929	-	-	-	-
Bank and other charges	-	264	-	-	-	-
Remuneration	87,881	-	9,918	-	-	-
Sales tax on remuneration	-	-	-	-	-	-
Allocation of expenses relating to the Fund	7,777	-	-	-	-	-
Centeral Depository Services Expenses	-	-	187	-	-	-
Selling and marketing expenses	31,110	-	-	-	-	-
Shariah advisory fee	324	-	-	-	-	-
Listing Fee	-	-	-	-	-	25

23.2 Balances outstanding as at year end

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
2019						
	----- (Rupees in '000) -----					
Units held (in units '000)	**-**	**-**	**-**	**-**	**1**	**-**
Units held (in rupees)	**-**	**-**	**-**	**-**	**101**	**-**
Bank balances*	**-**	**250,541**	**-**	**-**	**-**	**-**
Deposits	**-**	**-**	**100**	**-**	**-**	**-**
Remuneration payable **	**6,838**	**-**	**435**	**-**	**-**	**-**
Sales load and other payables	**2,107**	**4**	**-**	**-**	**-**	**-**
Conversion and settlement charges	**80**	**-**	**-**	**-**	**-**	**-**
Selling and marketing expenses payable	**3,908**	**-**	**-**	**-**	**-**	**-**
Shariah fee	**204**	**-**	**-**	**-**	**-**	**-**
Payable against allocated expenses	**303**	**-**	**-**	**-**	**-**	**-**
Profit receivable	**-**	**5,553**	**-**	**-**	**-**	**-**
2018						
Units held (in units '000)	-	1,883	-	-	34	50
Units held (in rupees)	-	220,681	-	-	3,985	5,861
Bank balances*	-	2,599,364	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	6,146	-	707	-	-	-
Sales load and other payables	1,468	463	-	-	-	-
Selling and marketing expenses payable	6,891	-	-	-	-	-
Shariah fee payable	25	-	-	-	-	-
Others	-	-				
Payable against allocated expenses	1,120	-	-	-	-	-
Profit receivable	-	13,825	-	-	-	-

* These carry profit rate ranging between 6.3% - 11.25% (30 June 2018: 5.5% - 6.2%) per annum.
** These balances are inclusive of Sindh Sales Tax payable.

24 FINANCIAL INSTRUMENTS BY CATEGORY

	2019			
	At Amortised Cost	**At fair value through other comprehensive income**	**At fair value through profit or loss**	**Total**
	(Rupees in '000)			
Financial Assets				
Bank balances	**1,519,465**	**-**	**-**	**1,519,465**
Term deposit musharika	**600,000**			**600,000**
Equity securities - Quoted	**-**	**-**	**1,398,436**	**1,398,436**
Sukuk certificates	**-**	**-**	**109,632**	**109,632**
Dividend and profit receivable	**27,414**	**-**	**-**	**27,414**
Deposits and other receivables	**7,685**	**-**	**-**	**7,685**
	2,154,564	**-**	**1,508,068**	**3,662,632**

	At amortised cost	**Total**
	(Rupees in '000)	
Financial liabilities		
Payable to the Management Company	**13,440**	**13,440**
Payable to Central Depository Company of Pakistan Limited - Trustee	**435**	**435**
Accrued expenses and other payables	**6,612**	**6,612**
	20,487	**20,487**

	2018			
	Loans and receivables	Held for trading	Available-for-sale	Total
	(Rupees in '000)			
Financial Assets				
Bank balances	3,646,368	-	-	3,646,368
Term deposit musharika	300,000			300,000
Equity securities - Quoted	-	1,691,162	750,449	2,441,611
Sukuk certificates	-	97,671		97,671
Dividend and profit receivable	32,825	-	-	32,825
Deposits and other receivables	10,442	-	-	10,442
	3,989,635	1,788,833	750,449	6,528,917

	Other financial liabilities	Total
	(Rupees in '000)	
Financial liabilities		
Payable to the Management Company	15,650	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	707	707
Accrued expenses and other liabilities	11,289	11,289
	27,646	27,646

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

The Fund"s accounting policy on fair value measurements of investments is discussed in note 4.2 and 4.3 to these financial statements.

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

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

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

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

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

On-balance sheet financial instruments

	Note	2019								
		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	**Designated as at fair value through profit or loss**	**At fair value through other comprehensive income**	**At amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		(Rupees in '000)					(Rupees in '000)			
Financial assets measured at fair value										
Equity securities - Quoted		**1,398,436**	**-**	**-**	**-**	**1,398,436**	**1,398,436**	**-**	**-**	**1,398,436**
Sukuk certificates	*25.1*	**109,632**	**-**	**-**	**-**	**109,632**	**-**	**109,632**	**-**	**109,632**
		1,508,068	**-**	**-**	**-**	**1,508,068**				
Financial assets not measured at fair value	*25.2*									
Bank balances		**-**	**-**	**-**	**1,519,465**	**1,519,465**				
Term deposit musharika		**-**	**-**	**-**	**600,000**	**600,000**				
Profit receivable		**-**	**-**	**-**	**27,414**	**27,414**				
Deposits and other receivables		**-**	**-**	**-**	**7,685**	**7,685**				
		-	**-**	**-**	**2,154,564**	**2,154,564**				
Financial liabilities not measured at fair value	*25.2*									
Payable to the Management Company		**-**	**-**	**-**	**13,440**	**13,440**				
Payable to Central Depository Company						**-**				
of Pakistan Limited - Trustee		**-**	**-**	**-**	**435**	**435**				
Accrued expenses and other payables		**-**	**-**	**-**	**6,612**	**6,612**				
		-	**-**	**-**	**20,487**	**20,487**				

	2018								
	Carrying amount					Fair value			
	Designated at fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)					(Rupees in '000)			
Financial assets measured at fair value									
Equity securities - listed	1,691,162	750,449	-	-	2,441,611	2,441,611	-	-	2,441,611
Sukuk certificates	97,671	-	-	-	97,671	-	97,671	-	97,671
	1,788,833	750,449	-	-	2,539,282				
Financial assets not measured at fair value									
Bank balances	-	-	3,646,368	-	3,646,368				
Term deposit musharika	-	-	300,000	-	300,000				
Dividend and profits receivable	-	-	32,825	-	32,825				
Deposits and other receivables	-	-	10,442	-	10,442				
	-	-	3,989,635	-	3,989,635				
Financial liabilities not measured at fair value									
Payable to the Management Company	-	-	-	15,650	15,650				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	707	707				
Accrued expenses and other payables	-	-	-	11,289	11,289				
	-	-	-	27,646	27,646				

During the year ended 30 June 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

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

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

25.3 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

26 FINANCIAL RISK MANAGEMENT

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

26.2 Credit Risk

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

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations and guidelines given by SECP from time to time.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

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

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

	2019	2018
Financial assets exposed to credit risk	----(Rupees in '000)----	
Sukuk Certificates	**109,632**	97,671
Bank balances	**1,519,465**	3,646,368
Dividend and profit receivable	**27,414**	32,825
Deposits and other receivable	**7,685**	10,442
	1,656,511	3,776,864

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

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Further, all transactions in securities are executed through approved brokers, thus the risk of default is considered to be minimal. For Debt instruments settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimize the credit risk. In accordance with the risk management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	Rating Agency	Rating	**2019**	2018
Bank balances by rating category			----(Rupees in '000)----	
MCB Islamic Bank Limited	**PACRA**	**AAA**	**1,530**	1,389
Allied Bank Limited	**PACRA**	**AAA**	**10**	10
National Bank of Pakistan	**VIS**	**AAA**	**137**	1,527
United Bank Limited	**VIS**	**AAA**	**249,391**	2,599,363
Habib Bank Limited	**VIS**	**AAA**	**16**	16
Habib Metropolitan Bank Limited	**PACRA**	**AA+**	**21**	87
Meezan Bank Limited	**VIS**	**AA+**	**17**	857
Faysal Bank Limited	**PACRA**	**AA**	**10**	22
Bank Alfalah Limited	**VIS**	**AA-**	**29,307**	24,954
Dubai Islamic Bank Limited	**VIS**	**AA-**	**432,515**	27
Soneri Bank Limited	**PACRA**	**AA-**	**804,371**	491,112
BankIslami Pakistan Limited	**PACRA**	**A+**	**2,140**	527,004
			1,519,465	3,646,368
Sukuk certificates by rating category				
AAA			**-**	5,223
AA+			**5,025**	5,423
AA			**24,220**	27,054
AA-			**33,770**	-
A			**46,617**	59,971
			109,632	97,671
Investment in term deposit musharika				
Soneri Bank Limited	**PACRA**	**AA-**	**-**	300,000
MCB Islamic Bank Limited	**PACRA**	**AAA**	**310,000**	-
BankIslami Pakistan Limited	**PACRA**	**A+**	**290,000**	-
			600,000	300,000
Dividend and profit receivable			**27,414**	32,825
Deposits, prepayments and other receivables			**7,685**	10,442

Concentration of credit risk

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

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

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

26.3 Liquidity risk

„Liquidity risk‟ is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund‟s offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unit holder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial liabilities and investing a major portion of the Fund‟s assets in highly liquid financial assets. The Fund‟s investments are considered to be readily realisable as they are all invested in equity securities, government securities, sukuk certificate and saving accounts. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

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

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

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

In addition to unit holders' fund, the analysis below summarizes the Fund's financial liabilities into relevant maturity grouping as at 30 June 2019:

	2019				
	Maturity Up to				
	Three months	Six months	One year	More than one year	Total
Financial Liabilities	(Rupees in '000)				
Payable to Management Company	**13,440**	-	-	-	**13,440**
Payable to Central Depository Company of Pakistan Limited - Trustee	**435**	-	-	-	**435**
Accrued expenses and other payables	**6,612**	-	-	-	**6,612**
	20,487	-	-	-	**20,487**
Unit holders' fund	**3,599,137**	-	-	-	**3,599,137**

	30 June 2018				
	Maturity Up to				
	One month	Three months	One year	More than one year	Total
Financial Liabilities	(Rupees in '000)				
Payable to Management Company	15,650	-	-	-	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee	707	-	-	-	707
Accrued expenses and other payables	11,289	-	-	-	11,289
	27,646	-	-	-	27,646
Unit holders' fund	6,455,833	-	-	-	6,455,833

26.4 Market risk

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

i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market profit rates. The Fund's profit rate is monitored on a quarterly basis by the board of directors.

a) **Sensitivity analysis for variable rate instruments**

As at 30 June 2019, the Fund hold Sukuk certificates which are classified as fair through profit or loss, exposing the Fund to cash flow profit rate risk and fair value profit rate risk. In case of 100 basis points increase / decrease in mark-up rates on 30 June 2019, with all other variables held constant, the impact on the net assets and total comprehensive income for the year is as follows:

	Total Exposure	
	2019	**2018**
	------(Rupees in '000)------	
Bank balances	**1,487,205**	3,621,497
Sukuk certificates - at fair value through profit or loss	**104,607**	-
Sukuk certificates - designated at fair value through profit or loss	**-**	92,248
	1,591,812	3,713,745

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the year end would have increased / (decreased) the net assets and net income by Rs. 15.386 million (30 June 2018: Rs. 36.606 million), assuming all other variables held constant.

Fair value sensitivity analysis for variable rate instrument

A change in 100 basis points in profit rates at year end would have increased the net assets and net income by Rs. 2.439 million (30 June 2018: Rs. 2.035 million) and decreased the net assets and net income by Rs. 2.371 million (30 June 2018: Rs. 2.278 million). The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as measured at amortised cost

b) **Sensitivity analysis for fixed rate instruments**

As at 30 June 2019, the Fund hold fixed rate Sukuk certificates which are classified as fair through profit or loss', exposing the Fund to cash flow profit rate risk and fair value profit rate risk. In case of 100 basis points increase / decrease in mark-up rates on 30 June, 2019, with all other variables held constant, the impact on the net assets and total comprehensive income for the year is as follows:

	Total Exposure	
	2019	**2018**
	------(Rupees in '000)------	
Term deposit musharika	**600,000**	300,000
Sukuk certificate - at fair value through profit or loss	**5,025**	-
Sukuk certificate - designated at fair value through profit or loss	**-**	5,841
	605,025	305,841

Fair value sensitivity analysis for fixed rate instrument

An increase in 100 basis points in profit rates at year end would have increased the net assets and total comprehensive income by Rs. 0.289 million (30 June 2018: Rs. 0.083 million) and decrease would result in increase the net assets and total comprehensive income of current year by Rs. 0.292 million and decrease the net assets and total comprehensive income of prior year by Rs. 0.062 million. The analysis assumes all other variables remaining constant. Investment in term deposit musharika would not effect the income statement as measured at amortised cost.

