UBL FUNDS

Rated **AM1** by JCR-VIS

CORPORATE INFORMATION

as at June 30, 2019

Board of Directors
Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrukh Zaeem
Director

Naz Khan
Director

Tauqeer Mazhar
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee
Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar
Member

Risk and Compliance Committee
Imran Sarwar
Chairman

Syed Furrukh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar
Member

HR & Compensation Committee
Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrukh Zaeem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board
Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer
Umair Ahmed

Company Secretary
Aly Osman

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

Head Office
4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi, Pakistan.
UAN: (92-21) 111-825-262
Fax: (92-21) 32214930

Date of incorporation of the Management Company/ Pension Fund Manager
Incorporated in Pakistan on
3 April 2001 as a Public Limited
Company under the Companies
Ordinance, 1984

Management Quality Rating
AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

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

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

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

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

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

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

UBL Retirement Savings Fund
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

UBL Special Savings Fund
Launch Date: 09 November 2018

Conventional Investment Plans
UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans
Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan

FUNDS

DIRECTORS REPORT

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its UBL Liquidity Plus Fund (ULPF), UBL Money Market Fund (UMMF), UBL Government Securities Fund (UGSF), UBL Income Opportunity Fund (UIOF), UBL Growth and Income Fund (UGIF), UBL Stock Advantage Fund (USF), UBL Asset Allocation Fund (UAAF), UBL Dedicated Equity Fund (UDEF), UBL Financial Stock Fund (UFSF), UBL Capital Protected Fund –III (UCPF-III), UBL Active Principal Preservation Plan I (UAPPP-I), UBL Active Principal Preservation Plan II (UAPPP-II) , UBL Active Principal Preservation Plan III (UAPPP-III), UBL Special Savings Plan I (USSP-I), UBL Special Savings Plan II (USSP-II), UBL Special Savings Plan III (USSP-III) and UBL Special Savings Plan IV (USSP-IV) for the period ended June 30, 2019.

ECONOMY REVIEW – FY19

The fiscal year 2019 remained for Pakistan's economy with real GDP growth slumping to 3.2% as compared to 5.5% in last year. The prime reason for the sluggish GDP growth were macroeconomic stabilization measures taken by the authorities, specifically; monetary policy tightening, large exchange rate adjustments, curtailment in PSDP spending and other regulatory actions wedged domestic economic activity. These policy measures along with weak performance of agriculture dampened the real GDP growth.

Average headline inflation for FY19 rose to 7.3%, significantly higher than average headline inflation of 3.9% in FY18. Cost push elements were mostly responsible, for instance (i) upward adjustment in electricity and gas prices, which not only directly escalated the CPI's energy component but also augmented the manufacturing costs, (ii) impact of PKR currency depreciation against USD and (iii) rise in food prices jacked up by rise in transportation costs. In addition to this, sharp augmentation in house rents also exaggerated the impact on CPI. Inevitably, to curb the inflationary pressures Monetary Policy Committee decided to increase the interest rates cumulatively by 575 basis points during fiscal year.

On external front, rising current account deficit remained one of the major stumbling blocks for the country during the start of fiscal year; however the stringent measures taken by the authorities yielded some fruits, as the import of goods and services started declining, as the year went on, merchandise imports declined due to reduction in demand for imported power generation and electrical machineries and the conclusion of early harvest projects of CPEC. In addition to this, with the slowdown in economic activity, import of petroleum products and raw material also waned. As a result, import bill declined by 7.2% to USD 52.4bn during FY19 as compared to USD 56.4bn in FY18. Consequently, decline in imports along with decent growth in worker remittance contracted the FY19 CAD by 32% to USD 13.6bn as against the 19.9bn over the same period last year.

On the fiscal side, overall fiscal deficit reached at 5% of GDP during 9MFY19 as against 4.3% of GDP in the same period last year. Deteriorating fiscal conditions were mainly due flattish tax revenue relative to the preceding year. Taxes collected by FBR during the 9MFY19 grew by merely 2.8% as against a hefty growth of 16.2% in the same period last year. Moreover, non-tax revenue collection also shriveled mainly due to drop in SBP profits. On the other hand, on the expenditure side, cumulative government spending during 9MFY19 grew by 8% as compared to a growth of 16% last year. Overall expenditure rose despite 41% reduction in PSDP with current expenditure increasing by 17.7% mainly fueled by higher interest payments and defense related expenditure. Resultantly, to finance the gap, government raised borrowings from SBP, non-bank and external sources.

During June'19 two major developments occurred. First, PTI government announced its first budget for FY20, where in the PTI government primarily aims to address the structural issues of very low and lopsided tax collection through removal of tax anomalies/exemptions and documentation of economy, especially the giant services sector which makes up over 60% of the economy and contributes very little to government funds. As revealed in the budget documents, the government aims to increase FBR tax revenues from 10.8% of GDP in FY19 to 12.6% in FY20 and then 15.1% in the next two years. Second, Pakistan also signed a staff-level agreement with IMF for a 3-year Extended Fund Facility (EFF) which has enabled Pakistan to receive USD 6bn over a period of 39 months. The program aims to support Pakistan to reduce domestic as well as external imbalances, increase transparency, improve business environment and remove impediments to the growth of the economy. Structural reforms will also be introduced to supplement economic policies and to put the country on the trajectory of long-term sustainable economic growth.

DEBT MARKET REVIEW

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.

COMMODITY MARKET REVIEW

At the start of Fiscal year 2019 gold prices remained volatile and declined by 4% in the 1QFY19 mainly due to strong global equity markets and positive expectations of global growth. However, as the year passed on and volatility returned to stock markets along with expectations of global slowdown owing to rising concern between USA-China trade conflicts, gold prices started increasing. By the end of June 2019 gold prices stood at around USD 1,409/oz witnessing a gain of ~13% YoY.

FUTURE OUTLOOK

Given the stabilization measures in place and economy moving along the reform plans we expect macroeconomic indicators to slowly revert back to a stable path. However, for year FY20 we expect overall economic growth to further dampen and improve thereafter. With the re-entry into an IMF program, we expect twin deficits to alleviate and expect a positive improvement in macroeconomic indicators.

On the fiscal side major improvement are yet to be seen, with the government target to keep the primary deficit at ~-0.6% is likely to funded by reduction in PSDP expenditures. On External front, we expect current account deficit to reach at ~USD 8-9bn in FY20, decline in CAD will be mainly be due to shrinkage in imports, lower oil prices, expected growth in worker remittance and exports.

Inflation for FY20 to remain at higher elevated between ~11-12%, higher inflation would be attributed to cost push factors like upward adjustment in electricity and gas prices, expected PKR currency devaluation and its second round impact. Conversely, going forward we expect inflation to taper down.

From the equities perspective earnings growth will remain healthy during FY20 on account of improvement in earnings of dollar hedged energy sector and financials which shall be beneficiaries of rising rates. Despite the increase in fixed income yield, we find tremendous value in the stock market on the back of attractive earning yields and double-digit growth in blue-chip stocks.

We expect KSE-100 index to post healthy returns, as the index is currently trading at forward P/E of 6.3x at a steep discount from its peak of 12.0x in May 2017. Additionally, Pakistan is the cheapest market in comparison to its peers. The market is offering an attractive dividend and earning yields of and ~7.5%/15.0% respectively

FUND PERFORMANCE AND ANNOUNCEMENTS

UBL LIQUIDITY PLUS FUND (ULPF)

The Fund earned total income of PKR 1,098.907 million for the year ended June 30, 2019 which mainly includes markup / interest income on bank balances, Government Securities. After accounting for the expenses of PKR 143.610 million, the Fund managed to earn a net income of PKR 955.297 million. The net assets of the Fund were PKR 6,837.33 million as at June 30, 2019 representing the net asset value of PKR 100.7804 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distributions of PKR 910.97 million to the unit holders.

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

UBL MONEY MARKET FUND (UMMF)

The Fund earned total income of PKR 184.357 million for the year ended June 30, 2019 which mainly includes markup / interest income on bank balances, placements and Government Securities. After accounting for the expenses of PKR 26.48 million, the Fund managed to earn a net income of PKR 157.877 million. The net assets of the Fund were PKR 2,725.43 million as at June 30, 2019 representing the net asset value of PKR 100.6767 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 8.3440 per unit to the unit holders during the period ended June 23, 2019 i.e. (8.34%).

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

UBL GOVERNMENT SECURITIES FUND (UGSF)

The Fund earned total income of PKR 152.06 million for the year ended June 30, 2019 which mainly includes markup / interest income on bank balances, term deposit receipts, Government Securities and. After accounting for the expenses of PKR 30.071 million, the Fund managed to earn a net income of PKR 121.989 million. The net assets of the Fund were PKR 1,533.51 million as at June 30, 2019 representing the net asset value of PKR 105.7851 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 7.7695 per unit to the unit holders during the period ended June 23, 2019 i.e. (7.77%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded rating to A+ (f).

UBL INCOME OPPORTUNITY FUND (UIOF)

The Fund earned total income of PKR 144.503 million for the year ended June 30, 2019, which mainly includes markup / interest income on bank balances, placements, government securities, corporate bonds / sukuks and investment in margin trading system. After accounting for the expenses of PKR 26.422 million, the Fund managed to earn a net income of PKR 118.081 million. The net assets of the Fund were PKR 833.26 million as at June 30, 2019 representing the net asset value of PKR 110.1983 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 9.0898 per unit to the unit holders during the period ended June 23, 2019 i.e. (9.09%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has rated the fund at A – (f) during the year.

UBL GROWTH & INCOME FUND (UGIF)

The Fund earned total income of PKR 135.165 million for the year ended June 30, 2019 which mainly includes markup / interest income on bank balances, Government Securities, Corporate Sukuks. After accounting for the expenses of PKR 30.557 million, the Fund managed to earn a net income of PKR 104.608 million. The net assets of the Fund were PKR 1,734.789 million as at June 30, 2019 representing the net asset value of PKR 85.0490 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 6.5752 per unit to the unit holders during the period ended June 27, 2019 i.e. (6.58%).

JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded the Fund stability rating at A (f).

UBL STOCK ADVANTAGE FUND (USF)

The Fund incurred a total loss of PKR 884.85 million for the year ended 30 June, 2019 (including an unrealized loss of PKR 1,090.69 million on re-measurement of investments) as compared to total loss of PKR 610.36 million (including an unrealized loss of PKR 411.10 million on re-measurement of investments). The loss of the fund is mainly due to capital loss on sale of securities amounting to PKR 159.57 million (2018: capital loss amounting to PKR 485.07 million), dividend income amounting to PKR 313.49 million (2018: PKR 295.42 million). Total expenses amounted to PKR 213.98 million. The net assets of the Fund were PKR 5,397.66 million as at June 30, 2019 representing the net asset value of PKR 57.3600 per unit.

The Fund is not yet rated.

UBL
FUNDS

UBL ASSET ALLOCATION FUND (UAAF)

The Fund earned a total income of PKR 19.798 million for the year ended 30 June 2019 (including an unrealized loss of PKR 128.482 million). The earnings of the Fund mainly include income from Government Securities, bank balances,/ Corporate TFC's, Term Deposits Receipts amounting to PKR 114.985 and dividend income of PKR 57.650 million. After accounting for expenses of PKR 40.264 million, the Fund incurred a net loss of PKR 20.466 million. The net assets of the Fund were PKR 1,373.82 million as at June 30, 2019 representing the net asset value of PKR 132.2366 per unit.

UBL CAPITAL PROTECTED FUND - III (UCPF-III)

The Fund earned a total income of PKR 15.007 million for the period ended 30 June 2019. The earnings of the Fund represent income from bank balances, term deposits receipts and dividends. After accounting for expenses of PKR 5.673 million, the Fund managed to earn a net income of PKR 9.334 million. The net assets of the Fund were PKR 312.07 million as at June 30, 2018 representing the net asset value of PKR 100.0366 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 3.1412 per unit to the unit holders during the period ended June 23, 2019 i.e. (3.14%).

UBL DEDICATED EQUITY FUND - (UDEF)

The Fund incurred a total loss of PKR 23.74 million for the period ended 30 June 2019 (including an unrealized loss of PKR 29.29 million. The earnings of the Fund represent income from bank balances and dividends. After accounting for expenses of PKR 6.69 million, the Fund incurred a net loss of PKR 30.43 million. The net assets of the Fund were PKR 181.58 million as at June 30, 2019 representing the net asset value of PKR 80.8948 per unit.

UBL FINANCIAL SECTOR FUND - (UFSF)

The Fund incurred a total loss of PKR 81.303 million for the period ended 30 June 2019. The earnings of the Fund represent income from bank balances and dividends. After accounting for expenses of PKR 23.569 million, the Fund incurred a net loss of PKR 104.872 million. The net assets of the Fund were PKR 861.35 million as at June 30, 2019 representing the net asset value of PKR 80.1577 per unit.