		2019					
		Maturity Up to					
	Profit rate (%)	**Three months**	**Six months**	**One year**	**More than one year**	**Not exposed to profit rate risk**	**Total**
On-balance sheet financial instruments		(Rupees in '000)					
Financial assets							
Bank balances	**6.30 - 12.25**	**1,487,205**	**-**	**-**	**-**	**32,260**	**1,519,465**
Term deposit musharika	**11.35-12.5**	**600,000**	**-**	**-**	**-**	**-**	**600,000**
Investments classified as:							
At fair value through profit or loss'							
- Quoted Equity Securities		**-**	**-**	**-**	**-**	**1,398,436**	**1,398,436**
- Sukuk Certificates	**KIBOR 3M-6M+ 1.00 - 13.5**	**-**	**-**	**-**	**109,632**	**-**	**109,632**
Dividend and profit receivable		**-**	**-**	**-**	**-**	**27,414**	**27,414**
Deposit and other receivables		**-**	**-**	**-**	**-**	**7,685**	**7,685**
Total financial assets		**2,087,205**	**-**	**-**	**109,632**	**1,465,795**	**3,662,632**
Financial liabilities							
Payable to Management Company		**-**	**-**	**-**	**-**	**13,440**	**13,440**
Payable to Central Depository Company of Pakistan Limited - Trustee		**-**	**-**	**-**	**-**	**435**	**435**
Accrued expenses and other payables		**-**	**-**	**-**	**-**	**6,612**	**6,612**
Total financial liabilities		**-**	-	-	-	**20,487**	**20,487**
On-balance sheet gap		**2,087,205**	**-**	**-**	**109,632**	**1,445,308**	**3,642,145**

On-balance sheet financial instruments	Profit rate (%)	Three months	Maturity Up to Six months	One year	More than one year	Not exposed to profit rate risk	Total
		2018					
		(Rupees in '000)					
Financial assets							
Bank balances	3.90 - 6.40	3,621,497				24,871	3,646,368
Investments classified as:							
At fair value through profit or loss - held for trading							
- Quoted equity securities		-	-	-	-	1,691,162	1,691,162
- Sukuk certificate- designated upon initial recognition	KIBOR 3M-6M+ 1.00 -13.5	-	-	-	97,671	-	97,671
Available for sale		-	-	-	-	750,449	750,449
Term deposit musharika	5.80 - 7.16	300,000	-	-	-	-	300,000
Dividend and profit receivable		-	-	-	-	32,825	32,825
Deposit and other receivables		-	-	-	-	10,442	10,442
Total Financial Assets		3,921,497	-	-	97,671	2,509,749	6,528,917
Financial liabilities							
Payable to Management Company		-	-	-	-	15,650	15,650
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	707	707
Accrued expenses and other payables		-	-	-	-	11,289	11,289
Total Financial Liabilities		-	-	-	-	27,646	27,646
On-balance sheet gap		3,921,497	-	-	97,671	2,482,103	6,501,271

There is no off-balance sheet financial instrument that exist as at year ended 30 June 2019 and 30 June 2018.

ii) Foreign currency risk

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

iii) Price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KMI- 30 index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities for which prices in the future are uncertain. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations.

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

Details of the Fund's investment in industrial / economic sector are given in note 7.

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

	2019	2018
	---(Rupees in '000)---	
Income statement	**(156,518)**	122,081
Unit holders' fund	**(156,518)**	122,081

26.5 Unit holders' fund risk management (Capital risk management)

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

In order to maintain or adjust the unit holders' fund structure, the Fund"s policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;

- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and

- The Fund Manager / Investment Committee members and Chief Executive of the Management Company critically track the movement of „Assets under Management". The Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

26.6 Operational risk

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

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

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;

- ethical and business standards; and

- risk mitigation, including insurance where this is effective

27 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND

	Commission 2019 %
Name of Broker	**12.13**
Topline Securities (Private) Limited	**7.35**
Taurus Securities Limited	**6.76**
Next Capital Limited	**6.00**
Foundation Securities (Private) Limited	**5.30**
Adam Securities (Private) Limited.	**4.64**
Alfalah Securities (Private) Limited	**4.20**
Aba Ali Habib Securities (Private) Limited	**3.97**
BIPL Securities Limited	**3.88**
DJM Securities (Private) Limited	**3.81**
Multiline Securities (Private) Limited	

	Commission 2018 %
Name of Broker	
Topline Securities (Private) Limited	14.60
Taurus Securities Limited	14.50
Insight Securities (Private) Limited	12.50
Arif Habib Limited	10.10
Ismail Iqbal Securities (Private) Limited	8.80
IGI Finex Securities Limited	8.20
Alfalah Securities (Private) Limited	8.20
Foundation Securities (Private) Limited	7.20
Optimus Capital Management (Private) Limited	6.70
EFG Hermes Pakistan Limited (Formerly Invest and Finance Securities Limited)	6.60

28 INVESTMENT COMMITTEE

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

S.No.	Name	Designation	Experience in years	Qualification
1	Mr. Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	MBA, CFA
3	Mr. Hadi Hassan Muki*	Head of Risk Management Compliance, Information Security and Quality Assurance	19	B.COM
4	Mr. Usama Bin Razi**	Fund Manager	15	MBA

** Head of Risk - Non voting observer
*Usama Bin Razi is Fund Manager of Al Ameen Asset Allocation Fund, Al Ameen Islamic Aggressive Income Fund, UBL Liquidity Plus Fund, UBL Government Securities Fund, UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Special Savings Fund, UBL Retirement Savings Fund and UBL Capital Protected Fund - III

29 DIRECTORS' MEETING ATTENDANCE

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

Name of Director	Dates / Meetings attended	28 August 2018	26 October 2018	08 November 2018	11 December 2018	27 February 2019	29 April 2019	06 May 2019
Mr. Azhar Hamid	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Yasir Qadri	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Naz Khan	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sharjeel Shahid *	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Zia Ijaz *	0	No	N/A	N/A	N/A	N/A	N/A	N/A
Syed Furrukh Zaeem	6	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr. Mirza Muhammad Sadeed Hassan Barlas *	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Tauqeer Mazhar **	3	N/A	N/A	Yes	Yes	No	No	Yes
Mr. Imran Sarwar **	4	N/A	N/A	Yes	Yes	No	Yes	Yes
Ms. Sadia Saeed **	5	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Name of Key Executives								
Syed Muhammad Aly Osman	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Umair Ahmed	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Mr. Sharjeel Shahid, Mr. Zia Ijaz & Mirza Muhammad Sadeed Hassan Barlas resigned on 09 October 2018
** Mr. Tauqeer Mazhar, Mr. Imran Sarwar & Ms. Sadia Saeed appointed as of 02 November 2018

30 PATTERN OF UNIT HOLDERS

Category	2019 Unit holders	Number of Units held	Percentage
Individuals	**2,178**	**27,331,584**	**85.31**
Associated companies and directors	**1**	**901**	**-**
Insurance companies	**2**	**252,787**	**0.79**
Retirement funds	**26**	**2,737,844**	**8.55**
Public limited companies	**1**	**21**	**-**
Others	**17**	**1,714,441**	**5.35**
	2,225	**32,037,578**	**100.00**

Category	2018 Unit holders	Number of Units held	Percentage
Individuals	2,800	45,836,959	83.22
Associated companies and directors	2	1,916,248	3.48
Insurance companies	2	258,421	0.47
Retirement funds	33	3,090,130	5.61
Others	31	3,975,536	7.22
	2,868	55,077,294	100.00

31 CREDIT RATING

VIS Credit Rating Agency has assigned management quality rating of 'AM1' (30 June 2018: 'AM1') to the Management Company while the Fund is currently not rated.

32 GENERAL

32.1 Date of authorisation for issue

These financials statements were authorised for issue by Board of Directors of the Management Company on 30-AUG-2019.

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
Chief Executive Officer	**Director**	**Chief Financial Officer**

AIAAF

Holding	***Resolution***	***For***	***Against***	***Abstain****
604,761	*Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business:1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.* *2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date oJ the Extraordinary General Meeting i.e. November 17, 2015.* *The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors.* *The following Directors of the Bank will cease to hold office upon election of new Directors:* *1. Mr. Riyadh S.A.A. Edrees* *2. Mr. Faisal A.A.A. Al-Nassar* *3. Mr. Bader H.A.M.A. AlRabiah* *4. Mr. Alaa A. Al-Sarawi* *5. Mr. Saad Fazil Abbasi* *6. Mr. Mansur Khan* *7. Mr. Mohammad Zamig Rajab* *8. Mr. Mohammad Abdul Aleem* *9. Mr. Noorur Rahman* *10. Mr. Talal S. Shehab* *11. Mr. Ariful Islam* *The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director.* *3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each :* *"RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that:* *Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows:* *"The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion thre hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares In the capital for the time being into several classes."* *"FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions."* *To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank;* *"RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows:* *Capitalization of Profits* *The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution.* *FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the "Authorized Representatives") be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules,, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.*	✔		

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

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

ASSF
Al-Ameen Shariah Stock Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Deloitte Yousuf Adil & Co., Chartered Accountants
Bankers	Al-Baraka Islamic Banking Bank Alfalah Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited National Bank of Pakistan Limited Allied Bank Limited
Management Co. Rating	AM 1 (JCR-VIS)

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

i) **Description of the Collective Investment Scheme category and type**
Islamic Equity / Open-end

ii) **Statement of Collective Investment Scheme's investment objective**
ASSF is an open-end Equity Fund, investing primarily in Shariah compliant equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.

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

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
KMI-30 Index

v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
ASSF	0.40%	-0.10%	-1.37%	3.94%	-2.90%	-8.34%	8.54%	-1.71%	-2.80%	-5.60%	-2.85%	-6.29%	-18.45%
Benchmark	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-7.07%	-23.84%

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

In FY19 the fund yielded a return of -18.45%. At the end of FY19, the Fund Manager maintained exposure at around 91% of total assets in local equities. Major exposure was maintained in Oil & Gas Exploration Companies (29%), Fertilizer (17%) and Power (12%).

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-18	Jun-19
Equities	89%	91%
Sukuks	0%	0%
GoP Ijarah Sukuks	0%	0%
Cash	9%	8%
Others	2%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	-18.45%
Standard Deviation (12m trailing):	18.71%
Sharpe Ratio (12m trailing):	(1.51)

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-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
5,376,708	6,879,144	(21.84)	109.5100	134.2800	(18.45)

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

<u>Stock Market Review for FY19</u>

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

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

During the year no distribution has been made.

i) Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

ii) Breakdown of unit holdings by size

Range of Units	Number of Investors
	ASSF
0.0001 - 9,999.9999	9,393
10,000.0000 - 49,999.9999	396
50,000.0000 - 99,999.9999	36
100,000.0000 - 499,999.9999	27
500,000.0000 & Above	10
Total	**9,862**

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

There were no unit splits during the period.

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

Investment are subject to credit and market risk.