UBL FINANCIAL PLANNING FUND
UBL ACTIVE PRINCIPAL PRESERVATION PLAN - I

The Plan earned a total income of PKR 4.86 million for the period ended 30 June 2019. The earnings of the Fund represent income from bank balances and capital gains from sale of investments. After accounting for expenses of PKR 1.07 million, the Fund managed to earn a net income of PKR 3.79 million. The net assets of the Fund were PKR 168.75 million as at June 30, 2019 representing the net asset value of PKR 103.1001 per unit.

UBL FUNDS

UBL FINANCIAL PLANNING FUND
UBL ACTIVE PRINCIPAL PRESERVATION PLAN - II

The Plan earned a total income of PKR 12.81 million for the period ended 30 June 2019. The earnings of the Fund represent income from bank balances, term deposits receipts and capital gains from sale of investments. After accounting for expenses of PKR 2.98 million, the Fund managed to earn a net income of PKR 9.83 million. The net assets of the Fund were PKR 308.72 million as at June 30, 2019 representing the net asset value of PKR 101.4723 per unit.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 2.1534 per unit to the unit holders during the period ended June 27, 2019 i.e. (2.15%).

UBL FINANCIAL PLANNING FUND
UBL ACTIVE PRINCIPAL PRESERVATION PLAN - III

The Plan earned a total income of PKR 1.60 million for the period from 24 October 2018 to 30 June 2019. The earnings of the Fund represent income from bank balances, term deposits receipts and capital gains from sale of investments. After accounting for expenses of PKR 0.54 million, the Fund managed to earn a net income of PKR 1.06 million. The net assets of the Fund were PKR 190.45 million as at June 30, 2019 representing the net asset value of PKR 100.3210 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 0.1127 per unit to the unit holders during the period ended June 27, 2019 i.e. (0.11%).

UBL SPECIAL SAVINGS FUND
UBL SPECIAL SAVINGS PLAN - I

The Plan earned a total income of PKR 33.876 million for the period ending 30 June 2019. The earnings of the Fund represent income from bank balances and term deposits receipts. After accounting for expenses of PKR 5.839 million, the Fund managed to earn a net income of PKR 28.037 million. The net assets of the Fund were PKR 459.720 million as at June 30, 2019 representing the net asset value of PKR 97.6060 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 4.9878 per unit to the unit holders during the period ended June 23, 2019 i.e. (4.98%).

UBL SPECIAL SAVINGS FUND
UBL SPECIAL SAVINGS PLAN - II

The Plan earned a total income of PKR 33.428 million for the period ending 30 June 2019. The earnings of the Fund represent income from bank balances and term deposits receipts. After accounting for expenses of PKR 4.48 million, the Fund managed to earn a net income of PKR 28.948 million. The net assets of the Fund were PKR 901.819 million as at June 30, 2019 representing the net asset value of PKR 97.4116 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 3.9974 per unit to the unit holders during the period ended June 23, 2019 i.e. (3.99%).

UBL SPECIAL SAVINGS FUND
UBL SPECIAL SAVINGS PLAN - III

The Plan earned a total income of PKR 3.869 million for the period ending 30 June 2019. The earnings of the Fund represent income from bank balances and term deposits receipts. After accounting for expenses of PKR 0.503 million, the Fund managed to earn a net income of PKR 3.366 million. The net assets of the Fund were PKR 264.825 million as at June 30, 2019 representing the net asset value of PKR 98.8607 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 1.6531 per unit to the unit holders during the period ended June 27, 2019 i.e. (1.65%).

UBL SPECIAL SAVINGS FUND
UBL SPECIAL SAVINGS PLAN - IV

The Plan earned a total income of PKR 1.759 million for the period ending 30 June 2019. The earnings of the Fund represent income from bank balances and term deposits receipts. After accounting for expenses of PKR 0.222 million, the Fund managed to earn a net income of PKR 1.537 million. The net assets of the Fund were PKR 182.787 million as at June 30, 2019 representing the net asset value of PKR 99.6688 per unit

The Chief Executive under the authority granted by the Board of Directors approved interim distribution of PKR 0.9757 per unit to the unit holders during the period ended June 27, 2019 i.e. (0.97%).

STRATEGY, REVIEW AND OUTLOOK OF FUNDS

For Strategy, Review and Outlook of funds, kindly review the respective section of the Fund Manager's report on Annual Report.

CODE OF CORPORATE GOVERNANCE

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

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

- Financial Statements present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holder's fund;

- Proper books of accounts have been maintained by the Funds;

- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;

- Relevant International Financial Reporting Standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of the financial statements;

- The system of internal control is sound in design and has been effectively implemented and monitored;

- There are no significant doubts upon the Funds' ability to continue as going concern, except for AIACTAP – V and AIACTAP – VI since these have been prepared on a basis other than going concern as these funds will be matured on August 14, 2018 and November 20, 2018.

- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

- Performance table of Funds is given in the Annual report;

- The statement as to the value of investments of provident fund is not applicable on the Funds but applies to the Management Company; hence no disclosure is made in the Directors' Report of the Funds;

- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements;

Risk framework and Internal Control System:

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

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

UBL Fund Managers Limited has total seven directors:

a) Male: Five Directors;
b) Female: Two Directors

The composition of board is as follows:
a) Independent Directors: Two Directors
b) Executive Directors: One Director
c) Non-Executive Directors: Four Directors

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

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

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

The Board has the following committees:

a. Audit Committee

i. Ms. Naz Khan (Chair-Independent);
ii. Mr. Imran Sarwar;
iii. Ms. Sadia Saeed;
iv. Mr. Tauqeer Mazhar.

b. HR and Remuneration Committee

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

c. **Risk Management Committee**

i. Mr. Imran Sarwar (Chairman);
ii. Mr. Yasir Qadri;
iii. Mr. Azhar Hameed;
iv. Syed Furrukh Zaeem;
v. Mr. Tauqeer Mazhar.

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

UBL LIQUIDITY PLUS FUND (ULPF)

Name	Closing units
Zeeshan Quddus	1,253
Yasir Qadri	125,700
Umair Ahmed	29
Syed Furrukh Zaeem	20,343
Interloop Holdings Pvt Ltd	9,675,507
Fauji Fertilizer Co. Limited	6,988,477
Engro Corporation Limited	7,735,488

UBL MONEY MARKET FUND (UMMF)

Name	Closing units
Zeeshan Quddus	1,741
Umair Ahmed	15,514
Syed Furrukh Zaeem	136,067
Ammar Valika	81,495
BULK MANAGEMENT (PAKISTAN) PRIVATE LTD.	3,979,118
UBL Active Principal Preservation Plan III	1,350,445
UBL Active Principal Preservation Plan II	1,206,745
UBL Active Principal Preservation Plan I	1,304,353

UBL GOVERNMENT SECURITIES FUND (UGSF)

Name	Closing units
Yasir Qadri	61,625
Amin Gulamani	1,032
Naiyar Zamani Gohar	3,986,784

UNITED GROWTH & INCOME FUND (UGIF)

Name	Closing units
Yasir Qadri	53,910
Amin Gulamani	1,406
UBL Fund Managers Limited	7,850,395
GREENSTAR SOCIAL MARKETING PAKISTAN (G) LTD	5,715,018

UBL INCOME OPPORTUNITY FUND (UIOF)

Name	Closing units
Yasir Qadri	111,651
UBL Fund Managers Limited	4,765,128

UBL STOCK ADVANTAGE FUND (USF)

Name	Closing units
Amin Gulamani	2,723
Ammar Valika	90,865
Yasir Qadri	65,227
Zain Zeeshan	1,436
Zara Zeeshan	2,240
Zeeshan Quddus	50,192
UBL Fund Managers Limited – Employees Gratuity Fund	7,213
UBL Fund Managers Limited – Employees Provident Fund	8,524
UBL Fund Managers Limited	3,054,301
SINDH PROVINCE PENSION FUND	9,431,369
CDC TRUSTEE-PUNJAB PENSION FUND TRUST	11,096,316

UBL ASSET ALLOCATION FUND (UAAF)

Name	Closing units
Amin Gulamani	16,259
RONAK IQBAL LAKHANI	1,095,456

UBL PRINCIPAL PROTECTED FUND –III (UCPF – III)

Name	Closing units
UBL Employees' Gratuity Fund	189,454
UBL Employees' Provident Fund	1,570,425

UBL FINANCIAL SECTOR FUND (UFSF)

Name	Closing units
Zara Zeeshan	1,081
Zain Zeeshan	1,081
Yasir Qadri	25,467
Ammar Valika	39,429
UBL Employees' Gratuity Fund	185,653
UBL Employees' Provident Fund	993,587
UBL Fund Managers Limited – Employees Gratuity Fund	18,103
UBL Officer / Non- officer Benevolent Fund	71,052
UBL Staff General Provident Fund Trust	281,917
UBL Staff Pension Fund Trust	1,854,237
United Bank Limited	1,691,561
UBL Fund Managers Limited	1,496,402

UBL DEDICATED EQUITY FUND

Name	Closing units
UBL Active Principal Preservation Plan III	671,331
UBL Active Principal Preservation Plan II	689,972
UBL Active Principal Preservation Plan I	455,644

UBL FUNDS

UBL FINANCIAL PLANNING FUND
UBL Active Principal Preservation Plan I (UAPPP – I)

Name	Closing units
REHANA BASHIR	244,733
BAI VIRBAIJI SOPARIVALA PARSI HIGH SCHOOL	290,321

UBL FINANCIAL PLANNING FUND
UBL Active Principal Preservation Plan I (UAPPP-II)

Name	Closing units
MULTILINE ENTERPRISES	635,127

UBL FINANCIAL PLANNING FUND
UBL Active Principal Preservation Plan I (UAPPP-III)

Name	Closing units
ZIA UDDIN NAJAM	194,220
SYED MAZHAR IQBAL	196,939

UBL SPECIAL SAVING FUND
UBL SPECIAL SAVINGS PLAN -III (USSP – III)

Name	Closing units
IKRAM UL HAQ QURESHI	1,068,623

UBL SPECIAL SAVING FUND
UBL SPECIAL SAVINGS PLAN - IV (USSP – IV)

Name	Closing units
SAEEDA AZIZ	652,380
SONIA AMBREEN SHEIKH	203,759

UBL FUNDS

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

UBL LIQUIDITY PLUS FUND (ULPF)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	64	20,279	-	-	20,343
Yasir Qadri	CEO	141,584	17,399	33,283	-	125,700
Umair Ahmed	CFO & COO	8,475	16,076	24,522	-	29
Ammar Valika	Head of Sales	88,176	5,274	93,450	-	-
Zeeshan Quddus	Chief Business Development Officer	-	1,253	-	-	1,253
Midhat Fatima	Spouse of CFO & COO	-	4,957	4,957	-	-

UBL MONEY MARKET FUND (UMMF)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	87	135,980	-	-	136,067
Zeeshan Quddus	Chief Business Development Officer	-	4,336	2,595	-	1,741
Umair Ahmed	CFO & COO	-	33,886	18,372	-	15,514
Ammar Valika	Head of Sales	-	130,230	48,735	-	81,495

UBL GOVERNMENT SECURITIES FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Amin Gulamani	Head of HR	963	103	34	-	1,032
Yasir Qadri	CEO	-	61,625	-	-	61,625

UBL FUNDS

UNITED GROWTH & INCOME FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	2	143,955	90,047	-	53,910
Amin Gulamani	Head of HR	1,259	147	-	-	1,406
Umair Ahmed	CFO & COO	-	22,533	22,533	-	-
Ammar Valika	Head of Sales	-	73	73	-	-

UBL INCOME OPPURTUNITY FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	126,496	15,440	30,285	-	111,651

UBL STOCK ADVANTAGE FUND (USF)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Zeeshan Quddus	Chief Business Development Officer	21,450	33,938	9,865	-	
Ammar Valika	Head of Sales	85,986	4,879	-	-	
Zara Zeeshan	Daughter of Chief Business Development Officer	-	5,725	3,485	-	
Zain Zeeshan	Son of Chief Business Development Officer	-	5,725	4,288	-	
Yasir Qadri	CEO	87,482	40,115	62,370	-	
Amin Gulamani	Head of HR	2,665	58			

UBL ASSET ALLOCATION FUND

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	40,032	-	40,032	-	-
Umair Ahmed	CFO & COO	5,839	-	5,839	-	-
Amin Gulamani	Head of HR	10,395	5,864	-	-	16,259

UBL FINANCIAL SECTOR FUND (UFSF)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	3,254	40,334	18,121	-	25,467
Umair Ahmed	CFO & COO	-	13,016	13,016	-	-
Ammar Valika	Head of Sales	10,434	39,428	10,433	-	39,429
Zeeshan Quddus	Chief Business Development Officer	-	1,632	1,632	-	-
Zara Zeeshan	Daughter of Chief Business Development Officer	-	1,081	-	-	1,081
Zain Zeeshan	Son of Chief Business Development Officer	-	1,081	-	-	1,081

BOARD OF DIRECTORS (BOD)