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

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

PERFORMANCE TABLE

Al - Ameen Shariah Stock fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**5,376,708**	6,879,144	8,780,769
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A Units - Offer	**112.61**	138.08	157.6000
- Redemption	**109.51**	134.28	153.2600
RETURN OF THE FUND - %			
One Year	**(18.45)**	(12.38)	29.19
Capital Growth (per unit)	**(18.45)**	(8.08)	12.59
Date of Income Distribution	**-**	-	26-Jun-17
Income Distribution	**-**	-	13.00
Date of Income Distribution	**-**	-	-
Income Distribution	**-**	-	-
AVERAGE ANNUAL RETURN - %			
One Year	**(18.45)**	(12.38)	29.19
Second Year	**(15.42)**	8.41	21.83
Third Year	**(0.55)**	10.43	23.58
Fourth Year	**3.21**	14.59	26.27
Fifth Year	**7.98**	18.54	30.94
Sixth Year	**12.38**	23.72	28.74
Since inception	**18.44**	22.54	26.90
OFFER / REPURCHASE DURING THE YEAR - Rupees *			
Highest price per unit - Class A - Offer	**142.39**	159.83	190.73
Highest price per unit - Class A - Redemption	**138.47**	155.43	185.48
Lowest price per unit - Class A - Offer	**108.98**	128.59	132.20
Lowest price per unit - Class A - Redemption	**105.98**	125.05	128.56

* Front-end load @2.5% is applicable

PORTFOLIO COMPOSITION

Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %

Bank Balances	**8.00**	9.00	13.00
Sukuk certificates	**-**	-	-
Equity securities	**91.00**	89.00	86.00
Foreign Investments	**-**	-	-
others	**1.00**	2.00	1.00

PORTFOLIO COMPOSITION BY MARKET - %

Equity market	**100.00**	100.00	100.00
Debt market	**-**	-	-

Note:

- The Launch date of the Fund is 24 December 2006

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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S.M.C.H.S. Main Shahra-e-Faisal
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Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN SHARIAH STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Shariah Stock Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2019

UBL FUNDS

REPORT OF THE SHARIAH ADVISORY COMMITTEE

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

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

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

i. We have reviewed and approved the modes of investments of ASSF in light of Shariah requirements. The following is a list of top equity investments of ASSF as on 30 June 2019 and their evaluation according to the screening criteria established by us.

ASSF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)		Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A	<	B
1	The Hub Power Co. Ltd.	Generator of Electricity	33%	10%	0%	36%	(18.2)		62.0
2	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	21%	0%	33%	83.9		109.9
3	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	0%	9%	0%	17%	189.7		845.0
4	Engro Corporation	Manufacturer of Chemicals	15%	29%	0%	58%	(76.5)		227.5
5	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	12%	0%	38%	51.2		110.7
6	Meezan Bank Ltd	Commercial Bank	N/A	N/A	N/A	N/A	N/A		75.0
7	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1		353.0
8	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)		92.0
9	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8		64.5
10	Pakistan State Oil	Oil Marketing company	28%	2%	0%	24%	88.8		128.5

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

ii. On the basis of information provided by the management, all operations of ASSF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by ASSF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.

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During the year, an amount of PKR 4,814,727 has been recognized as charity.

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

Mufti Muhammad Hassaan Kaleem
Member, Shariah Advisory Committee

Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:
DATE: 16 August 2019

UBL FUNDS

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

NAME OF FUND: **Al Ameen Shariah Stock Fund**

YEAR ENDING: **JUNE 30, 2019**

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

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed Mr. Tauqeer Mazhar Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

a. Mr. Imran Sarwar
b. Mr. Tauqeer Mazhar
c. Mr. Yasir Qadri
d. Ms. Naz Khan
e. Ms. Sadia Saeed
f. Syed Furrukh Zaeem

Executives

a. S.M. Aly Osman
b. Mr. Amin Gulamani
c. Mr. Ammar Valika
d. Mr. Hadi Hassan Mukhi
e. Mr. Umair Ahmed
f. Mr. Zeeshan Quddus

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

a. Board Audit Committee
   i. Ms. Naz Khan (Chair),
   ii. Mr. Imran Sarwar,
   iii. Ms. Sadia Saeed,
   iv. Mr. Tauqeer Mazhar.

b. Board Human Resource & Compensation Committee
   i. Mr. Azhar Hamid (Chairman),
   ii. Ms. Naz Khan,
   iii. Ms. Sadia Saeed,
   iv. Syed Furrukh Zaeem,
   v. Mr. Yasir Qadri.

c. Board Risk & Compliance Committee
   i. Mr. Imran Sarwar (Chairman),
   ii. Mr. Azhar Hamid,
   iii. Syed Furrukh Zaeem,
   iv. Mr. Tauqeer Mazhar,
   v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

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UBL FUNDS

15. The frequency of meetings of the Committee were as per following:
    a. Board Audit Committee : Quarterly Meeting-6 meetings held
    b. Board Human Resource & Compensation Committee: 4 meetings held
    c. Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.

AZHAR HAMID
Chairman

Karachi.
Dated: **August 30, 2019**

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
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TO THE UNITHOLDERS' OF AL-AMEEN SHARIAH STOCK FUND

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Shariah Stock Fund** (the Fund) for the year ended June 30, 2019 in accordance with the requirements of Regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2019.

Deloitte Yousuf Adil
Chartered Accountants

Date: September 24, 2019
Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Al-Ameen Shariah Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Al-Ameen Shariah Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Valuation and existence of investments** As disclosed in note 6 to the financial statements, investments amounted to Rs. 5,053.462 million as at June 30, 2019. The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities and there is a risk that appropriate quoted prices may not be used to determine fair value.	In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2019 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2019 by independently matching the securities held by the Fund as per internal records with the securities appearing in the

S. No.	Key audit matters	How the matters were addressed in our audit
	In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end. The disclosures regarding the investments are included in notes 4.1 and 6 to the financial statements.	Central Depository Company (CDC) account and investigated any reconciling items

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

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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

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

Responsibilities of Management Company and Board of Directors for the Financial Statements

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

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

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte Yousuf Adil

Chartered Accountants

Date: September 24, 2019
Place: Karachi

AL-AMEEN SHARIAH STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		-------- (Rupees in '000) --------	
ASSETS			
Bank balances	5	**420,587**	645,299
Investments - net	6	**5,053,462**	6,315,913
Dividend and profit receivable	7	**40,396**	37,066
Security deposits and other receivables	8	**15,226**	49,761
Advance tax	9	**3,233**	3,218
Total assets		**5,532,904**	7,051,257
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	10	**17,466**	22,742
Payable to Central Depository Company of Pakistan Limited - Trustee	12	**614**	762
Payable to Securities and Exchange Commission of Pakistan	13	**6,546**	7,235
Accrued expenses and other liabilities	14	**131,570**	141,374
Total liabilities		**156,196**	172,113
Net Assets		**5,376,708**	6,879,144
Unit Holders' Fund (as per statement attached)		**5,376,708**	6,879,144
CONTINGENCIES AND COMMITMENTS	29		
		------------ (Number of units) -----------	
Number of Units in Issue	15	**49,096,297**	51,231,359
		------------------ (Rupees) -----------------	
Net Asset Value Per Unit		**109.51**	134.28
Face Value Per Unit		**100**	100

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN SHARIAH STOCK FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		--------(Rupees in '000)--------	
INCOME			
Loss on sale of investments - net		**(215,975)**	(480,642)
Financial income		**58,911**	59,999
Dividend income		**306,362**	330,749
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.1 & 6.2	**(1,215,781)**	(746,627)
		(1,066,483)	(836,521)
Impairment loss on equity securities classified as available for sale	6.3.2	**-**	(69,826)
Total loss		**(1,066,483)**	(906,347)
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	10.1	**137,809**	152,321
Sindh Sales Tax on remuneration of the Management Company	10.2	**17,915**	19,802
Allocated expenses	10.3	**6,891**	7,616
Allocated selling and marketing expenses	11	**27,562**	30,464
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	**8,916**	9,736
Annual fee - Securities and Exchange Commission of Pakistan	13.1	**6,546**	7,235
Auditor's remuneration	16	**500**	437
Bank charges		**197**	292
Brokerage and settlement charges		**12,174**	7,189
Listing fee		**25**	25
Legal and professional charges		**208**	155
Charity expense	14.1	**4,810**	4,063
Shariah advisor fee		**350**	332
Printing expenses		**10**	21
Other expenses		**3**	3
Total expenses		**223,916**	239,691
Net operating loss for the year		**(1,290,399)**	(1,146,038)
Provision for Sindh Workers' Welfare Fund	14.3	**-**	-
Net loss for the year before taxation		**(1,290,399)**	(1,146,038)
Taxation	17	**-**	-
Net loss for the year after taxation		**(1,290,399)**	(1,146,038)
Allocation of net income for the year			
- Net loss for the year after taxation		**-**	**-**
- Income already paid on units redeemed		**-**	**-**
Net loss for the year after taxation		**-**	**-**
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	**-**
Earnings per unit	18		

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN SHARIAH STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	**2019**	2018
		--------(Rupees in '000)--------	
Net loss for the year after taxation		**(1,290,399)**	(1,146,038)
Other comprehensive income			
Items that may be reclassified subsequently to income statement			
Unrealised loss on re-measurement of investments classified as 'available for sale - net'		-	(76,683)
Reclassification of loss to income statement on sale of investments classified as 'available for sale - net'		-	6,255
Reclassification of impairment loss to income statement on equity securities classified as 'available for sale'	6.3.2	-	69,826
		-	(602)
Items that will not be reclassified subsequently to income statement		-	-
Total comprehensive loss for the year		**(1,290,399)**	(1,146,640)

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN SHARIAH STOCK FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	**(1,290,399)**	(1,146,038)
Adjustments for non-cash charges and other items:		
Dividend income	**(306,362)**	(330,749)
Financial income	**(58,911)**	(59,999)
Loss on sale of investments - net	**215,975**	480,642
Impairment loss on equity securities classified as available for sale	**-**	69,826
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	**1,215,781**	746,627
	1,066,483	906,347
(Increase) / decrease in assets		
Investments	**(169,305)**	108,062
Security deposits and other receivables	**34,535**	(5,209)
	(134,770)	102,853
Decrease in liabilities		
Payable to UBL Fund Managers Limited - Management Company	**(5,276)**	(10,080)
Payable to Central Depository Company of Pakistan Limited - Trustee	**(148)**	(167)
Payable to Securities and Exchange Commission of Pakistan	**(689)**	628
Accrued expenses and other liabilities	**(9,804)**	(47,760)
	(15,917)	(57,379)
	(374,603)	(194,217)
Dividend income received	**303,516**	322,730
Financial income received	**58,427**	60,694
Tax paid	**(15)**	(26)
Net cash (used in) / generated from operating activities	**(12,675)**	189,181
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	**3,777,033**	5,226,755
Payments against redemption of units	**(3,989,070)**	(5,981,739)
Net cash used in financing activities	**(212,037)**	(754,984)
Net decrease in cash and cash equivalents	**(224,712)**	(565,803)
Cash and cash equivalents at the beginning of the year	**645,299**	1,211,102
Cash and cash equivalents at the end of the year	**420,587**	645,299

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN SHARIAH STOCK FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Capital value	2019 Undistributed income	2019 Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net	2019 Total	2018 Total
		---(Rs. in '000)---				
Net assets at the beginning of the year		4,710,901	2,168,845	(602)	6,879,144	8,780,768
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	(602)	602	-	-
Amount received on issuance of 29,204,792 units (2018: 36,989,570 units)						
- Capital value		3,921,619	-	-	3,921,619	5,669,021
- Element of loss		(144,586)	-	-	(144,586)	(442,266)
Total amount received on issuance of units		3,777,033	-	-	3,777,033	5,226,755
Amount paid on redemption of 31,339,854 units (2018: 43,050,125 units)						
- Capital value		(4,208,315)	-	-	(4,208,315)	(6,597,862)
- Element of income		219,245	-	-	219,245	616,123
Total amount paid on redemption of units		(3,989,070)	-	-	(3,989,070)	(5,981,739)
Total comprehensive loss for the year		-	(1,290,399)	-	(1,290,399)	(1,146,640)
Distribution for the year Rs. Nil per unit (2018: Rs. Nil per unit)		-	-	-	-	-
Net loss for the year less distribution		-	(1,290,399)	-	(1,290,399)	(1,146,640)
Net assets at the end of the year		4,498,864	877,844	-	5,376,708	6,879,144
Refund / adjustment on units as element of income		-	-	-	-	-
Undistributed income brought forward comprising of:						
- Realised		-	2,915,472	-	2,915,472	2,721,267
- Unrealised		-	(746,627)	(602)	(747,229)	593,616
		-	2,168,845	(602)	2,168,243	3,314,883
Accounting income available for distribution						
- Related to capital gain		-	-	-	-	-
- Excluding capital gain		-	-	-	-	-
		-	-	-	-	-
Net loss for the year after taxation		-	(1,290,399)	-	(1,290,399)	(1,146,640)
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1		(602)	602	-	
Distribution during the year		-	-	-	-	-
Undistributed income carried forward - net		-	877,844	-	877,844	2,168,243
Undistributed income carried forward comprising of:						
- Realised		-	2,093,625	-	2,093,625	2,915,472
- Unrealised		-	(1,215,781)	-	(1,215,781)	(747,229)
		-	877,844	-	877,844	2,168,243
					---(Rupees)---	
Net assets value per unit at the beginning of the year					134.28	153.26
Net assets value per unit at the end of the year					109.51	134.28

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN SHARIAH STOCK FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Shariah Stock Fund (the "Fund"), was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2006 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from November 16, 2006.

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

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

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

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company as on December 27, 2018.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

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

(i) classification and valuation of financial assets (notes 4.1 and 6)

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements except as otherwise disclosed.

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

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

– IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 4.1)

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

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

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

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

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

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

	Effective from accounting period beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019

	Effective from accounting period beginning on or after:
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 01, 2019

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for the change in accounting policy as explained in note 4.1.

4.1 Adoption of IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard has been adopted locally by the SECP and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting, which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

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

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

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

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

Financial asset at FVTPL

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

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

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

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

Recognition

Financial assets and financial liabilities are recognised in the Fund’s statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Measurement

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

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

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

Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
			------------------- Rupees in '000	-----------------------	
Financial assets					
Bank balances	LR	AC	645,299	645,299	-
Investments	HFT/AFS	FVTPL	6,315,913	6,315,913	-
Dividend and profit receivable	LR	AC	37,066	37,066	-
Security deposits and other receivables	LR	AC	49,761	49,761	-

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
			------------------- Rupees in '000	-----------------------	
Financial Liabilities					
Payable to Management Company	OFL	AC	22,742	22,742	-
Payable to Trustee	OFL	AC	762	762	-
Accrued expenses and other liabilities	OFL	AC	14,728	14,728	-
Net assets attributable to redeemable units	OFL	AC	6,879,144	6,879,144	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

- The financial assets classified as 'loans and receivables' have been classified as amortised cost.

4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

4.1.2 Impairment

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost. 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.

4.1.3 Derecognition

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

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

4.1.4 Regular way contracts

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

4.2 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

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

4.6 Taxation

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

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

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

4.7 Distributions

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

4.8 Issuance and redemption of units

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

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

4.9 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders'

4.10 Net asset value per unit

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

4.11 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.

- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.

- Income on bank balances and term deposits is recognised on a time proportionate.

- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.12 Cash and cash equivalents

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

4.13 Transition to IFRS 9 Financial Instruments

Accounting policies applied to financial instruments prior to July 01, 2018.

4.13.1 Classification

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

Financial assets are classified as follows:

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

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

c) Available for sale

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

4.13.2 Measurement

Initial recognition and measurement

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

Subsequent measurement

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

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

- **Basis of valuation of equity securities**

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

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

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

b) Loans and receivables

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

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

4.13.3 Impairment

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

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

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

	Note	**2019**	2018
		------------**Rupees in '000**------------	
5. BANK BALANCES			
In local currency:			
- Profit and loss sharing accounts	5.1	**369,609**	599,718
- Current accounts		**50,978**	45,581
		420,587	645,299

5.1 Profit rates on these profit and loss sharing accounts range between 6.2% to 12.25% (2018: 5.6% to 6.2%) per annum.

	Note	**2019**	2018
		------------**Rupees in '000**------------	
6. INVESTMENTS - NET			
At fair value through profit or loss			
- equity securities	6.1	**5,053,462**	3,859,755
- letter of rights	6.2	**-**	18,474
Available-for-sale - equity securities	6.3	**-**	2,437,684
		5,053,462	6,315,913

6.1 Equity Securities - At fair value through profit or loss

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

Name of Investee Company		As at July 1, 2018	Transferred in during the year (refer note 4.1)	Purchased / bonus received during the year	Sold during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Appreciation/ (diminution) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
Quoted investments	**Note**	**--------------------Number of shares----------------------**					**----------------Rupees in '000--------------**			**----------------Percentage--------------**		
OIL AND GAS MARKETING COMPANIES												
Attock Petroleum Limited		97,100	-	3,100	100,200	-	-	-	-	0.00	0.00	0.00
Pakistan State Oil Company Limited	6.1.2	367,312	325,800	1,103,742	638,800	1,158,054	273,748	196,441	(77,307)	3.65	3.89	0.30
Sui Northern Gas Pipelines Limited		242,300	229,000	-	471,300	-	-	-	-	0.00	0.00	0.00
							273,748	196,441	(77,307)	3.65	3.89	
OIL AND GAS EXPLORATION COMPANIES												
Oil & Gas Development Company Limited		1,906,600	1,251,900	1,318,221	599,700	3,877,021	594,228	509,789	(84,439)	9.48	10.09	0.09
Pakistan Petroleum Limited		1,398,100	745,400	1,218,179	1,093,300	2,268,379	411,111	327,622	(83,489)	6.09	6.48	0.05
Pakistan Oilfields Limited		9,900	398,300	580,670	258,500	730,370	380,332	296,450	(83,882)	5.51	5.87	0.26
Hascol Petroleum Limited		-	-	27,500	-	27,500	2,594	1,887	(707)	0.04	0.04	0.01
Mari Petroleum Company Limited		265,720	43,960	168,006	13,000	464,686	636,181	475,078	(161,103)	8.84	9.40	0.38
							2,024,446	1,610,826	(413,620)	29.96	31.88	
FERTILIZER												
Engro Corporation Limited		1,162,135	881,100	810,013	1,103,600	1,749,648	499,220	464,707	(34,513)	8.64	9.20	0.30
Engro Fertilizers Limited		2,896,000	1,105,500	764,620	1,760,000	3,006,120	225,933	192,301	(33,632)	3.58	3.81	0.23
Fauji Fertilizer Company Limited		-	847,000	3,036,500	916,000	2,967,500	291,998	258,766	(33,232)	4.81	5.12	0.23
							1,017,151	915,774	(101,377)	17.03	18.12	
CHEMICALS												
I.C.I Pakistan Limited		136,750	300	14,817	147,850	4,017	3,148	2,139	(1,009)	0.04	0.04	0.00
Engro Polymer & Chemicals Limited		3,076,000	1,097,000	7,341,522	5,148,550	6,365,972	199,437	171,627	(27,810)	3.19	3.40	0.70
Engro Polymer and Chemicals Limited (Right 1)		1,692,550	-	938,000	2,630,550	-	-	-	-	0.00	0.00	0.00
Lotte Chemicals Pakistan Limited		-	2,991,000	3,077,500	4,628,000	1,440,500	21,596	21,968	372	0.41	0.43	0.10
Sitara Chemical Industries Limited		-	-	91,900	-	91,900	32,793	28,109	(4,684)	0.52	0.56	0.43
							256,974	223,843	(33,131)	4.16	4.43	
CEMENT												
Cherat Cement Company Limited		694,200	514,700	1,084,700	1,177,700	1,115,900	49,759	34,548	(15,211)	0.64	0.68	0.63
D.G. Khan Cement Company Limited		39,207	541,700	698,200	1,279,107	-	-	-	-	0.00	0.00	0.00
Fauji Cement Company Limited		38,500	75,000	-	113,500	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited		1,002,707	889,400	1,547,102	121,300	3,317,909	310,275	174,290	(135,985)	3.24	3.45	1.65
Lucky Cement Limited	6.1.1	422,634	69,950	469,700	496,750	465,534	221,897	177,122	(44,775)	3.29	3.50	0.14
Attock Cement Pakistan Limited		-	304,900	-	304,900	-	-	-	-	0.00	0.00	0.00
Maple Leaf Cement Factory		-	110,000	1,054,500	206,500	958,000	24,138	22,887	(1,251)	0.43	0.45	0.16
Pioneer Cement Limited		1,003,356	411,500	1,366,500	2,552,500	228,856	5,827	5,184	(643)	0.10	0.10	0.10
							611,896	414,031	(197,865)	7.70	8.19	
AUTOMOBILE ASSEMBLER												
Honda Atlas Cars (Pakistan) Limited		307,500	44,500	134,700	486,700	-	-	-	-	0.00	0.00	0.00
Millat Tractors Limited		63,020	14,980	-	78,000	-	-	-	-	0.00	0.00	0.00
Pak Suzuki Motor Company Limited		6,050	-	67,500	73,550	-	-	-	-	0.00	0.00	0.00
							-	-	-	0.00	0.00	
PAPER AND BOARD												
Century Paper and Board Mills		1,062,000	3,500	935,562	285,000	1,716,062	108,827	53,455	(55,372)	0.99	1.06	1.17
Packages Limited		22,763	-	197,250	6,000	214,013	80,092	64,324	(15,768)	1.20	1.27	0.24
							188,919	117,779	(71,140)	2.19	2.33	

Name of Investee Company	Note	As at July 1, 2018	Transferred in during the year (refer note 4.1)	Purchased / bonus received during the year	Sold during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Appreciation/ (diminution) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
Quoted investments	**Note**	**--------------------Number of shares----------------------**					**----------------Rupees in '000--------------**			**----------------Percentage--------------**		
COMMERICAL BANKS												
Meezan Bank Limited		397,000	1,197,020	2,858,600	977,000	3,475,620	250,259	302,935	52,676	5.63	5.99	0.27
							250,259	302,935	52,676	5.63	5.99	
TEXTILE COMPOSITE												
Nishat Mills Limited		1,563,000	413,000	1,073,322	698,200	2,351,122	328,035	219,453	(108,582)	4.08	4.34	0.67
Kohinoor Textile Mills Limited		-	1,123,100	250,000	-	1,373,100	74,509	34,396	(40,113)	0.64	0.68	0.46
							402,544	253,849	(148,695)	4.72	5.02	
POWER GENERATION AND DISTRIBUTION												
The Hub Power Company Limited		3,443,628	2,172,000	4,290,970	2,898,737	7,007,861	599,607	551,869	(47,738)	10.26	10.92	0.54
Saif Power Limited		-	1,350,000	552,000	-	1,902,000	50,304	35,682	(14,622)	0.66	0.71	0.49
Lalpir Power Limited		-	1,465,500	170,000	560,000	1,075,500	19,461	13,982	(5,479)	0.26	0.28	0.28
PakGen Power Limited		-	2,104,000	354,000	560,000	1,898,000	35,382	26,914	(8,468)	0.50	0.53	0.51
K-Electric Limited		8,804,236	3,800,000	6,334,500	9,969,000	8,969,736	50,455	39,377	(11,078)	0.73	0.78	0.03
							755,209	667,824	(87,385)	12.42	13.22	
AUTOMOBILE PARTS AND ACCESSORIES												
Thal Limited (Face Value Rs. 5 per share)		370,050	7,500	111,300	214,200	274,650	125,230	99,989	(25,241)	1.86	1.98	0.34
							125,230	99,989	(25,241)	1.86	1.98	
GLASS & CERAMICS												
Tariq Glass Industries Limited		1,383,900	300,000	-	1,615,200	68,700	7,361	5,264	(2,097)	0.10	0.10	0.09
							7,361	5,264	(2,097)	0.10	0.10	
ENGINEERING												
Amreli Steels Limited		96,500	1,077,700	-	1,149,000	25,200	1,777	621	(1,156)	0.01	0.01	0.01
International Steels Limited		972,000	592,200	346,063	1,909,600	663	67	26	(41)	0.00	0.00	0.00
Ittefaq Iron Industries Limited		350,000	176,000	-	526,000	-	-	-	-	0.00	0.00	0.00
Mughal Iron & Steel Industries Limited		191,000	-	-	191,000	-	-	-	-	0.00	0.00	0.00
International Industries Limited		-	-	429,000	40,500	388,500	51,286	29,942	(21,344)	0.56	0.59	0.32
							53,130	30,589	(22,541)	0.57	0.61	
FOOD AND PERSONAL CARE PRODUCTS												
Al Shaheer Corporation		2,133,000	265,000	1,680,000	1,241,500	2,836,500	75,195	35,393	(39,802)	0.66	0.70	1.98
							75,195	35,393	(39,802)	0.66	0.70	
PHARMACEUTICALS												
The Searle Company Limited	6.1.2	96,929	-	332,789	45,000	384,718	79,663	56,384	(23,279)	1.05	1.12	0.18
Ferozsons Laboratories Limited		-	-	10,000	-	10,000	1,318	1,118	(200)	0.02	0.02	0.03
Highnoon Laboratries Limited		-	-	300	-	300	79	76	(3)	0.00	0.00	0.00
							81,060	57,578	(23,482)	1.07	1.14	
TECHNOLOGY & COMMUNCATION												
Systems Limited		-	-	982,190	27,000	955,190	97,516	91,670	(5,846)	1.70	1.81	0.77
							97,516	91,670	(5,846)	1.70	1.81	
REFINERY												
National Refinery Limited		-	-	91,000	4,500	86,500	13,977	9,815	(4,162)	0.18	0.19	0.11
							13,977	9,815	(4,162)	0.18	0.19	
MISCELLINIOUS												
Syntethic Products Enterprises Limited		-	514,500	4,500	75,000	444,000	22,554	9,852	(12,702)	0.18	0.19	0.52
Pak Elektron Limited		-	-	500,000	-	500,000	12,074	10,010	(2,064)	0.19	0.20	0.10
							34,628	19,862	(14,766)	0.37	0.39	
Total June 30, 2019							**6,269,243**	**5,053,462**	**(1,215,781)**			
Total June 30, 2018							4,621,407	3,859,755	(761,652)			