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

Name of Director	Meetings Attended	28-Aug-18	26-Oct-18	8-Nov-18	11-Dec-18	27-Feb-19	29-Apr-19	6-May-19
Mr. Azhar Hamid	7	✓	✓	✓	✓	✓	✓	✓
Mirza Muhammad Sadeed Hassan Barlas*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	✓	✓	x	✓	✓
Mr. Tauqeer Mazhar**	3	N/A	N/A	✓	✓	x	x	✓
Mr. Yasir Oadri	7	✓	✓	✓	✓	✓	✓	✓
Mr. Zia Ijaz*	0	x	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed**	5	N/A	N/A	✓	✓	✓	✓	✓
Syed Furrukh Zaeem	6	✓	✓	✓	x	✓	✓	✓
Name of 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

BOARD AUDIT COMMITTEE (BAC)

During the year ended June 30, 2019 six (6) BAC meetings held. The details of attendance are as under:

Members	27-Aug-18	3-Sep-18	25-Oct-18	26-Feb-19	19-Mar-19	29-Apr-19
Mr. Azhar Hamid**	N/A	N/A	✓	N/A	N/A	N/A
Mirza Muhammad Sadeed Hassan Barlas*	✓	✓	N/A	N/A	N/A	N/A
Mr. Imran Sarwar***	N/A	N/A	N/A	×	✓	✓
Mr. Tauqeer Mazhar***	N/A	N/A	N/A	×	✓	✓
Mr. Zia Ijaz*	×	×	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	✓	✓	N/A	N/A	N/A	N/A
Ms. Naz Khan	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	N/A	N/A	N/A	✓	×	✓
Syed Furrukh Zaeem**	N/A	N/A	×	N/A	N/A	N/A
S.M. Aly Osman	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓
Mr. Yasir Qadri ****	-	-	✓	-	✓	-

* Mr. Zia Ijaz, Mirza M. Sadeed Barlas & Mr. Sharjeel Shahid resigned on October 9, 2018

** Board has reconstituted the committee effective from October 10, 2018

*** Board has reconstituted the committee effective from October 26, 2018

**** on Special Invitation

HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC)

During the year ended June 30, 2019 four (4) HRCC meetings held. The details of attendance are as under:

Attendees	37th BHRCC Meeting Held at 09-11-2018	38th BHRCC Meeting Held at 10-12-2018	39th BHRCC Meeting Held at 08-02-2019	40th BHRCC Meeting Held at 18-04-2019
Mr. Azhar Hamid	✓	✓	✓	✓
Ms. Naz Khan	✓	✓	✓	✓
Ms. Sadia Saeed	✓	✓	✓	✓
Syed Furrukh Zaeem	✓	×	✓	✓
Mr. Imran Sarwar *	✓	-	-	-
Mr. Tauqeer Mazhar *	✓	N/A	N/A	N/A
Mr. Yasir Qadri	✓	✓	✓	✓
Mr. Amin Gulamani	✓	✓	✓	✓

× Absent

N/A Not Applicable

* On Special Invitation

UBL FUNDS

RISK MANAGEMENT COMMITTEE

During the year ended June 30, 2019 four (4) BRCC meetings held. Below is the attendance of Board of Directors:

Attendees	28-Aug-18	25-Oct-18	26-Feb-19	6-May-19
MR. IMRAN SARWAR *	-	-	X	✓
MR..TAUQEER MAZHAR *	-	-	X	✓
MR. SADEED BARLAS **	✓	-	-	-
MR. SYED FURRUKH ZAEEM	✓	✓	✓	✓
MR. YASIR QADRI	✓	✓	✓	✓
MR. AZHAR HAMID	✓	✓	✓	✓
MR. SHAJEEL SHAHID ***	✓	-	-	-
MR. HADI HASSAN MUKHI	✓	✓	-	✓

√ - ATTENDED MEETING

X - DID NOT ATTEND

* MR. IMRAN SARWAR AND MR. TAUQEER MAZHAR JOINED THE BRCC AS CHAIRMAN AND MEMBER RESPECTIVELY.

** MR. SADEED BARLAS RESIGNED FROM THE BOARD.

*** MR SHAJEEL SHAHID RESIGNED FROM THE BOARD.

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

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

UBL FUNDS

AUDITORS

The present auditors as per table below retire on conclusion of the audit for the year ended June 30, 2019:

S.R. No	Name of Fund	Name of auditors as of June 30, 2019	Status of appointment for the year ending June 30, 2020
1	UBL Capital Protected Fund - III	M/s BDO Ebrahim & Co., Chartered Accountants	Eligible for re-appointment
2	UBL Financial Sector Fund	M/s BDO Ebrahim & Co., Chartered Accountants	Eligible for re-appointment
3	UBL Governemnt Securities Fund	M/s BDO Ebrahim & Co., Chartered Accountants	Eligible for re-appointment
4	UBL Liquidity Plus Fund	M/s BDO Ebrahim & Co., Chartered Accountants	Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years
5	UBL Stock Advantage Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	Not eligible for re-appointment, for being statutory auditors of the fund for consecutive five years
6	UBL Asset Allocation Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	Eligible for re-appointment
7	UBL Dedicated Equity Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	Eligible for re-appointment
8	UBL Financial Planning Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	Eligible for re-appointment
9	UBL Growth & Income Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	Eligible for re-appointment
10	UBL Income Opportunity Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	Eligible for re-appointment
11	UBL Money Market Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	Eligible for re-appointment
12	UBL Special Savings Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	Eligible for re-appointment

Acknowledgements

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

FOR & ON BEHALF OF THE BOARD

YASIR QADRI
CHIEF EXECUTIVE

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

ڈائریکٹر رپورٹ

UBL Fund Managers Ltd. ڈائریکٹرز بورڈ درج ذیل فنڈز کی رپورٹ پیش کرتے ہوئے فخر محسوس کرتا ہے۔ یہ رپورٹیں مالی سال 2019 کے اختتام تک ہیں۔

یو بی ایل لکویڈیٹی پلس فنڈ (یو ایل پی ایف)

یو بی ایل منی مارکیٹ فنڈ: (یو ایم ایم ایف)

یو بی ایل گورنمنٹ سیکیورٹیز فنڈ: (یو جی ایس ایف)

یو بی ایل انکم آپرٹیونیٹی فنڈ: (یو آئی او ایف)

یو بی ایل گروتھ اینڈ انکم فنڈ (یو جی آئی ایف)

یو بی ایل اسٹاک ایڈوانٹیج فنڈ (یو ایس ایف)

یو بی ایل ایسیٹ ایلوکیشن فنڈ (یو اے ایف)

یو بی ایل ڈیڈیکیٹڈ ایکوئٹی فنڈ (یو ڈی ای ایف)

یو بی ایل فائینینشل سیکٹر فنڈ (یو ایف ایس ایف)

یو بی ایل کیپیٹل پروٹیکیٹڈ فنڈ-III (یو سی پی ایف-III)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-I (یو اے پی پی پی-I)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-II (یو اے پی پی پی-II)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-III (یو اے پی پی پی-III)

یو بی ایل اسپیشل سیونگ پلان-I (یو ایس ایس پی-I)

یو بی ایل اسپیشل سیونگ پلان-II (یو ایس ایس پی-II)

یو بی ایل اسپیشل سیونگ پلان-III (یو ایس ایس پی-III)

یو بی ایل اسپیشل سیونگ پلان-IV (یو ایس ایس پی-IV)

معاشی جائزہ برائے مالی سال 2019

مالی سال 2019 میں پاکستان کی مجموعی داخلی پیداوار میں خاطر خواہ کمی واقع ہوئی۔ مالی سال 2018 میں یہ 5.5% تھی جو کہ مالی سال 2019ء

میں کم ہو کر %3.2 فیصد رہ گئی۔

اس کی بنیادی وجہ وہ حکومتی اقدامات تھے جو کہ معاشیات کبریٰ کو مستحکم کرنے لئے اٹھائے گئے۔ان قابل ذکر اقدامات میں نظام زر کو کفایت شعاری کی جانب لے جانا۔پاکستانی روپے کی قدر میں غیر معمولی کمی کرنا۔عوامی بہبود کے ترقیاتی منصوبوں کو ایک باقاعدہ نظام کے تحت لانا شامل ہیں۔ علاوہ ازیں زرعی پیداوار کی مایوس کن کارکردگی نے بھی مجموعی داخلی پیداوار پر منفی اثرات مرتب کیئے۔

مالی سال 2019 میں افراط زر کی شرح میں اوسطاً %7.3 اضافہ ہوا جو کہ گزشتہ مالی سال 2018ء میں %3.9 تھی۔

پیداواری لاگت میں اضافہ مندرجہ ذیل عناصر کی وجہ سے ہوا۔

1۔ بجلی اور گیس کی قیمتوں میں اضافہ
2۔پاکستانی روپے کی قدر میں کمی
3۔مواصلاتی اخراجات میں اضافہ سے روزمرہ اشیاء اور اشیائے خوردونوش پر بالواسطہ منفی اثرات مرتب ہوئے۔

اس کے ساتھ ساتھ رہائشی کرایوں میں اضافہ نے بھی صارفین کو متاثر کیا۔لہذا افراط زر کے دباؤ پر قابو پانے کی خاطر اسٹیٹ بینک نے شرح سود میں 575 پوائنٹ کا اضافہ کیا۔

بیرونی محاذ پر مالی سال 2019ء کی ابتداء میں مالی خسارہ معاشی ترقی میں رکاوٹ رہا۔حکومت کی طرف سے لئے گئے سخت اقدامات کے باعث درآمدات میں واضح کمی ہوتی دکھائی دی اور طلب میں کمی کے باعث بجلی پیدا کرنے والے آلات اور مشینری کی درآمدات بھی متاثر ہوئی۔ CPEC کے تحت قبل از وقت تکمیل پانے والے منصوبے بھی اسی میں شامل ہیں۔

معاشی سرگرمیوں میں سست روی کی وجہ سے پیٹرول اور خام مال کی درآمدات میں بھی کمی واقع ہوئی۔نتیجۃً درآمدی اخراجات میں %7.3 کمی واقع ہونے سے یہ اخراجات 52.4 ارب امریکی ڈالر رہ گئے جو کہ مالی سال 2018ء میں 56.4 ارب امریکی ڈالر تھے۔

درآمدات میں کمی اور بیرون ملک پاکستانیوں کے ترسیلات زر سے مالی سال 2019ء کے مالی خسارے میں %32 کی کمی واقع ہوئی۔مالی سال 2018 میں یہ خسارہ 19.9 ارب امریکی ڈالر تھا۔جو کہ مالی سال 2019ء میں کم ہو کر 13.6 ارب امریکی ڈالر رہ گیا۔

مالیاتی رخ پر مالی سال 2019 میں مجموعی مالی خسارہ مجموعی داخلی پیداوار کا %5 ہو گیا جو کہ مالی سال 2018 میں %4.3 تھا اس کی بڑی وجہ محصوالات میں کمی تھی۔مالی سال 2018 کے مقابلے میں FBR محصولات کی مد میں صرف %2.8 کا اضافہ کر سکا۔گزشتہ مالی سال میں یہ %16.2 تھے اسٹیٹ بینک پاکستان کے منافع میں کمی کے باعث بلا ٹیکس آمدنی بھی کم ہو گئی۔

دوسری جانب سرکاری اخراجات میں اضافہ مالی سال 2019 میں %8 رہا جو کہ گزشتہ سال 2018 میں %16 تھا۔عوامی بہبود کے ترقیاتی منصوبوں میں %41 کمی کے باوجود موجودہ حکومتی اخراجات میں 17.7 فیصد کا اضافہ ہوا۔اس میں بڑا حصہ سود کی ادائیگی اور دفاعی اخراجات پر اٹھنے والی رقم شامل ہے۔آمدنی اور اخراجات کے اس فرق کو کم کرنے کیلئے حکومت نے بینک دولت پاکستان بیرونی اور دیگر ذرائع سے قرض حاصل کیئے۔

جون 2019 میں دو اہم واقعات رونما ہوئے۔

i) پاکستان تحریک انصاف کی حکومت سے مالی سال 2020 کا بجٹ پیش کیا۔ ٹیکس کے نظام میں بہتری اسکا بنیادی ہدف تھا۔ قابل ذکر اصلاحات میں محصولات میں کمی نظام میں بے قاعدگی اور استثنیٰ کو ختم کرنا۔ خاص طور پر بڑی خدمات عامہ کے اداروں کو فائدہ مند بنانا اس میں شامل ہے۔ یہ ادارے معیشت کا 60% حصہ ہیں مگر حکومت کو ادائیگی نہ ہونے کے برابر ہیں۔

بجٹ دستاویز کے مطابق حکومت کا ہدف FBR ٹیکس آمدنی کو مالی سال 2019 میں مجموعی داخلی پیداوار کا 10.8% کرنا چاہتی ہے جو کہ 2020ء میں 16.6% اور آئیندہ دو برسوں میں 15.1% فیصد متوقع ہے۔

ii) حکومت پاکستان نے بین الاقوامی مالیاتی فنڈ سے توسیعی مالی وسائل کی سہولت کے معاہدے پر دستخط کیئے۔ اس کے مطابق یہ ادارہ پاکستان کو 39 ماہ کی مدت میں 6 ارب امریکی ڈالر فراہم کرے گا۔ اسکا مقصد پاکستان کے داخلی اور خارجی مالی امور کو متوازن کرنا شفافیت کو یقینی بنانا، کاروبار کے لئے سازگار ماحول کا مہیا کرنا اور معیشت کی نشوونما کی راہ میں حائل رکاوٹوں کو دور کرنا ہے۔ ایسی معاشی اصلاحات کی جائیں گی کہ جن پر عمل پیرا ہو کر پاکستان کی معیشت ایک دیرپا استحکام کی راہ پر گامزن ہو جائے گی۔

بازارِ قرض کا جائزہ

حکومت پاکستان نے مالیاتی سال 2019 میں پاکستان سرمایہ کاری بانڈز کی 12 نیلامیاں کیں۔ 800 ارب روپے کے ہدف کے مقابلے میں 871 ارب روپے حاصل کیئے گئے۔ جو کہ مالیاتی سال 2018 میں 1.2 ارب روپے تھے۔ اس کے نتیجے میں پاکستان میں واجب الادا رقم PIB مارکیٹ میں بڑھ کر 769 ارب روپے تک جا پہنچی۔
ان نیلامیوں میں خریداروں کا جھکاؤ 3 سالہ اور 5 سالہ مدت کے بانڈز پر تھا۔ جون 2019 کی نیلامی میں شرح سود درج ذیل رہی۔
3 سالہ مدت پر 13.69% پانچ سالہ مدت پر 13.8% اور دس سالہ مدت پر 13.5%۔

شرح سود میں اضافہ کے ساتھ ساتھ حکومتی T Bills کی شرح منافع میں بھی اضافہ ہوا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T Bills کی شرح منافع میں بالترتیب 5.97%، 5.95%، اور 5.94% رہا۔ بقیہ 3، 5، اور 10 سالہ بانڈز پر منافع میں اضافہ بالترتیب 5.56%، 5.10%، اور 4.69% رہا۔ سپاٹ منافع کے curve کے مطابق ایک سالہ T Bills 13.12% اور 10 سالہ PIB 13.72% کے سالانہ منافع کا پھیلاؤ 30 جون 2019ء کو کم ہو کر 0.59 فیصد ہو گیا۔

شیئر (حصص) مارکیٹ کا جائزہ برائے مالیاتی سال **2019**

ایک طویل مدت تک کساد بازاری کا شکار پاکستان شیئر مارکیٹ کیلئے ایک اور مایوس کن سال رہا۔ مالی سال 2019 میں حصص اشارے نے مسلسل دوسری سال بھی 19 فیصد خسارہ دکھایا۔ اس کی وجوہات مندرجہ ذیل ہیں۔

۱۔ شرح سود میں متوقع اضافہ ۲۔ سست معاشی رفتار ۳۔ معاشیات کبریٰ کی ابتری ۴۔ تیزی سے بڑھنے والے مالی اور تجارتی

خسارے اور ۵۔ پاکستانی روپے کی قدر میں بے انتہا کمی۔ بڑھتی ہوئی بے یقینی نے مارکیٹ کے کھلاڑیوں کو حد درجہ محتاط کر دیا جس کی وجہ سے اوسط حصص کا حجم 96.3% ملین پر ہی تھم گیا۔ خارجی شراکت دار فقط حصص فروخت کرتے رہے جس کی مالیت تقریباً 356 ملین امریکی ڈالر رہی۔

منصفانہ حصص مارکیٹ نے مالی سال کی ابتداء مثبت انداز سے کی جبکہ معیاری اشارے نے جنوری 2019 میں 2 فیصد اضافہ ریکارڈ کیا۔ تاہم بین الاقوامی مالیاتی ادارے سے معاہدے میں تاخیر نے حصص مارکیٹ میں مندی کا رجحان برقرار رکھا اور مارکیٹ کا معیاری انداز اً 5 ماہ تک تنزلی کا شکار رہا۔ اس کمی میں جن حصص (شیئرز) نے منفی کردار ادا کیا ان میں سیمنٹ، تیل اور گیس مارکیٹنگ، ریفائنری، آٹو موبائل اور انشورنس شامل ہیں

اسلامک مالیاتی جائزہ برائے مالی سال 2019

مالی سال 2019 اسلامک بینکنگ صنعت کے لئے بے حد منافع بخش رہا۔ شرح سود میں تیکھا پن اور اسکے نتیجے میں بڑھتی ہوئی افراط زر اسی کی وجوہات ہیں۔ حد سے بڑھتی ہوئی طلب اور مالیاتی نقصانات کے پیش نظر SBP نے شرح سود میں 5.75% کا اضافہ کر کے اسے 12.25% پر پہنچا دیا۔ شرح سود میں مذید اضافہ اسلامک بینک اور اسلامی مالیاتی اداروں کے لئے حد درجہ مثبت اثرات مرتب کرے گا۔

روائتی بینکنگ نظام سے سخت مقابلہ کے باوجود اسلامی بینکنگ صنعت نے مالیاتی سال 2019 میں عمدہ ترقی کی۔ اسلامی بینکنگ صنعت کا بنیادی اثاثہ بڑھ کر 2790 ارب روپے (19.5%) تک پہنچ گیا۔ مارچ 2019 کے اختتام تک بینکاری نظام میں اسلامی بینکنگ کا حصہ مندرجہ ذیل رہا۔

ا۔ اثاثوں کی مد میں 15% اور ۲۔ بچت کھاتوں کی مد میں 15.6%۔

اسلامک بینکنگ کی شاخوں کے پھیلاؤ اور روائتی بینکنگ کا اسلامی کھڑکی کا کھولنا اس امر کی طرف اشارہ کرتا ہے کہ آئے والے برسوں میں اسلامی بینکنگ بہت ترقی پائے گی۔

برآمدات میں اضافہ کی کوششوں میں تیزی لانے کیلئے بینک دولت پاکستان نے اسلامی طویل المدتی قرضہ کی سہولت (ILTFF) کا اجراء کیا۔ جو کہ شریعت کے طابع مضاربہ ہے۔ یہ روایتی بینکنگ نظام کی طویل الامدت قرضہ سہولت (LTFF) کا متبادل ہے۔ یہ سہولت ان گاہوں کی مالیاتی ضروریات کو پورا کرے گا جو کہ شرعی مالیاتی خدمات کو ترجیح دیتے ہیں۔

جنس مارکیٹ کا جائزہ: COMMODITY MARKET REVIEW

مالی سال 2019 کے اوائل میں سونے کی قیمتیں رد و بدل کا شکار رہیں۔ اور عالمی حصص مارکیٹ میں استحکام اور مثبت رجحانات کے باعث اسی مالی سال کی پہلی سہ ماہی میں یہ قیمتیں 4% کم ہوگئیں۔
اس سال کے دوران حصص مارکیٹ میں اتار چڑھاؤ آنا شروع ہوا اور امریکہ۔ چین تجارتی تنازعہ کے تناظر میں سونے کی قیمت میں اضافہ دیکھنے میں آیا۔ مالی سال 2019 کے اختتام یعنی جون 2019 تک سونے کا بھاؤ 14.9 امریکی ڈالر فی اونس رہا۔ جو کہ تقریباً 13% منافع کے برابر ہے

مستقبل کا زاویہ نگاہ : FUTURE OUTLOOK

حکومت کا معیشت کو سنبھالا دینے کے اقدامات اور معیشت کا اصلاحاتی منصوبوں کے مطابق حرکت کو دیکھتے ہوئے ہم یہ توقع کر سکتے ہیں کہ معیشت کبرٰی آہستہ آہستہ ایک مستحکم سمت میں گامزن ہو جائے گی۔ تاہم مالی سال 2020ء میں مجموعی معیشت کی شرح نمو میں مزید کمی ہو گی جو کہ بعد میں بہتر ہونا شروع ہو جائے گی۔ بین الاقوامی مالیاتی پروگرام میں دوبارہ داخلہ سے اس بات کا قوی امکان ہے جڑواں خسارے کم ہوں گے اور معیشت کبرٰی کی علامات میں مثبت تبدیلی ہو گی۔

مالی رخ پر ابھی کوئی بڑی بہتری نظر نہیں آرہی۔ حکومت نے بنیادی خسارے کا ہدف 0.6% مقرر کیا ہے۔ جو کہ عوامی سود کے منصوبوں کے اخراجات میں کٹوتی سے حاصل ہو گا۔

خارجی رخ پر توقع یہ کی جارہی ہے کہ حالیہ مالی خسارہ مالی سال 2020 میں 8.9 ارب امریکی ڈالر تک جا پہنچے گا۔

مالی خسارے میں کمی کی وجوہات یہ ہیں۔

۱۔ درآمدات میں کمی
۲۔ تیل کی مصنوعات کی قیمتوں میں کمی
۳۔ سمندر پار پاکستانیوں کی ترسیل زر میں اضافہ اور
۴۔ برآمدات میں اضافہ

افراط زر کی شرح مالی سال 2020 میں 11.12% کی بلند سطح پر قائم رہے گی۔ جس کی وجہ بجلی اور گیس کے نرخوں میں اضافہ اور روپیہ کی شرح تبادلہ یں ردوبدل۔ اس کے مطابق بالعکس وقت گزرنے کے ساتھ افراط زر میں بتدریج کمی واقع ہو گی۔

منصفانہ حصص کے تناظر میں دیکھا جائے تو وہ حصص جو کہ امریکی ڈالر سے محدود توانائی کے شعبے سے متعلق بھی بہت حد تک منافع بخش ہوں گے۔ ڈالر کی قیمت میں اضافہ کا براہ راست اثر آمدنی پر مرتب ہو گا۔

باوجود اس کے کہ منجمد آمدنی کے منافع میں اضافہ ہوا ہم یہ امید رکھتے ہیں کہ پر کشش حصص کے منافع حصص مارکیٹ کے کاروبار میں مثبت تبدیلی لائیں گے۔

ہمیں امید ہے۔ کہ KSE-100 انڈیکس صحت مند منافع لائے گا۔ فی الوقت یہ اشارہ 6.3 پر بک رہا ہے جو کہ مائی 2017 میں 12.0 تھا۔ یہ بات قابل ذکر ہے کہ پاکستان دیگر بڑی حصص مارکیٹ کے مقابلے میں ارزاں ترین ہے۔ پاکستان حصص مارکیٹ 7.5% منافع اور 15% آمدنی / کمائی پیش کرتا ہے۔

فنڈ کی کارکردگی اور اعلانات :

- یو بی ایل مبدل بہ زر نقد پلس فنڈ: **UBL Liquidity Plus Fund (ULPF)**

30 جون 2019 کے اختتام پر فنڈ کی آمدنی 1098.907 رہی اس میں بینک بچت کھاتوں اور حکومتی ضمانت شدہ سرمایہ کاری منصوبوں سے حاصل شدہ سود کی آمدنی بھی شامل ہے۔ 143.610 ملین روپے کے اخراجات منہا کردینے سے فنڈ کو 955.297 ملین روپے خالص آمدنی ہوئی۔ فی یونٹ کی خالص قدر 100.7804 روپے رہی۔ علاوہ ازیں 910.97 ملین روپے بطور عارضی منافع حصہ داروں میں تقسیم کئے گئے۔ خالص اثاثے 6837.33 ملین روپے JCR-VIS کی درجہ بندی کے مطابق فنڈ کو AA(f) کا درجہ دیا گیا۔

یو بی ایل لکویڈیٹی پلس فنڈ (یو ایل پی ایف)

مالی سال 2019 کی کل آمدنی 184.357 ملین روپے رہی۔ جس میں بینک بچت کھاتوں اور حکومت کی ضمانت شدہ سرمایہ کاری منصوبوں سے حاصل شدہ سود کی آمدنی شامل ہے۔

انتظامی اخراجات کو منہا کرنے کے بعد جو کہ 26.48 ملین روپے تھے فنڈ کی خالص آمدنی 157.877 ملین روپے رہی۔ فنڈ کے خالص اثاثے 2725.43 ملین روپے اور فی یونٹ خالص قدر 100.6767 روپے رہی۔

حصہ داروں میں 8.34% کے حساب سے 8.3440 روپے فی یونٹ عارضی منافع تقسیم کیا گیا۔

JCR-VIS نے فنڈ کو AA(f) کا درجہ دیا۔

یو بی ایل گورنمنٹ سیکیورٹیز فنڈ: (یو جی ایس ایف)

مالی سال 2019 کے اختتام 30 جون 2019 پر فنڈ کو مجموعی طور پر 152.06 ملین روپے کی آمدنی ہوئی۔ اس میں بینک بچت کھاتوں۔ معیادی سرمایہ کاری اور حکومتی سرمایہ کاری منصوبوں، سے حاصل شدہ سودی منافع شامل ہے۔ انتظامی اخراجات کو منہا کرنے کے بعد جو کہ 30.071 ملین روپے ہیں۔ فنڈ کو 121.989 ملین روپے کی خالص آمدنی ہوئی۔ فنڈ کے خالص اثاثے 1533.51 ملین روپے اور فی یونٹ کی خالص اثاثہ قدر 105.7851 روپے رہی۔