6.1.1 These equity securities include 0.24 million shares (June 30, 2018: 0.35 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 90.79 million (June 30, 2018: Rs. 139.73 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by shareholders were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 10.107 million (2018: Rs. 19.74 million) at year end. Such shares have not been deposited in the CDC account of the department of Income tax. The Management Company is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

6.2 Letter of rights - At fair value through profit or loss - Held for trading

Name of Security	As at July 1, 2018	Entitlements during the year	Exercised during the year	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain/ (loss) as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
	Number of rights				Rupees '000			Percentage		
CHEMICAL										
Engro Polymer and Chemicals Limited	-	-	-	-	-	-	-			
Total-June 30, 2019					-	-	-			
Total-June 30, 2018					3,449	18,474	15,025			

6.3 Equity Securities - Available for sale

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

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
Quoted investments	Number of shares				Rupees in '000			%		
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	325,800	-	325,800	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	229,000	-	229,000	-	-	-	-	-	-	-
					-	-	-	-	-	

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
Quoted investments	--------------------Number of shares----------------------				-----------------Rupees in '000--------------			-----------------------%--------------------------		
OIL AND GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	1,251,900	-	1,251,900	-	-	-	-	-	-	-
Pakistan Petroleum Limited	745,400	-	745,400	-	-	-	-	-	-	-
Pakistan Oilfields Limited	398,300	-	398,300	-	-	-	-	-	-	-
Mari Petroleum Company Limited	43,960	-	43,960	-	-	-	-	-	-	-
					-	-	-	-	-	
FERTILIZER										
Engro Corporation Limited	881,100	-	881,100	-	-	-	-	-	-	-
Engro Fertilizers Limited	1,105,500	-	1,105,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	847,000	-	847,000	-	-	-	-	-	-	-
					-	-	-	-	-	
CHEMICALS										
I.C.I Pakistan Limited	300	-	300	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	2,991,000	-	2,991,000	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	1,097,000	-	1,097,000	-	-	-	-	-	-	-
					-	-	-	-	-	
CEMENT										
Cherat Cement Company Limited	514,700	-	514,700	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	541,700	-	541,700	-	-	-	-	-	-	-
Fauji Cement Company Limited	75,000	-	75,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	889,400	-	889,400	-	-	-	-	-	-	-
Lucky Cement Limited	69,950	-	69,950	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	110,000	-	110,000	-	-	-	-	-	-	-
Attock Cement (Pakistan) Limited	304,900	-	304,900	-	-	-	-	-	-	-
Pioneer Cement Limited	411,500	-	411,500	-	-	-	-	-	-	-
					-	-	-	-	-	
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Limited	44,500	-	44,500	-	-	-	-	-	-	-
Millat Tractors Limited	14,980	-	14,980	-	-	-	-	-	-	-
					-	-	-	-	-	
PAPER AND BOARD										
Century Paper and Board Mills	3,500	-	3,500	-	-	-	-	-	-	-
					-	-	-	-	-	
TEXTILE COMPOSITE										
Nishat Mills Limited	413,000	-	413,000	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,123,100	-	1,123,100	-	-	-	-	-	-	-
					-	-	-	-	-	
COMMERCIAL BANKS										
Meezan Bank Limited	1,197,020	-	1,197,020	-	-	-	-	-	-	-
					-	-	-	-	-	

Name of Investee Company	As at July 1, 2018	Purchased/ bonus received during the year	Transferred to Fair value through P&L (refer note 4.1)	As at June 30, 2019	Total carrying value as at June 30, 2019	Total market value as at June 30, 2019	Unrealised gain / (loss) as at June 30, 2019	Market value as a percentage of net assets (%)	Market value as a percentage of total value of Investment (%)	Investment as a percentage of paid-up capital of investee company (%)
Quoted investments	---------------------Number of shares			----------------------	-----------------Rupees in '000		---------------	-----------------------%		--------------------------
POWER GENERATION AND DISTRIBUTION										
The Hub Power Company Limited	2,172,000	-	2,172,000	-	-	-	-	-	-	-
Saif Power Limited	1,350,000	-	1,350,000	-	-	-	-	-	-	-
Lalpir Power Limited	1,465,500	-	1,465,500	-	-	-	-	-	-	-
PAKGEN Power Limited	2,104,000	-	2,104,000	-	-	-	-	-	-	-
K-Electric Limited	3,800,000	-	3,800,000	-	-	-	-	-	-	-
					-	-	-	-	-	
AUTOMOBILE PARTS AND ACCESSORIES										
Thal Limited (Face Value Rs. 5 per share)	7,500	-	7,500	-	-	-	-	-	-	-
					-	-	-	-	-	
GLASS AND CERAMICS										
Tariq Glass Industries Limited	300,000	-	300,000	-	-	-	-	-	-	-
					-	-	-	-	-	
ENGINEERING										
Amreli Steels Limited	1,077,700	-	1,077,700	-	-	-	-	-	-	-
International Steels Limited	592,200	-	592,200	-	-	-	-	-	-	-
Ittefaq Iron Industries Limited	176,000	-	176,000	-	-	-	-	-	-	-
					-	-	-	-	-	
FOOD AND PERSONAL CARE PRODUCTS										
Al Shaheer Corporation	265,000	-	265,000	-	-	-	-	-	-	-
					-	-	-	-	-	
MISCELLANEOUS										
Synthetic Products Enterprises Limited	514,500	-	514,500	-	-	-	-	-	-	-
					-	-	-	-	-	
Total June 30, 2019					**-**	**-**	**-**			
Total June 30, 2018					2,508,112	2,437,684	(70,428)			

	Note	2019	2018
		-----------Rupees in '000-----------	

6.3.1 Net unrealised gain / (loss) on re-measurement of investments classified as available for sale

	Note	2019	2018
Market value of investment	6.3	-	2,437,684
Less: cost of investments	6.3	-	(2,508,112)
Unrealised loss on re-measurement of investments classified as available for sale - net		-	70,428
Impairment loss on equity securities classified as available for sale	6.3.2	-	(69,826)
		-	602

6.3.2 Movement in provision for impairment loss against available for sale equity securities

	2019	2018
Opening balance	-	-
Add: charge for the year	-	69,826
Less: reversal of provision	-	-
Closing balance	-	69,826

7. DIVIDEND AND PROFIT RECEIVABLE

	2019	2018
Dividend receivable	**36,075**	33,229
Profit receivable on profit and loss sharing accounts	**4,321**	3,837
	40,396	37,066

8. SECURITY DEPOSITS AND OTHER RECEIVABLES

	2019	2018
Security deposit with National Clearing Company of Pakistan Limited	**2,500**	2,500
Security deposit with Central Depository Company of Pakistan Limited	**100**	100
Receivable against sale of investments	**7,397**	41,403
Receivable against issuance of units	**5,229**	5,758
	15,226	49,761

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150, 150A and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

10. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

	Note	2019	2018
		-----------Rupees in '000-----------	
Management fee (including Sindh Sales tax there against)	10.1 & 10.2	**10,436**	13,394
Allocated expenses	10.3	**461**	1,203
Sales load and conversion charges		**473**	839
Shariah advisor fee		**204**	25
Selling and marketing expense	11	**5,892**	7,281
		17,466	22,742

10.1 As per the amended NBFC Regulations dated November 25, 2015, the Management Company is entitled to remuneration of an amount not exceeding 2% (2018: 2%) of average daily net assets of the Fund.

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

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

10.3 As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund.

11. ALLOCATED SELLING AND MARKETING EXPENSES

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

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

	Note	**2019**	2018
		------------Rupees in '000------------	
Trustee fee	12.1	**614**	762

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

As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the Trustee fee during the year ended June 30, 2019 is as follows:

On net assets:

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

13. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	**2019**	2018
		------------Rupees in '000------------	
Annual fee	13.1	**6,546**	7,235

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

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	**2019**	2018
		------------Rupees in '000------------	
Auditor's remuneration		**328**	286
Sales load payable		**188**	402
Tax deduction at source		**-**	137
Zakat deducted at source		**1,204**	2,675
Commission payable		**3,248**	2,822
Capital gain tax payable		**723**	848
Charity payable	14.1	**2,795**	4,117
Provision for indirect duties and taxes	14.2	**59,585**	59,585
Payable against purchase of investments		**96**	4,956
Sindh sales tax payable		**-**	68
Provision for Sindh Workers' Welfare Fund	14.3	**63,333**	63,333
Others		**70**	2,145
		131,570	141,374

14.1 According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non shariah compliant avenues, such income / portion of the income earned on these non-shariah compliant avenues should be donated for charitable purposes directly by the Fund. An amount of Rs. 4.81 million (2018: Rs. 4.063 million) has been recognised by the Fund as charity expense in these financial statements.

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

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, no provision for FED has been recorded after June 30, 2016.

On 30 June 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 59.585 million until the matter is resolved. Had the provision not been made, the net asset value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 1.1 (June 30, 2018: Rs. 1.06) per unit.

14.3 Sindh Workers' Welfare Fund

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

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

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

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters during financial year ended June 30, 2017. Based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs. Nil (2018: Rs. 63.33 million) for the year and Rs. 63.33 million (June 30, 2018: Rs. 63.33 million) in aggregate in respect of SWWF.

Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Rs. 1.29 per unit (June 30, 2018: Rs. 1.24 per unit).

	2019	2018
	-------Number of units----------	

15. NUMBER OF UNITS IN ISSUE

	2019	2018
Total units in issue at the beginning of the year	**51,231,359**	57,291,914
Units issued during the year	**29,204,792**	36,989,570
Units redeemed during the year	**(31,339,854)**	(43,050,125)
Total units in issue at the end of the year	**49,096,297**	51,231,359

15.1 The par value of each unit is Rs. 100. The Management Company has set a minimum investment of Rs. 500.

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

16. AUDITOR'S REMUNERATION

	2019	2018
	----------Rupees in '000---------	
Annual audit fee	**199**	188
Half yearly review	**133**	125
Review of compliance with the requirements of the Code of Corporate Governance	**35**	35
Other certifications	**44**	41
Out of pocket expenses and Sindh Sales Tax	**89**	48
	500	437

17. TAXATION

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the year ended June 30, 2019, no provision for taxation has been made in these financial statements.

18. EARNINGS PER UNIT

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

19. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 3.25% (2018: 3.15%) as on June 30, 2019 and this includes 0.39% (2017: 0.37%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

20. FINANCIAL INSTRUMENTS BY CATEGORY

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

Particulars	**As at June 30, 2019**		
	At amortised cost	**Financial assets at fair value through profit or loss**	**Total**
	Rupees in '000		
Financial assets			
Bank balances	**420,587**	**-**	**420,587**
Investments - net	**-**	**5,053,462**	**5,053,462**
Dividend and profit receivable	**40,396**	**-**	**40,396**
Security deposits and other receivables	**15,226**	**-**	**15,226**
	476,209	**5,053,462**	**5,529,671**

Particulars	**As at June 30, 2019**		
	Liabilities 'at fair value through profit or loss'	**Amortized cost**	**Total**
	Rupees in '000		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	**-**	**17,466**	**17,466**
Payable to Central Depository Company of Pakistan Limited - Trustee	**-**	**614**	**614**
Accrued expenses and other liabilities	**-**	**6,725**	**6,725**
Net assets attributable to redeemed units	**-**	**5,376,708**	**5,376,708**
	-	**5,401,513**	**5,401,513**

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

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

21. FINANCIAL RISK MANAGEMENT

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

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

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

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

21.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. During the year, the net income would have increased / (decreased) by Rs. 3.7 million (2018: Rs. 6.01 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

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

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

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

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2019, net income for the year would increase / decrease by Rs. 252.673 million (2018: Rs. 193.911 million) and net assets of the Fund would increase / decrease by the same amount.

In case of 5% increase / decrease in the fair value of the Fund's equity securities held as available for sale on June 30, 2019, net assets of the Fund would increase / decrease by Rs. Nil (2018: Rs.121.884 million).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

21.2 Credit risk

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

Management of credit risk

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

The maximum exposure to credit risk before considering any collateral as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

21.2.1 The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2019:

Bank balances by rating category

Name of bank	Balances held by the Fund as at June 30, 2019	Latest available published rating as at June 30, 2019	Rating Agency
	(Rupees in '000)		
AL Baraka Bank (Pakistan) Limited	48	A	PACRA
Bank Alfalah Limited	48,431	AA+	PACRA & JCR-VIS
Dubai Islamic Bank Pakistan Limited	65	AA	JCR-VIS
Meezan Bank Limited	24	AA+	JCR-VIS
United Bank Limited	371,113	AAA	JCR-VIS
Habib Metropolitan Bank Limited	39	AA+	PACRA
BankIslami Pakistan Limited	37	A+	PACRA
National Bank of Pakistan	35	AAA	PACRA
MCB Bank Limited	787	AAA	PACRA
Allied Bank Limited	8	AAA	PACRA
	420,587		

Concentration of credit risk

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

The Fund's major bank balance is held with one bank. Management believes that such bank is a reputed institution.

21.3 Liquidity risk

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

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

Management of liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with prior approval of the Trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total net assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

Particulars	----------------------- As at June 30, 2019-----------------------			
	Upto three months	**More than three months and up to one year**	**More than one year**	**Total**
	------------------------- Rupees in '000 --------------------------			
Liabilities				
Payable to UBL Fund Managers Limited - Management Compa	**17,466**	**-**	**-**	**17,466**
Payable to the Central Depository Company of Pakistan Limited - Trustee	**614**	**-**	**-**	**614**
Accrued expenses and other liabilities	**6,725**	**-**	**-**	**6,725**
Net assets attributable to redeemed units	**5,376,708**	**-**	**-**	**5,376,708**
	5,401,513	**-**	**-**	**5,401,513**

Particulars	------------------------- As at June 30, 2018 -------------------------			
	Upto three months	More than three months and up to one year	More than one year	Total
	------------------------------- Rupees in '000 -------------------------------			
Liabilities				
Payable to UBL Fund Managers Limited - Management Compa	22,742	-	-	22,742
Payable to the Central Depository Company of Pakistan Limited - Trustee	762	-	-	762
Accrued expenses and other liabilities	14,728	-	-	14,728
Net assets attributable to redeemed units	6,879,144	-	-	6,879,144
	6,917,376	-	-	6,917,376

22. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

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

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;

- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of ‘Assets under Management’. The Board of Directors is updated regarding key performance indicators, e.g., yield and movement of NAV and total Fund size at the end of each quarter.

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

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

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

- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

	As at June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	**Rupees in '000**			
Investment in securities - financial assets at fair value through profit or loss				
- Equity securities	**5,053,462**	**-**	**-**	**5,053,462**
- Letter of right	**-**	**-**	**-**	**-**
	5,053,462	**-**	**-**	**5,053,462**

	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
ASSETS	Rupees in '000			
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- Equity securities	3,859,755	-	-	3,859,755
- Letter of right	18,474	-	-	18,474
Available for sale				
- Equity securities	2,437,684	-	-	2,437,684
	6,315,913	**-**	**-**	**6,315,913**

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

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

		June 30, 2019 (Percentage)
1	Foundation Securities (Private) Limited	8.16
2	Taurus Securities Limited	5.31
3	AFS Securities Limited	4.71
4	BMA Capital Management Limited	4.58
5	ADAM Securities Limited	4.44
6	Insight Securities (Private) Limited	4.36
7	Topline Securities (Private) Limited	4.26
8	DJM Securities (Private) Limited	4.20
9	Multiline Securities (Private) Limited	4.12
10	Habib Metropolitan Financial Services Ltd	4.04

		June 30, 2018 (Percentage)
1	Taurus Securities Limited	7.75
2	Arif Habib Limited	5.64
3	EFG Hermes Pakistan Limited	5.40
4	DJM Securities (Private) Limited	5.38
5	Topline Securities (Private) Limited	5.33
6	Optimus Capital Management (Private) Limited	4.86
7	Habib Metropolitan Financial Services Ltd	4.77
8	BMA Capital Management Limited	4.47
9	JS Global Capital Limited	4.29
10	Foundation Securities (Private) Limited	4.14

25. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund as at June 30, 2019 are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5	BBA
4	Hadi Hassan Mukhi	Head of Risk Management, Compliance, Information Security and Quality Assurance	19	B.Com
5	Asim Wahab Khan	Head of Investment Strategy & Equities	14	MBA, CFA
6	Usama Bin Razi	Head of Fixed Income Funds	15	MBA
7	Mubashir Anis	Fund Manager Equity	7	BSC, CFA
8	Syed Shabbir Sardar Zaidi	Fund Manager and Senior Analyst	10	M.A.S, CFA
9	Syed Sheeraz Ali	Fund Manager and Senior Analyst	9	BS
10	Irfan Nepal	Chief Dealer and Fund Manager	25	EMBA

25.1 Mr. Mubashir Anis is fund manager of the Fund. He is also fund manager of UBL Dedicated Equity Fund and UBL Financial Sector Fund.

26. PATTERN OF UNIT HOLDERS

Category	--------------------As at June 30, 2019--------------------		
	Number of unit holders	**Number of units held**	**Percentage of units held**
Individuals	**9,773**	**18,003,915**	**36.67**
Associated companies and directors	**6**	**150,359**	**0.31**
Insurance companies	**5**	**3,288,984**	**6.70**
Retirement funds	**39**	**23,031,707**	**46.91**
Public limited companies	**9**	**2,439,670**	**4.97**
Others	**30**	**2,181,662**	**4.44**
	9,862	**49,096,297**	**100.00**

Category	--------------------As at June 30, 2018--------------------		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	10,240	22,215,192	43.36
Insurance companies	10	1,788,491	3.49
Retirement funds	60	19,410,868	37.89
Public limited companies	9	2,497,052	4.87
Others	47	5,319,756	10.38
	10,366	51,231,359	100.00

27. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties ***
	---------- Year ended June 30, 2019 ----------					
	---------- (Units in '000) ----------					
Transactions during the year						
Units issued	**311**	**-**	**-**	**-**	**96**	**5,431**
Units redeemed	**311**	**-**	**-**	**-**	**123**	**-**
	---------- (Rupees in '000) ----------					
Profit on savings accounts	**-**	**51,840**	**-**	**-**	**-**	**-**
Bank charges and other charges	**-**	**159**	**-**	**-**	**-**	**-**
Value of units issued	**40,000**	**-**	**-**	**-**	**12,072**	**700,000**
Value of units redeemed	**41,678**	**-**	**-**	**-**	**15,677**	**-**
Remuneration (including sales tax)	**155,724**	**-**	**8,916**	**-**	**-**	**-**
Shariah advisor fee	**350**	**-**	**-**	**-**	**-**	**-**
Allocated expenses	**6,891**	**-**	**-**	**-**	**-**	**-**
Selling and marketing expenses	**27,562**	**-**	**-**	**-**	**-**	**-**
CDS expense	**-**	**-**	**326**	**-**	**-**	**-**
	---------- As at June 30, 2019 ----------					
	---------- (Units in '000) ----------					
Balances held						
Units held	**-**	**1,525**	**-**	**-**	**150**	**14,660**
	---------- (Rupees in '000) ----------					
Value of units held	**-**	**167,005**	**-**	**-**	**16,427**	**1,605,468**
Bank balances	**-**	**371,113**	**-**	**-**	**-**	**-**
Deposits	**-**	**-**	**100**	**-**	**-**	**-**
Profit receivable	**-**	**4,320**	**-**	**-**	**-**	**-**
Remuneration payable (including sales tax)	**10,418**	**-**	**614**	**-**	**-**	**-**
Sales load payable	**307**	**186**	**-**		**-**	**-**
Allocated expenses payable	**461**	**-**	**-**	**-**	**-**	**-**
Shariah advisor fee payable	**204**	**-**	**-**	**-**	**-**	**-**
Selling and Marketing expenses payable	**5,892**					
Other payable	**(184)**	**-**	**-**	**-**	**-**	**-**

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
	---------- Year ended June 30, 2018 ----------					
	---------- (Units in '000) ----------					
Transactions during the year						
Units issued	1,006	-	-	-	148	-
Units redeemed	3,415	12	-	-	135	-
	---------- (Rupees in '000) ----------					
Profit on savings accounts	-	45,573	-	-	-	-
Bank charges	-	266	-	-	-	-
Value of units issued	141,000	-	-	-	20,525	-
Value of units redeemed	476,195	1,653	-	-	19,043	-
Remuneration (including sales tax)	172,123	-	9,736	-	-	-
Shariah advisor fee	332	-	-	-	-	-
Allocated expenses	7,616	-	-	-	-	-
Selling and marketing expenses	30,464	-	-	-	-	-
CDS expense	-	-	421	-	-	-
	---------- As at June 30, 2018 ----------					
	---------- (Units in '000) ----------					
Balances held						
Units held	-	1,525	-	-	184	9,229
	---------- (Rupees in '000) ----------					
Value of units held	-	233,717	-	-	28,244	1,414,495
Bank balances	-	348,031	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	2,590	-	-	-	-
Remuneration payable	13,394	-	762	-	-	-
Sales load payable	706	393	-	-	-	-
Allocated expenses payable	1,203	-	-	-	-	-
Shariah Advisor fee payable	25	-	-	-	-	-
Selling and Marketing expenses payable	7,281	-	-	-	-	-
Other payable	71	-	-	-	-	-

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

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

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

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

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

	August 28, 2018	October 26, 2018	November 08, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
Directors:								
Azhar Hamid	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	-	-	-	-	-	-	1
Imran Sarwar**	-	-	✓	✓	×	✓	✓	4
Tauqeer Mazhar**	-	-	✓	✓	×	×	✓	3
Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Zia Ijaz*	×	-	-	-	-	-	-	0
Sharjeel Shahid*	✓	-	-	-	-	-	-	1
Naz Khan	✓	✓	✓	✓	✓	✓	✓	7
Sadia Saeed**	-	-	✓	✓	✓	✓	✓	5
Syed Furrukh Zaeem	✓	✓	✓	×	✓	✓	✓	6
Key Executives:								
S.M. Aly Osman	✓	✓	✓	✓	✓	✓	✓	7
Umair Ahmed	✓	✓	✓	✓	✓	✓	✓	7

* Mr. Zia Ijaz, Mirza M. Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018
** Mr. Tauqeer Mazhar, Ms. Sadia Saeed & Mr. Imran Sarwar appointed as of November 2, 2018

29. **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2019 and as at June 30, 2018.