بورڈ نے 7.77% کے حساب سے حصہ داروں میں 7.7695 روپے فی یونٹ عارضی منافع کی منظوری دی۔ فنڈ کو JCR.VIS نے A+(f) کا درجہ دیا۔

یو بی ایل انکم آپرچونیٹی فنڈ: (یو آئی او ایف)

مالی سال 2019 کے اختتام 30 جون 2019 پر فنڈ کو کل آمدنی 144.503 ملین روپے رہی۔ اس میں بینک بچت کھاتوں حکومتی سرمایہ کاری منصوبوں، سکوک بانڈ اور حصص مارکیٹ میں سرمایہ کاری سے حاصل شدہ منافع / سود شامل ہے۔

26.422 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد فنڈ کو 118.081 کی خالص آمدنی ہوئی۔

فنڈ کے خالص اثاثے 833.26 ملین روپے اور فی یونٹ کی قدر 110.1983 روپے رہی۔

فنڈ سے 9.09% کے حساب سے 9.0898 روپے فی یونٹ عارضی منافع اپنے حصہ داروں میں تقسیم کیا۔

JCR -VIS درجہ A(f) قرار پایا۔

یو بی ایل گروتھ اینڈ انکم فنڈ (یو جی آئی ایف)

مالی سال 2019 کے اختتام 30 جون 2019 کو فنڈ کی کل آمدنی 135.165 ملین روپے رہی۔ اس آمدنی کا بیشتر حصہ بینک بچت کھاتوں، حکومتی ضمانت شدہ سرمایہ کاری منصوبوں اور سکوک بانڈز سے حاصل ہونے والے منافع پر مشتمل ہے۔
30.557 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد فنڈ کو 104.608 ملین روپے کی خالص آمدنی ہوئی۔ فنڈ کے خالص اثاثے 1734.789 ملین روپے رہے اور فی یونٹ کی قدر 85.0490 روپے رہی بورڈ نے 6.58% کے حساب سے فی یونٹ 6.5752 روپے عارضی منافع تقسیم کیا۔

JCR-VIS کے درجہ میں ترقی ہوئی اور یہ A(f) درجہ قرار پایا۔

یو بی ایل اسٹاک ایڈوانٹیج فنڈ (یو ایس ایف)

مالی سال 2019 کے اختتام 30 جون 2019 میں فنڈ کو مجموعی طور پر 884.85 ملین روپے کا خسارہ ہوا۔ (قدر زر میں اضافہ کی وجہ سے 1090.69 ملین روپے کا خسارہ)۔ گزشتہ مالی سال 2018 میں یہ خسارہ 610.36 ملین روپے تھا۔ جس میں قدر زر میں اضافہ کی وجہ سے 411.10 ملین روپے خسارہ شامل تھا۔ خسارے کی بڑی وجہ سرمایہ کاری یونٹوں کی فروخت کو گردانا جاتا ہے۔ 2015 میں یہ خسارہ 485.07 ملین روپے اور 2019 میں یہ خسارہ 159.57 ملین روپے رہا۔ ڈیویڈنڈ کی آمدنی جو 2018 میں 295.42 ملین روپے تھی وہ 2019 میں 313.49 ملین روپے رہی۔ فنڈ کے کل اثاثے 5397.66 ملین روپے اور فی یونٹ کی قدر 57.3600 روپے رہی۔

فنڈ کو JCR-VIS نے درجہ نہیں دیا۔

یو بی ایل ایسیٹ ایلوکیشن فنڈ (یو اے ایف)

مالی سال 2019 کے اختتام 30 جون 2019 میں فنڈ مجموعی طور پر 19.78 ملین روپے کی آمدنی ہوئی (اس میں زر قدر میں اضافہ کی وجہ سے ہونے والا 128.482 ملین روپے کا خسارہ شامل ہے)۔ فنڈ کی آمدنی کا بیشتر حصہ بینک بچت کھاتوں، معیادی سرمایہ کاری اسکیم، اور حکومتی ضمانتی سرمایہ کاری منصوبوں پر حاصل شدہ منافع کی صورت میں ہے۔ اس کے علاوہ ڈیویڈنڈ سے حاصل شدہ آمدنی جو کہ 57.650 ہے۔ اس میں شامل ہے انتظامی اخراجات کی کٹوتی کے بعد جو کہ 40.264 ملین روپے ہیں فنڈ کو 20.466 ملین روپے کا خالص خسارہ ہوا۔ فنڈ کے اثاثوں کی مالیت 1373.82 ملین روپے اور فی یونٹ کی قدر 132.2366 روپے رہی۔

یو بی ایل ڈیڈیکیٹڈ ایکوئٹی فنڈ (یو ڈی ای ایف)

مالی سال2019 کے اختتام30 جون2019 میں فنڈ کو مجموعی طور پر 23.74 ملین روپے کا خسارہ ہوا۔ جس میں زر قدر میں اضافے کی وجہ سے 29.29 ملین روپے کا خسارہ شامل ہے۔ فنڈ کی آمدنی بینک بچت کھاتوں اور ڈیویڈنڈ پر مشتمل ہے۔ 6.69 ملین روپے کے انتظامی اخراجات کو منہا کر کے فنڈ کو 30.43 ملین روپے کا خالص خسارہ ہوا۔ فنڈ کے خالص اثاثوں کی مالیت 181.58 ملین روپے اور فی یونٹ کی قدر 80.8948 روپے رہی۔

یو بی ایل فائینینشل سیکٹر فنڈ (یوایف ایس ایف)

مالی سال2019 کے اختتام30 جون2019 میں فنڈ کو 81.303 ملین روپے کا خسارہ ہوا۔ فنڈ کی آمدنی بینک کھاتوں اور ڈیویڈنڈ کی آمدنی پر مشتمل ہے۔ 23.569 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد فنڈ کو 104.872 ملین روپے کا خالص خسارہ ہوا۔ فنڈ کے خالص اثاثوں کی مالیت 861.35 ملین روپے ہے۔ فنڈ کی فی یونٹ کی۔ خالص اثاثی قدر 80.1577 روپے ہے۔

یو بی ایل کیپیٹل پروٹیکیٹڈ فنڈ-III (یوسی پی ایف-III)

مالی سال2019 کے اختتام30 جون2019 کو 15.007 ملین روپے کی مجموعی آمدنی ہوئی۔ فنڈ کی آمدنی بینک کھاتوں، معیادی سرمایہ کاری اور ڈیویڈنڈ پر مبنی ہے۔ 5.673 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد فنڈ کی خالص آمدنی فی یونٹ قدر 100.0366 روپے رہی۔ %3.14 کے حساب سے فی یونٹ 3.1412 روپے منافع تقسیم کیا گیا۔

یو بی ایل فائینینشل پلاننگ فنڈ

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-I (یوا ے پی پی پی-I)

مالی سال2019 کے اختتام30 جون2019 کو مجموعی سطور پر 4.86 ملین روپے کی آمدنی ہوئی۔ آمدنی کے ذرائع میں بینک کھاتے معیادی سرمایہ یونٹ کی فروخت سے حاصل شدہ منافع شامل ہیں۔ 1.07 ملین روپے کے انتظامی اخراجات کی کٹوتی کے بعد فنڈ کی خالص آمدنی 3.79 ملین روپے رہی۔ فنڈ کے خالص اثاثوں کی مالیت 168.75 ملین روپے رہی اور فی یونٹ کی قدر 103.1001 روپے رہی۔

یو بی ایل فائینینشل پلاننگ فنڈ

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-II (یوا ے پی پی پی-II)

مالی سال 2019 میں فنڈ کو کل آمدنی 12.81 ملین روپے ہوئی۔ آمدنی کے زرائع میں بینک کھاتے، معیادی سرمایہ یونٹ کی فروخت سے حاصل شدہ منافع شامل ہیں۔ 2.98 ملین روپے کے انتظامی اخراجات کی کٹوتی کے بعد فنڈ کی خالص آمدنی 9.83 ملین روپے رہی۔ فنڈ کے اثاثوں کی مالیت 308.72 ملین روپے رہی اور فی یونٹ کی قدر 101.4723 روپے رہی۔ %2.15 کے حساب سے فی یونٹ منافع 2.1534 روپے رہی۔

یو بی ایل فائینینشل پلاننگ فنڈ

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-III (یواے پی پی پی-III)

24 اکتوبر 2018 تا 30 جون فنڈ مجموعی 1.60 ملین روپے رہی۔ آمدنی کے زرائع بینک کھاتوں، معیادی سرمایہ کاری، سرمایہ کاری سے حاصل شدہ منافع ہیں۔ 0.54 ملین روپے کے ان انتظامی اخراجات منہا کرنے کے بعد فنڈ کی خالص آمدنی 1.06 ملین روپے رہی۔ مالی سال 2019 کے اختتام پر فنڈ کے اثاثوں کی مالیت 190.45 ملین روپے اور فی یونٹ کی قدر 100.3210 روپے رہی۔ %0.11 کے حساب سے 27 جون 2019 کو فی یونٹ 0.1127 روپے منافع حصہ داروں میں تقسیم ہوا۔

یو بی ایل اسپیشل سیونگ فنڈ

یو بی ایل اسپیشل سیونگ پلان-I (یوایس ایس پی-I)

مالی سال 2019 کے اختتام پر فنڈ کی کل آمدنی 33.876 ملین روپے رہی۔ زرائع آمدنی میں بینک کھاتوں اور معیادی سرمایہ کاری سے حاصل شدہ منافع شامل ہیں۔ 5.839 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد خالص آمدنی 28.037 ملین روپے رہی۔ فنڈ کے خالص اثاثوں کی مالیت 459.720 ملین روپے اور فی یونٹ قدر 97.6060 روپے رہی۔ %4.98 کے حساب سے 23 جون 2019 کو 4.9878 روپے فی یونٹ منافع تقسیم ہوا۔

یو بی ایل اسپیشل سیونگ فنڈ

یو بی ایل اسپیشل سیونگ پلان-II (یوایس ایس پی-II)

مالی سال 2109 کے اختتام پر فنڈ کو مجموعی طور پر 33.428 ملین روپے کی آمدنی ہوئی۔ زرائع آمدنی بینک کھاتوں اور معیادی سرمایہ کاری اسکیموں میں سرمایہ کاری سے حاصل شدہ منافع۔

4.48 ملین روپے کے انتظامی اخراجات کو منہا کرنے کے بعد فنڈ کو 28.948 ملین روپے کی خالص آمدنی ہوئی۔ فنڈ کے خالص اثاثوں کی مالیت 901.819 ملین روپے اور فی یونٹ قدر 97.4116 روپے رہی۔

بورڈ نے %3.99 کے حساب سے 3.9974 روپے فی یونٹ منافع تقسیم کیا۔

یو بی ایل اسپیشل سیونگ فنڈ

یو بی ایل اسپیشل سیونگ پلان-III (یو ایس ایس پی-III)

مالی سال 2019 کے اختتام پر فنڈ کو مجموعی طور پر 3.869 ملین روپے کی آمدنی ہوئی۔ آمدنی بینک کھاتوں اور معیادی سرمایہ کاری اسکیموں سے حاصل شدہ منافع پر مشتمل ہے۔ 0.503 ملین روپے کے انتظامی اخراجات منہا کرنے کے بعد فنڈ کی خالص آمدنی 3.366 ملین روپے رہی فنڈ کے خالص اثاثوں کی مالیت 264.825 ملین روپے اور فی یونٹ کی قدر 98.8607 روپے رہی۔
1.65% کے حساب سے 1.6531 روپے فی یونٹ منافع تقسیم کیا گیا۔ یہ 27 جون 2019 کے اختتام تک تھا۔

یو بی ایل اسپیشل سیونگ فنڈ

یو بی ایل اسپیشل سیونگ پلان-IV (یو ایس ایس پی-IV)

30 جون 2019 کے اختتام پر فنڈ کی کل آمدنی 1.759 ملین روپے رہی آمدنی میں بینک اور معیادی سرمایہ کاری کی اسکیموں سے حاصل شدہ منافع شامل ہے۔ 0.222 ملین روپے کی انتظامی اخراجات کے بعد خالص آمدنی 1.537 ملین روپے رہی فنڈ کے خالص اثاثے 182.787 ملین روپے اور فی یونٹ قدر 99.6688 روپے رہی۔

27 جون 2019 کو 0.97% کے حساب سے فی یونٹ منافع 0.9757 روپے تقسیم ہوا۔

فنڈ کا نظریہ ،حکمت عملی اور جائزہ

اس کے لئے فنڈ منیجرز کی سالانہ رپورٹ کے متعلقہ قطعہ سے استفادہ فرمائیں۔

ضابطہ عمل برائے کمپنی

یہ کمپنی ضابطہ عمل کے اعلیٰ معیار کو برقرار رکھنے کی پابند ہے اور بورڈ کے ڈائریکٹر حصہ داروں کو اعلیٰ ضابطہ عمل کے لئے جوابدہ ہیں۔ انتظامیہ ہمہ وقت ضابطہ عمل کے اعلی قوائد کے تابع ہے خاص طور پر غیر افسران اعلیٰ کی آزادی سے متعلق فنڈز پاکستان حصص مارکیٹ کے قوائد و ضوابط کے مطابق کاروبار کرتے رہنے کی پابند ہے۔

ضابطہ عمل کی ضروریات کو پورا کرنے کے لئے واضح ہدایات موجود ہیں جوکہ مندرجہ ذیل ہیں۔

- مالیاتی دستاویز فنڈ کے معاملات، حکمت عملی کے نتائج زرنقد کی حرکت اور حصہ دار کے کھاتے میں ردوبدل کی مظہر ہوگئی۔

- فنڈز بہی کھاتے درست حالت میں رکھیں گے۔

- مالیاتی دوستاویزات کی تیاری میں موزوں حساب کتاب کے ضابطوں سے استفادہ کیا جائے گا۔ اور حسابات کے تخمینے کی بنیاد پر منحصر ہوگی۔

- مالیاتی دستاویزات کی تیاری میں مندرجہ ذیل پاکستانی اور بین الاقوامی مالی قوائد وضوابط، ضروریات اور ہدایات جاری کرنے والے اداروں سے مدد لی جائے گی۔

International Financial Reporting Standardards, Non Banking Finance Companies (Establishment & Regulation) Rules 2003. Non Banking Fiancne Comapnies and Entities Regulation 2008, Trust Deed of SECP.

- فنڈ کا اندرونی کنٹرول موثر ہوگا اور ہمہ وقت نگرانی میں رہے گا۔
- فنڈز کے متحرک رہنے کی اہلیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں ماسوائے AIACTAP-V اور AIACTAP-VI جوکہ ان سطور پر نہیں تیار کئے گئے ہیں۔ اوروہ اس لئے کہ ان کی مدت تکمیل 14 اگست 2018 اور 20 نومبر 2018 کو ہوگئی ہے۔
- حصص مارکیٹ کے قوائد وضوابط سے ضابطہ ہیت حاکمہ قطعاً انحراف نہیں کرے گی۔
- فنڈز کی کارکردگی کے جدول سالانہ رپورٹ میں موجود ہیں۔
- پراویڈنٹ فنڈ کی سرمایہ کاری سے متعلق دستاویز کا اطلاق فنڈز پر نہیں ہوگا۔ اس کا اطلاق انتظامی کمپنی پر ہوگا لہذا اس کے بارے میں ڈائریکٹرز رپورٹ خاموش ہوگی۔

۔قانونی طور پر نافذ ٹیکس اور محصولات کی ادائیگی کی مالیت مالیاتی دستاویز کا حصہ ہوگی۔

احتمال ذیاں اور اسکا سدباب

فنڈ کی گرمیوں سے متعلق کسی قسم کے نقصان کے سدباب کے لئے ایک قابل بھروسہ نظام موجود ہے یہ نظام کسی متوقع نقصان کی شناخت، تشخیص اور اس کی روک تھام کے لئے بنایا گیا ہے۔

یو بی ایل فنڈ مینیجر لمیٹڈ کے 7 ڈائیرکٹرز ہیں۔

۔مرد ۔۔۔۔۔ 5

۔خواتین ۔۔۔۔۔2

بورڈ مندرجہ ذیل اسامیوں پر مشتمل ہے۔

۔آزاد ڈائیرکٹر۔۔۔۔۔۔۔۔۔۔ 2

۔ایگزیکٹو ڈائریکٹر۔۔۔۔۔۔۔۔ 1

۔غیر ایگزیکٹو ڈائیرکٹر۔۔۔۔۔ 4

بورڈ کی اولین ذمہ داری یہ ہے۔ کہ وہ کمپنی کے معاملات کی نگرانی کرے اور ان سے متعلق انتظامیہ کو ہدایات جاری کرے۔ انتظامیہ اس امر کی ذمہ دار ہے کہ وہ بورڈ کو کمپنی کے معاملات سے باخبر رکھے اور موثر طور پر ان ہدایات کا نفاذ کرے جو بورڈ کی جانب سے وقتاً فوقتاً جاری کی جائیں۔

بورڈ موثر کمپنی انتظام اور مضبوط داخلی کنٹرول کو استعمال کرتے ہوئے ہر اس طبقہ میں توازن رکھتا ہے جس کا مفاد اس فنڈ سے وابسطہ ہے اس میں حصہ داران، کھاتے دار، گاہک، ملازمین اور وہ سماج جہاں تک اس کی دسترس ہے شامل ہیں۔ بورڈ جو بھی اقدامات کرتا ہے۔ اس میں ڈائریکٹر صاحبان کی آزادانہ رائے اور ہوش مندی شامل ہے۔ وہ ایسے فیصلے کرنے کے پابند ہوں گے کہ جو کمپنی کے مفادات کو اولین ترجیح دیں۔

اعلیٰ کمپنی انتظام کو ملحوظ خاطر رکھتے ہوئے بورڈ نے ادارے کے اندر بورڈ کمیٹیاں تشکیل دی ہیں جو کہ متوقع نقصان کی روک تھام، داخلی کنٹرول کا نظام کو بہتری کی طرف لے جانے کی کوشش کرتی ہیں۔ یہ کمیٹیاں بورڈ اور انتظامیہ کو ان کے دائرہ اختیار میں پیش آنے والے معاملات میں سہولت فراہم کرتی ہیں۔

بورڈ کی مندرجہ ذیل کمیٹیاں ہیں۔

a محاسب کمیٹی

i. Ms. Naz Khan (Chair-Independent)
ii. Mr. Imran Sarwar
iii. Ms. Sadia Saeed
iv. Mr. Tauqeer Mazhar

b. افرادی وسائل **(HR)** اور معاوضہ **(Remuneration)** کمیٹی

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

c. خطرات انتظامی کمیٹی

i. Mr. Imran Sarwar (Chairman)
ii. Mr. Yasir Qadri
iii. Mr. Azhar Hameed
iv. Syed Furrukh Zaeem
v. Mr. Tauqeer Mazhar

ضابطہ کمپنی انتظام کی ضرورت کے پیش نظر فنڈ کے شراکت دار، ذمہ دار، اور متعلقہ پارٹیوں کی تفصیل ناموں کی ترتیب کے ساتھ مندرجہ ذیل جدول میں دی گئی ہے۔

UBL LIQUIDITY PLUS FUND (ULPF)

یو بی ایل لکویڈیٹی پلس فنڈ (یو ایل پی ایف)

NAME	CLOSING UNITS
Zeeshan Quddus	1,253
Yasir Qadri	125,700
Umair Ahmed	29
Syed Furrukh Zaeem	20,343
Interloop Holdings Pvt Ltd	9,675,507
Fauji Fertilizer Co. Limited	6,988,477
Engro Corporation Limited	7,735,488

UBL MONEY MARKET FUND (UMMF)

یو بی ایل منی مارکیٹ فنڈ: (یو ایم ایم ایف)

NAME	CLOSING UNITS
Zeeshan Quddus	1,741
Umair Ahmed	15,514
Syed Furrukh Zaeem	136,067
Ammar Valika	81,495
BULK MANAGEMENT (PAKISTAN) PRIVATE LTD.	3,979,118
UBL Active Principal Preservation Plan III	1,350,445
UBL Active Principal Preservation Plan II	1,206,745
UBL Active Principal Preservation Plan I	1,304,353

UBL GOVERNMENT SECURITIES FUND (UGSF)

یو بی ایل حکومتی ضمانت شدہ سرمایہ کاری فنڈ

NAME	CLOSING UNITS
Yasir Qadri	61,625
Amin Gulamani	1,032
Naiyar Zamani Gohar	3,986,784

UNITED GROWTH & INCOME FUND (UGIF)

یو بی ایل گورنمنٹ سیکیورٹیز فنڈ: (یو جی ایس ایف)

NAME	CLOSING UNITS
Yasir Qadri	53,910
Amin Gulamani	1,406
UBL Fund Managers Limited	7,850,395
GREENSTAR SOCIAL MARKETING PAKISTAN (G) LTD	5,715,018

UBL INCOME OPPORTUNITY FUND (UIOF)

یو بی ایل آمدنی مواقع فنڈ

NAME	CLOSING UNITS
Yasir Qadri	111,651
UBL Fund Managers Limited	4,765,128

UBL STOCK ADVANTAGE FUND (USF)

یو بی ایل حصص منافع فنڈ

NAME	CLOSING UNITS
Amin Gulamani	2,723
Ammar Valika	90,865
Yasir Qadri	65,227
Zain Zeeshan	1,436
Zara Zeeshan	2,240
Zeeshan Quddus	50,192
UBL Fund Managers Limited - Employees Gratuity Fund	7,213
UBL Fund Managers Limited - Employees Provident Fund	8,524
UBL Fund Managers Limited	3,054,301
SINDH PROVINCE PENSION FUND	9,431,369
CDC TRUSTEE-PUNJAB PENSION FUND TRUST	11,096,316

UBL ASSET ALLOCATION FUND (UAAF)

یو بی ایل ایسیٹ ایلوکیشن فنڈ (یو اے اے ایف)

NAME	CLOSING UNITS
Amin Gulamani	16,259
RONAK IQBAL LAKHANI	1,095,456

UBL PRINCIPAL PROTECTED FUND -III (UCPF - III)

یو بی ایل محفوظ زر اصل سرمایہ فنڈ

NAME	CLOSING UNITS
UBL Employees' Gratuity Fund	189,454
UBL Employees' Provident Fund	1,570,425

UBL FINANCIAL SECTOR FUND (UFSF)

یو بی ایل مالی حصص فنڈ

NAME	CLOSING UNITS
Zara Zeeshan	1,081
Zain Zeeshan	1,081
Yasir Qadri	25,467
Ammar Valika	39,429
UBL Employees' Gratuity Fund	185,653
UBL Employees' Provident Fund	993,587
UBL Fund Managers Limited - Employees Gratuity Fund	18,103
UBL Officer / Non- officer Benevolent Fund	71,052
UBL Staff General Provident Fund Trust	281,917
UBL Staff Pension Fund Trust	1,854,237
United Bank Limited	1,691,561
UBL Fund Managers Limited	1,496,402

UBL DEDICATED EQUITY FUND (UDEF)

یو بی ایل ڈیڈیکیٹڈ ایکوئٹی فنڈ (یو ڈی ای ایف)

NAME	CLOSING UNITS
UBL Active Principal Preservation Plan III	671,331
UBL Active Principal Preservation Plan II	689,972
UBL Active Principal Preservation Plan I	455,644

UBL FINANCIAL PLANNING FUND

UBL Active Principal Preservation Plan I (UAPPP - I)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-I (یواے پی پی پی-I)

NAME	CLOSING UNITS
REHANA BASHIR	244,733
BAI VIRBAIJI SOPARIVALA PARSI HIGH SCHOOL	290,321

UBL FINANCIAL PLANNING FUND

UBL Active Principal Preservation Plan I (UAPPP-II)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-II (یواے پی پی پی-II)

NAME	CLOSING UNITS
MULTILINE ENTERPRISES	635,127

UBL FINANCIAL PLANNING FUND

UBL Active Principal Preservation Plan I (UAPPP-III)

یو بی ایل ایکٹیو پرنسپل پریزرویشن پلان-III (یواے پی پی پی-III)

NAME	CLOSING UNITS
ZIA UDDIN NAJAM	194,220
SYED MAZHAR IQBAL	196,939

UBL SPECIAL SAVING FUND

UBL SPECIAL SAVINGS PLAN -III (USSP - III)

یو بی ایل اسپیشل سیونگ پلان-III (یوایس ایس پی-III)

NAME	CLOSING UNITS
ZIKRAM UL HAQ QURESHI	1,068,623

UBL SPECIAL SAVING FUND

UBL SPECIAL SAVINGS PLAN - IV (USSP - IV)

یو بی ایل خاص بچت منصوبہ

NAME	CLOSING UNITS
SAEEDA AZIZ	652,380
SONIA AMBREEN SHEIKH	203,759

فنڈز کے ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور کمپنی سیکریٹری اور ان کے شرکاء زندگی کے نام رکھے ہوئے حصص میں کوئی تجارت نہیں ہوئی ماسوائے ان افراد کے جن کے نام مندرجہ ذیل جدول میں دیئے گئے ہیں۔

UBL LIQUIDITY PLUS FUND (ULPF)

یو بی ایل لکویڈیٹی پلس فنڈ (یو ایل پی ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	64	20,279	-	-	20,343
Yasir Qadri	Chief Executive Officer - CEO	141,584	17,399	33,283	-	125,700
Umair Ahmed	CFO & COO	8,475	16,076	24,522	-	29
Ammar Valika	Head of Sales	88,176	5,274	93,450	-	-
Zeeshan Quddus	Chief Business Development Officer	-	1,253	-	-	1,253
Midhat Fatima	Spouse of Chief Financial Officer	-	4,957	4,957	-	-