30. **RECLASSIFICATION**

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is

31. **GENERAL**

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

32. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 30-Aug-19 by the Board of Directors of the Management Company.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

Al-Ameen Shariah Stock Fund

Holding	1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi.	For	Against	Abstain*
3,695,382	Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Saturday, November 17, 2018 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business:1. To confirm the minutes of the Extraordinary General Meeting held on October 02, 2018 at Karachi. 2. To elect 10 (Ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 for a term of three years commencing from the date oJ the Extraordinary General Meeting i.e. November 17, 2015. The number of Directors to be elected pursuant to section 159 of the Companies Act, 2017 has been fixed at 10(Ten) by the Board of Directors. The following Directors of the Bank will cease to hold office upon election of new Directors: 1. Mr. Riyadh S.A.A. Edrees 2. Mr. Faisal A.A.A. Al-Nassar 3. Mr. Bader H.A.M.A. AlRabiah 4. Mr. Alaa A. Al-Sarawi 5. Mr. Saad Fazil Abbasi 6. Mr. Mansur Khan 7. Mr. Mohammad Zamig Rajab 8. Mr. Mohammad Abdul Aleem 9. Mr. Noorur Rahman 10. Mr. Talal S. Shehab 11. Mr. Ariful Islam The Retiring Directors are eligible for re-election. The Chief Executive (currently Mr. Irfan Siddiqui, eligible for re-appointment), will be deemed to be a director. 3. To consider, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 21,258,000,000/- to PKR 23,383,800,000/- by creation of 212,580,000 new ordinary shares of PKR 10/- each : “RESOLVED THAT the authorized share capital of the bank be and is hereby increased from PKR 21,258,000,000/- (Pak Rupees twenty one billion two hundred and fifty eight million only) to PKR 23,383,800,000/- (Pak Rupees twenty three billion three hundred and eighty three millions eight hundred thousand only) by creation of 212,580,000 new ordinary shares of PKR 10/- each, subject to all legal formalities necessary approvals and that: Clause V of the Memorandum of Association of the bank be and is hereby amended to be read as follows: “The share capital of the company is Rs. 23,383,800,000/- (Rupees twenty three billion thre hundred and eighty three million eight hundred thousand only) divided into 2,338,380,000 (two billion three hundred and thirty eight million three hundred and eighty thousand only) ordinary shares of Rs. 10/- each with power to increase or reduce the capital and divided the shares In the capital for the time being into several classes.” “FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect of above resolutions.” To consider and through fit pass the following Special Resolution with or without modification, to approve the amendment in Article 94 of the Articles of Association of the Bank; “RESOLVED THAT the Article 94 of the Articles of Association of the Bank and is hereby amended to read as follows: Capitalization of Profits The Board of Directors in its meeting may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserves accounts or the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same not be paid in cash but be applied in towards paying up in full the unissued shares or debentures of the Company to be allotted and distributed/credited as fully paid up to and amongst such Members on the proportion aforesaid, and the Directors shall give effect to such resolution. FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or The Chief Financial Officer or the Company Secretary (the “Authorized Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules,, regulations etc. as may be necessary or expedient for the purpose of giving effect to the above resolution and all other matters incidental or ancillary thereto.	✔		

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

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

AIDEF

Al-Ameen Islamic Dedicated Equity Fund

INVESTMENT OBJECTIVE

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

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

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

i) **Description of the Collective Investment Scheme category and type**
Islamic Equity / Open-end

ii) **Statement of Collective Investment Scheme's investment objective**
The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.

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

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
KMI-30 Index

v) **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
AIDEF	0.54%	-0.05%	-1.70%	3.75%	-2.82%	-8.10%	8.24%	-1.55%	-2.64%	-4.97%	-2.29%	-6.06%	-17.18%
Benchmark	1.80%	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-7.07%	-23.84%

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

The Fund Manager maintained exposure at around 93% of total assets in local equities at the end of FY19. Moreover, the Fund Manager held major exposure in Oil & Gas exploration Companies (32%), Fertilizers (17%) and Cement (7%).The fund yielded a return of -17.18% during the period under review.

vii) **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation (% of Total Assets)	Jun-18	Jun-19
Equities	90%	93%
Sukuks	0%	0%
GoP Ijarah Sukuk	0%	0%
Cash	9%	6%
Others	1%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	-17.18%
Standard Deviation (12m trailing):	18.26%
Sharpe Ratio (12m trailing):	(1.48)

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-19	30-Jun-18	Change	30-Jun-19	30-Jun-18	Change
Rupees (000)		%	Rupees		%
4,657,059	11,196,638	(58.41)	96.0227	115.9415	(17.18)

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

Stock Market Review for FY19

Prolonging its losing streaks, Pakistan equity market witnessed another year of dismissal performance where the benchmark index posted loss of 19% during FY19 for the second consecutive year. Major reasons for the decline in KSE-100 index were the expectations of rate hikes, subdued economic growth, deteriorating macroeconomic conditions, mushrooming twin deficits and large PKR currency devaluation against USD. With growing uncertainties, market participants remained cautious, keeping average market-traded volumes depressed (96.3mn). Foreign participants remained net sellers with cumulative sell off of USD 356mn during FY19.

Equity market started the fiscal year on a positive note, with the benchmark index returning ~2% in the Jan-19. However delays in finalization of IMF program in the absence of any substantial alternative macroeconomic remedy dragged the stock market for the remaining fiscal year with the benchmark index registering a continual decline for the remaining 5 months. Among the sectors, Cement, Oil and Gas marketing, Refinery, Automobile and insurance were the major sector which negatively contributed in the index during the period under review.

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

During the year no distribution has been made.

i) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.

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

Range of Units	Number of Investors
	AIDEF
0.0001 - 9,999.9999	1
10,000.0000 - 49,999.9999	1
50,000.0000 - 99,999.9999	-
100,000.0000 - 499,999.9999	1
500,000.0000 & Above	9
Total	**12**

iii) **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.

iv) **Disclosure of circumstances that materially affect any interests of unit holders**
Investment are subject to credit and market risk.

v) **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

Al - Ameen Islamic Dedicated Equity Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**4,657,059**	11,196,638	11,735,472
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class A Units - Offer	**96.02**	115.94	133.72
- Redemption	**96.02**	115.94	133.72
RETURN OF THE FUND - %			
One Year	**(17.18)**	(13.30)	26.83
Capital Growth (per unit)	**(17.18)**	(9.95)	20.50
Date of Income Distribution	**-**	-	**30-Jun-17**
Income Distribution	**-**	-	4.50
Date of Income Distribution	**-**	-	-
Income Distribution	**-**	-	-
AVERAGE ANNUAL RETURN - %			
One Year	**(17.18)**	(13.30)	26.83
Second Year	**(15.24)**	6.77	18.41
Third Year	**(1.22)**	7.84	18.41
Since inception	**1.58**	7.84	18.41
OFFER / REPURCHASE DURING THE YEAR - Rupees *			
Highest price per unit - Class A - Offer	**119.2419**	135.2520	155.2830
Highest price per unit - Class A - Redemption	**119.2419**	135.2520	155.2830
Lowest price per unit - Class A - Offer	**93.5137**	108.2259	108.9321
Lowest price per unit - Class A - Redemption	**93.5137**	108.2259	108.9321

* Front-end load @0% is applicable

PORTFOLIO COMPOSITION
Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**6.00**	8.00	7.00
Equity securities	**93.00**	89.00	92.00
others	**1.00**	3.00	1.00
PORTFOLIO COMPOSITION BY MARKET - %			
Equity market	**100.00**	100.00	100.00
Debt market			

Note:
- The Launch date of the Fund is 4 January 2016

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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Tel: (92-21) 111-111-500
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TRUSTEE REPORT TO THE UNIT HOLDERS

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Al-Ameen Islamic Dedicated Equity Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2019

UBL FUNDS

REPORT OF THE SHARIAH ADVISORY COMMITTEE

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

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

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

i. We have reviewed and approved the modes of investments of AIDEF in light of Shariah requirements. The following is a list of top equity investments of AIDEF as on 30 June 2019 and their evaluation according to the screening criteria established by us.

AIDEF			Interest Bearing Debt to Total Assets	Non-Compliant Investments to Total Assets	Non-Compliant Income to Total Revenue	Illiquid Assets to Total Assets	Net Liquid Assets per Share (A)	Share Market Price (B)
Sr.No.	Top Equity Scrip Holdings	Nature of Business	<37%	<33%	<5%	>25%	A <	B
1	Mari Petroleum Co. Ltd.	Explorer/Producer of Oil	0%	9%	0%	17%	189.7	845.0
2	The Hub Power Co. Ltd.	Generator of Electricity	33%	10%	0%	36%	(18.2)	62.0
3	Oil And Gas Development Co. Ltd.	Explorer/Producer of Oil	0%	21%	0%	33%	83.9	109.9
4	Engro Corporation	Manufacturer of Chemicals	15%	29%	0%	58%	(76.5)	227.5
5	Meezan Bank Ltd	Commercial Bank	N/A	N/A	N/A	N/A	N/A	507.9
6	Pak Petroleum Ltd.	Explorer/Producer of Oil	0%	12%	0%	38%	51.2	110.7
7	Pak Oilfields Ltd.	Explorer/Producer of Oil	0%	12%	4%	28%	50.1	353.0
8	Fauji Fertilizer	Manufacturer of Fertilizers	18%	15%	1%	34%	(6.4)	92.0
9	Nishat Mills Ltd.	Manufacturer of Textile	24%	30%	0%	47%	87.8	64.5
10	Kohat Cement Co. Ltd.	Manufacturer of Cement	19%	8%	0%	74%	(8.6)	41.5

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

ii. On the basis of information provided by the management, all operations of AIDEF for the year ended 30 June 2019 have been in compliance with the Shariah principles.

iii. The Management Company has been directed to set aside as charity amount earned as interest from conventional banks. In addition, there are investments made by AIDEF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company has been directed to set aside a charity such proportion of the income from Investee companies in order to purify the earning of the Fund.

UBL FUND MANAGERS LIMITED

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During the year, an amount of PKR 5,668,925 has been recognized as charity.

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

Shariah Compliant APPROVED BY Hassaan Kaleem

Mufti Muhammad Hassaan Kaleem
Member, Shariah Advisory Committee

Shariah Compliant APPROVED BY Mufti Muhammad Najeeb Khan

Mufti Muhammad Najeeb Khan
Member, Shariah Advisory Committee

KARACHI:
DATE: 16 August 2019

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UBL FUNDS

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

NAME OF FUND: **Al Ameen Islamic Dedicated Equity Fund**

YEAR ENDING: **JUNE 30, 2019**

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

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Naz Khan
Executive Directors	Mr. Yasir Qadri
Non - Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed Mr. Tauqeer Mazhar Syed Furrukh Zaeem

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The Management Company has placed the Whistle Blowing Policy, Proxy Policy and the Principles of the Code of Conduct (Statement of Ethics and Business Practice) on its website.
6. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 (the Act) and these Regulations.
7. The Board has a formal and effective mechanism in place for an annual evaluation of the Board's, Board Committee's and Board Member's own performance.
8. The Chairman of the Board is an Independent director. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

10. Following directors and executives have acquired the prescribed Director Training Program (DTP) certification:

Directors

a. Mr. Imran Sarwar
b. Mr. Tauqeer Mazhar
c. Mr. Yasir Qadri
d. Ms. Naz Khan
e. Ms. Sadia Saeed
f. Syed Furrukh Zaeem

Executives

a. S.M. Aly Osman
b. Mr. Amin Gulamani
c. Mr. Ammar Valika
d. Mr. Hadi Hassan Mukhi
e. Mr. Umair Ahmed
f. Mr. Zeeshan Quddus

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

   a. Board Audit Committee
      i. Ms. Naz Khan (Chair),
      ii. Mr. Imran Sarwar,
      iii. Ms. Sadia Saeed,
      iv. Mr. Tauqeer Mazhar.
   b. Board Human Resource & Compensation Committee
      i. Mr. Azhar Hamid (Chairman),
      ii. Ms. Naz Khan,
      iii. Ms. Sadia Saeed,
      iv. Syed Furrukh Zaeem,
      v. Mr. Yasir Qadri.
   c. Board Risk & Compliance Committee
      i. Mr. Imran Sarwar (Chairman),
      ii. Mr. Azhar Hamid,
      iii. Syed Furrukh Zaeem,
      iv. Mr. Tauqeer Mazhar,
      v. Mr. Yasir Qadri.

14. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

FUNDS

15. The frequency of meetings of the Committee were as per following:
    a. Board Audit Committee : Quarterly Meeting-6 meetings held
    b. Board Human Resource & Compensation Committee: 4 meetings held
    c. Board Risk & Compliance Committee: Quarterly Meeting-4 meetings held
16. The Board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
17. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The Board Audit Committee recommends to the Board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the fund by the external auditors in addition to audit of its financial statements.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that any other significant requirements of the Regulations have been complied with.

AZHAR HAMID
Chairman

Karachi.
Dated: **August 30, 2019**

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Deloitte.

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors (the Board) of UBL Fund Managers Limited (the Management Company) for **Al-Ameen Islamic Dedicated Equity Fund** (the Fund) for the year ended June 30, 2019 in accordance with the requirements of Regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2019.