UBL MONEY MARKET FUND (UMMF)

یو بی ایل پیسہ مارکیٹ فنڈ

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	87	135,980	-	-	136,067
Zeeshan Quddus	Chief Business Development Officer	-	4,336	2,595	-	1,741
Umair Ahmed	CFO & COO	-	33,886	18,372	-	15,514
Ammar Valika	Head of Sales	-	130,230	48,735	-	81,495

UBL GOVERNMENT SECURITIES FUND (UGSF)

یو بی ایل گورنمنٹ سیکیورٹیز فنڈ: (یو جی ایس ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Amin Gulamani	Head of HR	963	103	34	-	1,032
Yasir Qadri	Chief Executive Officer	-	61,625	-	-	61,625

UNITED GROWTH & INCOME FUND (UGIF)

یو بی ایل گروتھ اینڈ انکم فنڈ (یو جی آئی ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	2	143,955	90,047	-	53,910
Amin Gulamani	Head of HR	1,259	147	-	-	1,406
Umair Ahmed	CFO & COO	-	22,533	22,533	-	-
Ammar Valika	Head of Sales	-	73	73	-	-

یوبی ایل انکم آپرٹیونیٹی فنڈ: (یوآئی اوایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	126,496	15,440	30,285	-	111,651

UBL STOCK ADVANTAGE FUND (USF)

یوبی ایل اسٹاک ایڈوانٹیج فنڈ (یوایس ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Zeeshan Quddus	Chief Business Development Officer	21,450	33,938	9,865	-	-
Ammar Valika	Head of Sales	85,986	4,879	-	-	-
Zara Zeeshan	Daughter of Chief Business Development Officer	-	5,725	3,485	-	-
Zain Zeeshan	Son of Chief Business Development Officer	-	5,725	4,288	-	-
Yasir Qadri	CEO	87,482	40,115	62,370	-	-
Amin Gulamani	Head of HR	2,665	58	-	-	-

UBL ASSET ALLOCATION FUND (UAAF)

یو بی ایل ایسیٹ ایلوکیشن فنڈ (یو اے اے ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Syed Furrukh Zaeem	Director	40,032	-	40,032	-	-
Umair Ahmed	CFO & COO	5,839	-	5,839	-	-
Amin Gulamani	Head of HR	10,395	5,864	-	-	16,259

UBL FINANCIAL SECTOR FUND (UFSF)

یو بی ایل فائینینشل سیکٹر فنڈ (یو ایف ایس ایف)

Name	Designation	Beginning Units	Units issued	Units redeemed	Bonus Units	Closing Units
Yasir Qadri	CEO	3,254	40,334	18,121	-	25,467
Umair Ahmed	CFO & COO	-	13,016	13,016	-	-
Ammar Valika	Head of Sales	10,434	39,428	10,433	-	39,429
Zeeshan Quddus	Chief Business Development Officer	-	1,632	1,632	-	-
Zara Zeeshan	Daughter of Chief Business Development Officer	-	1,081	-	-	1,081
Zain Zeeshan	Son of Chief Business Development Officer	-	1,081	-	-	1,081

BOARD OF DIRECTORS (BOD) بورڈ کے ڈائریکٹران

مالی سال 2019 میں بورڈ کے ڈائریکٹرز 7 کے اجلاس ہوئے۔ شرکاء کی حاضری کا جدول مندرجہ ذیل ہے۔

Name of Director	Meetings Attended	28-Aug-18	26-Oct-18	8-Nov-18	11-Dec-18	27-Feb-19	29-Apr-19	6-May-19
Mr. Azhar Hamid	7	✓	✓	✓	✓	✓	✓	✓
Mirza Muhammad Sadeed Hassan Barlas*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	✓	✓	×	✓	✓
Mr. Tauqeer Mazhar**	3	N/A	N/A	✓	✓	×	×	✓
Mr. Yasir Qadri	7	✓	✓	✓	✓	✓	✓	✓
Mr. Zia Ijaz*	0	×	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	✓	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	✓	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed**	5	N/A	N/A	✓	✓	✓	✓	✓
Syed Furrukh Zaeem	6	✓	✓	✓	×	✓	✓	✓
Name of Key Executives								
S.M Aly Osman	7	✓	✓	✓	✓	✓	✓	✓
Umair Ahmed	7	✓	✓	✓	✓	✓	✓	✓

* Mirza M. Sadeed Barlas, Mr.Zia Ijaz اور Mr. Sharjeel Shahid 9 اکتوبر 2018 کو مستعفی ہوئے۔

** Mr.Tauqeer, Ms. Sadia Saeed & Mr. Imran Sarwar 2 نومبر 2018ء کو تعینات ہوئے۔

BOARD AUDIT COMMITTEE (BAC) بورڈ محاسب کمیٹی

30 جون 2019ء کو ختم ہونے والے مالی سال 2019 کے دوران بورڈ کے 6 اجلاس ہوئے۔ ان کی تفصیل درج ذیل ہے۔

Members	27-Aug-18	3-Sep-18	25-Oct-18	26-Feb-19	19-Mar-19	29-Apr-19
Mr. Azhar Hamid**	N/A	N/A	✓	N/A	N/A	N/A
Mirza Muhammad Sadeed Hassan Barlas*	✓	✓	N/A	N/A	N/A	N/A
Mr. Imran Sarwar***	N/A	N/A	N/A	×	✓	✓
Mr. Tauqeer Mazhar***	N/A	N/A	N/A	×	✓	✓
Mr. Zia Ijaz*	×	×	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	✓	✓	N/A	N/A	N/A	N/A
Ms. Naz Khan	✓	✓	✓	✓	✓	✓
Ms. Sadia Saeed***	N/A	N/A	N/A	✓	×	✓
Syed Furrukh Zaeem**	N/A	N/A	×	N/A	N/A	N/A
S.M. Aly Osman	✓	✓	✓	✓	✓	✓
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓
Mr. Yasir Qadri ****	-	-	✓	-	✓	-

* Mirza M. Sadeed Barlas, Mr.Zia Ijaz اور Mr. Sharjeel Shahid 9 اکتوبر 2018 کو مستعفی ہوئے۔

** بورڈ نے 10 اکتوبر 2018 کو کمیٹی کی ازسرنو تشکیل کی۔

*** بورڈ نے 26 اکتوبر 2018 کو کمیٹی کی ازسرنو تشکیل کی۔

**** دعوت خصوصی

HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC)

افرادی وسائل (HR) اور معاوضہ کمیٹی

مالی سال 2019 کمیٹی کے 4 اجلاس ہوئے۔تفصیلات مندرجہ ذیل ہیں۔

Attendees	37th BHRCC Meeting Held at 09-11-2018	38th BHRCC Meeting Held at 10-12-2018	39th BHRCC Meeting Held at 08-02-2019	40th BHRCC Meeting Held at 18-04-2019
Azhar Hamid	✓	✓	✓	✓
Naz Khan	✓	✓	✓	✓
Sadia Saeed	✓	✓	✓	✓
Syed Furrukh Zaeem	✓	X	✓	✓
Imran Sarwar *	✓	-	-	-
Tauqeer Mazhar *	✓	N/A	N/A	N/A
Yasir Qadri	✓	✓	✓	✓
Amin Gulamani	✓	✓	✓	✓

X غیر حاضر N/A ناقابل اطلاق * خصوصی دعوت

RISK MANAGEMENT COMMITTEE

خطرات منتظم کمیٹی (BRCC)

مالی سال 2019 میں اس کمیٹی کے 4 اجلاس ہوئے۔بورڈ ڈائیریکٹرز کی حاضری کا جدول مندرجہ ذیل ہے۔

Attendees	28-Aug-18	25-Oct-18	26-Feb-19	6-May-19
MR. IMRAN SARWAR *	-	-	X	✓
MR..TAUQEER MAZHAR *	-	-	X	✓
MR. SADEED BARLAS **	✓	-	-	-
MR. SYED FURRUKH ZAEEM	✓	✓	✓	✓
MR. YASIR QADRI	✓	✓	✓	✓
MR. AZHAR HAMID	✓	✓	✓	✓
MR. SHAJEEL SHAHID ***	✓	-	-	-
MR. HADI HASSAN MUKHI	✓	✓	-	✓

✓ حاضر X غیر حاضر

* Mr.Imran Sarwar بطور چیئرمین اور Mr.Tauqeer Mazhar کی بطور ممبر تعیناتی ہوئی۔
** Mr. Sadeed Barlas بورڈ سے مستعفی ہوئے۔
*** Mr. Sharjeel Shahid بورڈ سے مستعفی ہوئے۔

ضابطہ Corporate Governance کے تحت بورڈ کے 5 ڈائیریکٹروں نے ڈائریکٹر تربیت پروگرام (DTP) مکمل کیا۔
تمام ڈائیریکٹرز فنڈ کے قوانین اور قوائد وضوابط سے بدرجہ اتم آگاہ ہیں۔
فنڈز کی پالیسی اور شراکت داروں کے معاملات کے بارے میں اپنی اپنی ذمہ داری کا پورا احساس ہے۔

محاسب AUDITORS

مندرجہ ذیل محاسب 30 جون 2019 کو سبکدوش ہو جائیں گے۔

نمبر شمار	فنڈ کا نام	آڈیٹرز کا نام 30 جون 2019 تک	حیثیت تعیناتی سال اختتام 30 جون 2019
1	UBL Capital Protected Fund - III	M/s BDO Ebrahim & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
2	UBL Financial Sector Fund	M/s BDO Ebrahim & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
3	UBL Government Securities Fund	M/s BDO Ebrahim & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
4	UBL Liquidity Plus Fund	M/s BDO Ebrahim & Co., Chartered Accountants	مسلسل 5 سال تک Auditor رہنے کی وجہ سے دوبارہ تعیناتی کے لئے نا اہل
5	UBL Stock Advantage Fund	M/s Deloitte Yousuf Adil & Co., Chartered Accountants	مسلسل 5 سال تک Auditor رہنے کی وجہ سے دوبارہ تعیناتی کے لئے نا اہل
6	UBL Asset Allocation Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
7	UBL Dedicated Equity Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
8	UBL Financial Planning Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل

9	UBL Growth & Income Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
10	UBL Income Opportunity Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
11	UBL Money Market Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل
12	UBL Special Savings Fund	M/s KPMG Taseer Hadi & Co., Chartered Accountants	دوبارہ تعیناتی کیلئے اہل

اظہار تشکر

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

یاسر قادری

چیف ایگزیکیوٹو

کراچی۔ 30 اگست 2019

ULPF

UBL Liquidity Plus Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	BDO Ebrahim & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank Of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	AA(f) (JCR-VIS)

Fund Manager's Report – UBL Liquidity Plus Fund (ULPF)

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

ii) **Statement of Collective Investment Scheme's investment objective**
ULPF is an open-end Money Market Fund, investing in a diversified portfolio of low risk assets. The Fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.

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

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP

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

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
ULPF	6.71%	6.87%	6.65%	7.85%	7.36%	9.13%	9.92%	9.94%	9.68%	10.19%	7.55%	12.39%	8.66%
Benchmark	6.30%	6.66%	6.89%	7.50%	7.97%	8.83%	8.99%	9.27%	9.76%	10.11%	10.77%	11.66%	8.72%

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

vii) ULPF yielded return of 8.66% p.a. during FY19 as compared to benchmark return of 8.72%. Major exposure was maintained in cash at the end of Jun19 to take advantage of attractive rates on offer. The net assets of the fund were PKR 6.837mn at the end of FY19. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the fund was 16.12 days at the end of FY19.

viii) **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
Placements with Banks	11%	0%
Placements with DFIs	0%	12%
Placements with NBFCs	0%	0%
Reverse Repo	0%	0%
T-Bills	0%	0%
PIBs	0%	0%
Cash	89%	86%
Others	0%	2%
Leverage	Nil	Nil

ix) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	8.66%
Standard Deviation (12m trailing):	0.13%
Sharpe Ratio (12m trailing):	(8.84)

x) 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		%
6,837,326	14,454,210	(52.70)	100.7804	106.2344	(5.13)

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

Debt Market Review for FY19

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.