Deloitte Yousuf Adil
Chartered Accountants

Date: September 24, 2019
Place: Karachi

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Al-Ameen Islamic Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Valuation and existence of investments**	
	As disclosed in note 6 to the financial statements, investments amounted to Rs. 4,437.957 million as at June 30, 2019. The total investment amount is the most significant account balance on the statement of assets and liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests principally in listed equity securities	In auditing the valuation and existence of investments, we assessed the processes and key controls relating to existence and valuation. In addition, (1) we performed valuation testing on sample of investments held as at June 30, 2019 by verifying the prices quoted on the Pakistan Stock Exchange Limited, and (2) we performed existence testing of sample of investments held as at June 30, 2019 by independently matching the securities held by the Fund as per internal

S. No.	Key audit matters	How the matters were addressed in our audit
	and there is a risk that appropriate quoted prices may not be used to determine fair value. In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end. The disclosure regarding the investments are included in notes 4.1 and 6 to the financial statements.	records with the securities appearing in the Central Depository Company (CDC) account and investigated any reconciling items.

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

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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

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

Responsibilities of Management Company and Board of Directors for the Financial Statements

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

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

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte Yousuf Adil

Chartered Accountants

Date: September 24, 2019
Place: Karachi

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		----------(Rs. in '000)----------	
ASSETS			
Bank balances	5	**292,902**	979,428
Investments - net	6	**4,437,957**	10,265,243
Dividend and profit receivable	7	**18,666**	46,533
Security deposits and other receivables	8	**10,779**	66,441
Advance tax	9	**2,168**	2,168
Preliminary expenses and floatation costs	10	**334**	553
Total assets		**4,762,806**	11,360,366
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	**15,598**	35,278
Payable to Central Depository Company of Pakistan Limited - Trustee	13	**552**	1,174
Payable to Securities and Exchange Commission of Pakistan	14	**7,720**	11,292
Payable against purchase of investment		**-**	29,336
Accrued expenses and other liabilities	15	**81,877**	86,647
Total liabilities		**105,747**	163,727
Net Assets		**4,657,059**	11,196,639
Unit Holders' Fund (as per statement attached)		**4,657,059**	11,196,639
CONTINGENCIES AND COMMITMENTS	30		
		---------- (Number of units) ----------	
Number of Units in Issue	16	**48,499,585**	96,571,467
		------------------- (Rupees) -------------------	
Net Asset Value Per Unit		**96.02**	115.94
Face Value Per Unit		**100**	100

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		-------------(Rs. in '000)-------------	
INCOME			
Loss on sale of investments - net		**(294,349)**	(652,253)
Profit on bank deposits		**73,238**	91,914
Dividend income		**365,486**	524,366
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.1 & 6.2	**(1,076,130)**	(1,088,574)
		(931,755)	(1,124,547)
Impairment loss on equity securities classified as available for sale	6.3.2	**-**	(185,603)
Total loss		**(931,755)**	(1,310,150)
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	**162,532**	237,724
Sindh Sales Tax on remuneration to the Management Company	11.2	**21,129**	30,904
Allocated expenses	11.3	**8,127**	11,886
Allocated selling and marketing expenses	12	**32,506**	47,545
Shariah advisor fee		**350**	335
Remuneration of Central Depository Company of Pakistan Limited - Trustee	13.1	**10,313**	14,561
Annual fee - Securities and Exchange Commission of Pakistan	14.1	**7,720**	11,292
Listing fee		**28**	28
Auditor's remuneration	17	**331**	283
Bank charges		**34**	57
Brokerage and settlement charges		**17,579**	9,231
Legal and professional charges		**208**	155
Charity expense	15.1	**5,669**	6,421
Amortization of preliminary and floatation cost		**220**	220
Other expenses		**10**	18
Total expenses		**266,756**	370,660
Net operating loss for the year		**(1,198,511)**	(1,680,810)
Provision for Sindh Workers' Welfare Fund	15.3	**-**	-
Net loss for the year before taxation		**(1,198,511)**	(1,680,810)
Taxation	18	**-**	-
Net loss for the year after taxation		**(1,198,511)**	(1,680,810)
Allocation of net income for the year			
- Net loss for the year after taxation		**-**	**-**
- Income already paid on units redeemed		**-**	**-**
Net loss for the year after taxation		**-**	**-**
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	**-**
Earnings per unit	19		

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		-------------(Rs. in '000)-------------	
Net loss for the year after taxation		**(1,198,511)**	(1,680,810)
Other comprehensive income			
Items that may be reclassified subsequently to income statement			
Unrealised loss on re-measurement of investments classified as 'available for sale - net'		-	(139,620)
Reclassification to income statement of gain on sale of investments classified as 'available for sale - net'		-	(23,789)
Reclassification to income statement of impairment loss on equity securities classified as 'available for sale'	6.3.2	-	185,603
	6.3.1	-	22,194
Items that will not be reclassified subsequently to income statement		-	-
Total comprehensive loss for the year		**(1,198,511)**	(1,658,616)

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019				2018
		--------(Rs. in '000)--------				
		Capital value	Undistributed income	Unrealised gain on re-measurement of investments classified as 'available for sale' - net	Total	Total
Net assets at the beginning of the year		**10,097,362**	**1,077,083**	**22,194**	**11,196,639**	11,735,475
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	**22,194**	**(22,194)**	-	-
Amount received on issuance of 37.960,076 units (2018: 127,399,357 units)						
- Capital value		**4,401,148**	-	-	**4,401,148**	17,036,148
- Element of income / (loss)						
- relating to other comprehensive income for the year		-	-	-	-	(77,430)
- relating to net loss for the year after taxation		**(278,026)**	-	-	**(278,026)**	(1,805,297)
Total amount received on issuance of units		**4,123,122**	-	-	**4,123,122**	15,153,421
Amount paid on redemption of 86,031,958 units (2018: 118,587,822 units)						
- Capital value		**(9,974,674)**	-	-	**(9,974,674)**	(15,857,848)
- Element of income / (loss)						
- relating to other comprehensive income for the year		-	-	-	-	66,166
- relating to net loss for the year after taxation		**510,483**	-	-	**510,483**	1,758,041
Total amount paid on redemption of units		**(9,464,191)**	-	-	**(9,464,191)**	(14,033,641)
Total comprehensive income for the year		-	**(1,198,511)**	-	**(1,198,511)**	(1,658,616)
Distribution for the year Rs. Nil per unit (2018: Rs Nil)		-	-	-	-	-
Net loss for the year less distribution		-	**(1,198,511)**	-	**(1,198,511)**	(1,658,616)
Net assets at the end of the year		**4,756,293**	**(99,234)**	-	**4,657,059**	11,196,639
Refund / adjustment on units as element of income		-	-	-	-	-
Undistributed income brought forward comprising of:						
- Realised		-	**2,165,657**	-	**2,165,657**	1,880,241
- Unrealised		-	**(1,088,574)**	**22,194**	**(1,066,380)**	877,652
		-	**1,077,083**	**22,194**	**1,099,277**	2,757,893
Accounting income available for distribution						
- Related to capital gain		-	-	-	-	-
- Excluding capital gain		-	-	-	-	-
		-	-	-	-	-
Net loss for the year after taxation		-	**(1,198,511)**	-	**(1,198,511)**	(1,658,616)
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	4.1	-	**22,194**	**(22,194)**	-	-
Distribution during the year		-	-	-	-	-
Undistributed income carried forward - net		-	**(99,234)**	-	**(99,234)**	1,099,277
Undistributed income carried forward comprising of:						
- Realised		-	**976,896**	-	**976,896**	2,165,657
- Unrealised		-	**(1,076,130)**	-	**(1,076,130)**	(1,066,380)
		-	**(99,234)**	-	**(99,234)**	1,099,277

	2019	2018
	-------------(Rupees)-------------	
Net assets value per unit at the beginning of the year	**115.94**	133.72
Net assets value per unit at the end of the year	**96.02**	115.94

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

AL-AMEEN ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	-----------------(Rs. in '000)-----------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	**(1,198,511)**	(1,680,810)
Adjustments for non-cash charges and other items		
Dividend income	**(365,486)**	(524,366)
Profit on bank deposits	**(73,238)**	(91,914)
Loss on sale of investments - net	**294,349**	652,253
Impairment loss on equity securities classified as available for sale	**-**	185,602
Amortization of preliminary and floatation cost	**219**	220
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	**1,076,130**	1,088,574
	931,974	1,310,369
Decrease / (increase) in assets		
Investments	**4,456,807**	(439,069)
Security deposits, advances and other receivables	**55,662**	(51,564)
	4,512,469	(490,633)
Decrease in liabilities		
Payable to UBL Fund Managers Limited - Management Company	**(19,680)**	(7,014)
Payable to Central Depository Company of Pakistan Limited - Trustee	**(622)**	(158)
Payable to Securities and Exchange Commission of Pakistan	**(3,572)**	1,278
Payable against purchase of investment	**(29,336)**	(2,264)
Accrued expenses and other liabilities	**(4,770)**	(16,720)
	(57,980)	(24,878)
	4,187,952	(885,952)
Dividend income received	**391,422**	528,346
Advance tax refund	**-**	592
Profit on bank deposits received	**75,169**	96,943
Net cash generated from / (used in) operating activities	**4,654,543**	(260,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	**4,123,122**	15,153,421
Payments against redemption of units	**(9,464,191)**	(14,798,738)
Net cash (used in) / generated from financing activities	**(5,341,069)**	354,683
Net (decrease) / increase in cash and cash equivalents during the year	**(686,526)**	94,612
Cash and cash equivalents at the beginning of the year	**979,428**	884,816
Cash and cash equivalents at the end of the year	**292,902**	979,428

The annexed notes 1 to 32 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD	SD	SD
Chief Executive Officer	**Chief Financial Officer**	**Director**

1. LEGAL STATUS AND NATURE OF BUSINESS

Al-Ameen Islamic Dedicated Equity Fund (the "Fund"), was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 10, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 20, 2015 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from January 5, 2016.

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

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

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

JCR - VIS Credit Rating Company has assigned management quality rating of AM1 to the management company as on December 27, 2018.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. The Fund does not hold any debt instruments and therefore will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the fund's functional and presentation

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards 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 its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

(i) classification and valuation of financial assets (notes 4.1 and 6); and
(ii) impairment of financial assets (notes 4.1 and 6.3.2)

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements except as otherwise disclosed.

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

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

IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 4.1)

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

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

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

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

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

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

	Effective from accounting periods beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019

	Effective from accounting periods beginning on or after:
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 01, 2019

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for the change in accounting policy as explained in note 4.1.

4.1 Adoption of IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard has been adopted locally by the SECP and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting, which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

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

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

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

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

Financial assets at FVTPL

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

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

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

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

Recognition

Financial assets and financial liabilities are recognised in the Fund’s statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Measurement

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

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

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

Hold to collect business model

If an entity's objective is to hold the asset (or portfolio of assets) to collect the contractual cash flows, the assets (or the portfolio) will be classified under the 'hold to collect' business model, subjective to meeting the Sole Payment of Principle and Interests (SPPI) requirements.

Hold to collect and sell business model

An entity can hold financial assets to achieve a particular objective by both collecting contractual cash flow and selling financial assets; this will qualify for the "hold to collect and sell business model" (also known as the FVOCI business model). The objective of this business model is achieved by collecting contractual cash flows and selling financial assets, unlike the 'hold to collect' business model discussed above.

FVTPL business model

If a financial asset or group of financial assets is not held within the 'hold to collect' or the 'hold to collect and sell' business model, then it is measured at FVTPL, the default category.

Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
			---------------- Rupees in '000	-------------	
Financial assets					
Bank balances	LR	AC	979,428	979,428	-
Investments	HFT/AFS	FVTPL	10,265,243	10,265,243	-
Dividend and profit receivable	LR	AC	46,533	46,533	-
Security deposits and other receivables	LR	AC	66,441	66,441	-

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
			---------------- Rupees in '000 -------------		
Financial Liabilities					
Payable to Management Company	OFL	AC	35,278	35,278	-
Payable to Trustee	OFL	AC	1,174	1,174	-
Payable against purchase of investment	OFL	AC	29,336	29,336	-
Net assets attributable to redeemable units	OFL	AC	11,196,639	11,196,639	-
Accrued expenses and other liabilities	OFL	AC	11,860	11,860	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

(a) The financial assets classified as 'loans and receivables' have been classified as amortised cost.

4.1.1 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

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

4.1.2 Impairment

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost. 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

4.1.3 Derecognition

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

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

4.1.4 Regular way contracts

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

4.2 Preliminary expenses and floatation costs

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

4.3 Offsetting of financial instruments

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 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.

4.5 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

4.6 Collaterals

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

4.7 Taxation

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

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

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

4.8 Distributions

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

4.10 Issuance and redemption of units

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