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

Distribution				Per unit	
Declared on	**Bonus**	**Cash**	**Per Unit**	**Cum NAV**	**Ex NAV**
	Rupees (000)		***--------------- Rupees ---------------***		
02-Jul-18	-	755,457	5.5510	106.2344	100.6834
15-Jul-18	-	38,346	0.2669	100.9503	100.6834
29-Jul-18	-	40,590	0.2539	100.9373	100.6834
12-Aug-18	-	37,254	0.2629	100.9463	100.6834
26-Aug-18	-	34,502	0.2502	100.9336	100.6834
09-Sep-18	-	35,221	0.2500	100.9334	100.6834
23-Sep-18	-	33,606	0.2461	100.9295	100.6834
07-Oct-18	-	37,265	0.2691	100.9525	100.6834
21-Oct-18	-	38,648	0.2955	100.9789	100.6834
04-Nov-18	-	38,923	0.2938	100.9772	100.6834
18-Nov-18	-	38,469	0.2732	100.9566	100.6834
02-Dec-18	-	35,604	0.2746	100.9580	100.6834
16-Dec-18	-	35,517	0.3109	100.9943	100.6834
30-Dec-18	-	37,935	0.3683	101.0517	100.6834
13-Jan-19	-	31,730	0.3675	101.0509	100.6834
27-Jan-19	-	39,517	0.3707	101.0541	100.6834
10-Feb-19	-	43,260	0.3531	101.0365	100.6834
24-Feb-19	-	46,378	0.3686	101.0520	100.6834
10-Mar-19	-	42,142	0.3323	101.0157	100.6834
24-Mar-19	-	45,152	0.3785	101.0619	100.6834
07-Apr-19	-	39,100	0.3797	101.0631	100.6834
21-Apr-19	-	37,880	0.3686	101.0520	100.6834
05-May-19	-	45,029	0.3775	101.0609	100.6834
19-May-19	-	23,729	0.2497	100.9331	100.6834
09-Jun-19	-	32,672	0.5288	101.2122	100.6834
27-Jun-19	-	39,326	0.5858	101.2692	100.6834

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

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

xiv) Breakdown of unit holdings by size

Range of Units	Number of Investors
	ULPF
0.0001 - 9,999.9999	5,463
10,000.0000 - 49,999.9999	332
50,000.0000 - 99,999.9999	48
100,000.0000 - 499,999.9999	44
500,000.0000 & Above	16
Total	**5,903**

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Liquidity Plus Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**6,837,326**	14,454,210	4,082,243
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class C units - Offer	**100.7804**	106.2344	100.6834
- Redemption	**100.7804**	106.2344	100.6834
RETURN OF THE FUND - %			
Total Return of the Fund	**8.66**	5.51	6.22
Capital Growth (per unit)	**0.87**	5.51	0.17
Date of Income Distribution		-	19-Jun-17
Income Distribution	**8.2762**	-	6.08
Date of Income Distribution	**2-Jul-18**	-	-
Income Distribution	**5.551**	-	-
AVERAGE ANNUAL RETURN - %			
One Year	**8.66**	5.51	6.22
Second Year	**7.09**	5.87	5.88
Third Year	**6.80**	5.75	6.76
Forth Year	**6.48**	6.45	7.07
Fifth Year	**6.89**	6.76	7.45
Since Inseption	**8.60**	8.60	8.91
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class C units - Offer	**101.2361**	106.2344	106.5799
Highest price per unit - Class C units - Redemption	**101.2361**	106.2344	106.5799
Lowest price per unit - Class C units - Offer	**100.6682**	100.7136	100.5240
Lowest price per unit - Class C units - Redemption	**100.6682**	100.7136	100.5240
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**86**	89	98.00
Placement with Banks/DFIs	**12**	11	-
Government securities	**-**	-	-
Other	**2**	-	2.00
PORTFOLIO COMPOSITION BY MARKET - %			
Debt market	**100**	100.00	100.00

Note:
- The Launch date of Fund is 21 June 2009.

DISCLAIMER

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

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TRUSTEE REPORT TO THE UNIT HOLDERS

UBL LIQUIDITY PLUS FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Liquidity Plus Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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

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

NAME OF FUND: **UBL Liquidity Plus 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 UBL Liquidity Plus 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.

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 UNITHOLDERS OF UBL LIQUIDITY PLUS FUND ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 AS ADOPTED BY THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of UBL Liquidity Plus 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 Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

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

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

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

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

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

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

KARACHI

DATED: AUGUST 30, 2019

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Adoption of IFRS 9** Effective July 01, 2018, the Fund changed its accounting policies due to the application of the International Financial Reporting Standard: IFRS 9 "Financial Instruments" which supersedes the requirements of IAS 39 "Financial Instruments - Recognition and Measurement".	Our audit procedures included the following: • Obtained an understanding of the analysis performed by management to identify all significant differences between previous accounting standard and the new accounting standard which can impact the financial statements;

S.No.	Key audit matter(s)	How the matter was addressed in our audit
	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces a new impairment model for financial assets. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Management has determined that the significant impact of the new standard on the Fund's financial statements relates to the disclosures required to be made by the new accounting standard in the financial statements. The Fund has used the exemption available in IFRS 9 not to restate comparative periods. Accordingly, comparative periods have not been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in net assets attributable to unit holders as at July 1, 2018. We considered this as a key audit matter since the adoption of the new accounting standard has a significant impact on the financial statements from recognition, classification & measurement and disclosure perspective. Note 4.2 to the financial statements explains the impact of the adoption of the new accounting standard.	• Reviewed 'Investment Classification Model' of the management for analysis of 'Business Model' assessment and 'Contractual Cash Flow Characteristics' test for classification of financial assets; • Reviewed management's assessment of the impact of new accounting standard on the Fund's financial statements; • Evaluated the key decisions made by the Fund with respect to accounting policies, estimates and judgments in relation to adoption of the new accounting standard and assessed their appropriateness based on our understanding of the Fund's business and its operations; • Evaluated the adequacy and appropriateness of disclosures made in the financial statements in relation to adoption of the new accounting standard.

S.No.	Key audit matter(s)	How the matter was addressed in our audit
2.	**Recognition, measurement and presentation of 'Element of Income'** Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) stipulates the requirements for recognition, measurement and presentation of element of income. As per the NBFC Regulations, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unitholders' fund. Furthermore, the NBFC Regulations also prescribes certain disclosure requirements with respect to presentation of element of income in the 'Statement of Movement in Unit Holders' Fund'. The NBFC Regulations explains that the accounting income as appearing in the 'Income Statement' excludes the amount of element of income and accounting income available for distribution as appearing in the 'Income Statement' excludes income already paid on units redeemed. However, at the time of distribution, in order to maintain the same ex-dividend net asset value of all units outstanding on the date of distribution, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Due to the complex calculations involved in determining the element of income, the related impact on financial statements and ensuring compliance with the NBFC Regulations, we considered recognition, measurement and presentation of 'Element of Income' as a key audit matter.	Our audit procedures included the following: • We reviewed the processes and controls implemented by the Fund relating to the production and review of system generated reports and manual workings for the purpose of calculations of element of income or loss, bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed" and checked the accuracy of refund of capital value at the time of distribution. • We evaluated the accuracy of system generated reports and manual workings produced by the Fund to ensure that the data is consistent with source documents and the said workings are in compliance with all the statutory provisions relating to element of income or loss. • We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the NBFC Regulations and assessed its implementation by the Fund. • We evaluated the adequacy of disclosures with respect to element of income / loss along with the adequacy of disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' in accordance with the NBFC Regulations, the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.

S.No.	Key audit matter(s)	How the matter was addressed in our audit
3	**Existence and valuation of investments** As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2019, the investments held by the Fund comprised of debt instruments which represent 27% of the total assets of the Fund as at the year end. As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	Our audit procedures included the following: • We tested controls over acquisition, disposals and periodic valuation of debt instruments portfolio and performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations. • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and constitutive documents in relation to the concentration of debt instruments and exposure limits prescribed in such Regulations and documented and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the debt instruments portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of debt instruments are compliant with the relevant accounting standards.

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

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("UBL Fund Managers Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

KARACHI

DATED: 3 0 AUG 2019

bdo **BDO EBRAHIM & CO.**
CHARTERED ACCOUNTANTS

UBL LIQUIDITY PLUS FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	5	5,986,231	12,991,421
Placements and Term Deposit Receipts	6	850,000	1,580,000
Investments	7	-	-
Mark-up / interest receivable	8	66,745	18,914
Deposits, prepayments and other receivable	9	47,904	15,770
Advance tax	10	1,994	2,482
TOTAL ASSETS		6,952,874	14,608,587
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	6,449	10,922
Payable to Central Depository Company of Pakistan Limited - Trustee	12	548	1,185
Payable to Securities and Exchange Commission of Pakistan	13	8,912	7,080
Accrued expenses and other liabilities	14	99,639	135,190
TOTAL LIABILITIES		115,548	154,377
NET ASSETS		6,837,326	14,454,210
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,837,326	14,454,210
CONTINGENCIES AND COMMITMENTS	15		
		-----------(Number of units)-----------	
NUMBER OF UNITS IN ISSUE	16	67,843,773	136,059,656
		----------------(Rupees)----------------	
NET ASSETS VALUE PER UNIT		100.7804	106.2344

The annexed notes from 1 to 33 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**

UBL LIQUIDITY PLUS FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------- (Rupees in '000) -------	
INCOME			
Financial income	17	1,138,130	603,476
Capital loss on sale of investments - net		(39,952)	(3,398)
Other income		729	675
Total income		1,098,907	600,753
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	83,237	48,597
Sindh Sales Tax on Management Company's remuneration	11.2	10,821	6,318
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	10,528	8,567
Annual fee of Securities and Exchange Commission of Pakistan	13.1	8,912	7,081
Bank charges		692	845
Auditors' remuneration	18	806	738
Brokerage and settlement expenses		2,538	729
Allocated expenses	19	6,443	8,596
Fees and subscription charges		266	266
Listing fee		28	27
Legal and professional charges		208	152
Printing expenses		11	21
Other expenses		9	21
Total operating expenses		124,499	81,958
Net income from operating activities		974,408	518,795
Provision for Sindh Workers' Welfare Fund	14.2	(19,111)	(10,179)
Net income for the year before taxation		955,297	508,616
Taxation	20	-	-
Net income for the year after taxation		955,297	508,616
Allocation of net income for the year			
Income already paid on units redeemed		(18,407)	(254,922)
Net income for the year available for distribution		936,890	253,694
Relating to capital gains		-	-
Excluding capital gains		936,890	253,694
		936,890	253,694
Earnings per unit	21		

The annexed notes from 1 to 33 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**

UBL LIQUIDITY PLUS FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	------- (Rupees in '000) -------	
Net income for the year after taxation	955,297	508,616
Other comprehensive income		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	955,297	508,616

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL LIQUIDITY PLUS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	955,297	508,616
Adjustments for:		
Financial income	(1,138,859)	(604,151)
Capital loss on sale of investments - net	39,952	3,398
Provision for Sindh Workers' Welfare Fund	19,111	10,179
	(1,079,796)	(590,574)
Cash used in operations before working capital changes	(124,499)	(81,958)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(39,952)	(3,398)
Placements and Term Deposit Receipts	(500,000)	-
Deposits, prepayments and other receivables	(32,134)	38,627
Advance tax	488	(538)
	(571,598)	34,691
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(4,473)	8,246
Payable to Central Depository Company of Pakistan Limited - Trustee	(637)	865
Annual fee payable to Securities and Exchange Commission of Pakistan	1,832	4,590
Accrued expenses and other liabilities	(54,662)	(44,889)
	(57,940)	(31,188)
Profit received	1,091,028	606,680
Net cash generated from operating activities	336,991	528,225
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	29,823,803	37,438,819
Payment against redemption of units	(36,692,732)	(27,575,468)
Dividend paid	(1,703,252)	-
Net cash (used in) / generated from financing activities	(8,572,181)	9,863,351
Net (decrease) / increase in cash and cash equivalents during the year	(8,235,190)	10,391,576
Cash and cash equivalents at the beginning of the year	14,571,421	4,179,845
Cash and cash equivalents at the end of the year	6,336,231	14,571,421
Bank balances	5,986,231	12,991,421
Letter of placements / Term Deposit Receipts	350,000	1,580,000
	6,336,231	14,571,421

The annexed notes from 1 to 33 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**

UBL LIQUIDITY PLUS FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		2019			2018		
		Capital value	**Undistributed income**	**Total**	**Capital value**	**Undistributed income**	**Total**
	Note	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year		14,120,429	333,781	14,454,210	4,002,156	80,087	4,082,243
Issuance of 295,813,917 units (2018: 359,901,975 units)							
Capital value of units		29,783,551	-	29,783,551	36,236,154	-	36,236,154
Element of income during the year					-	-	-
Due to net income earned		40,252	-	40,252	1,202,665	-	1,202,665
Total proceeds on issuance of units		29,823,803		29,823,803	37,438,819		37,438,819
Redemption of 364,029,800 units (2018: 264,387,648 units)							
Capital value of units		(36,651,758)	-	(36,651,758)	(26,619,448)	-	(26,619,448)
Element of loss during the year							
Due to net income earned		(22,567)	(18,407)	(40,974)	(701,098)	(254,922)	(956,020)
Total payments on redemption of units		(36,674,325)	(18,407)	(36,692,732)	(27,320,546)	(254,922)	(27,575,468)
Total comprehensive income for the year		-	955,297	955,297	-	508,616	508,616
Annual distribution:							
Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend		(501,698)	(253,759)	(755,457)	-	-	-
Interim distributions:							
Re. 0.2669 per unit declared on July 15, 2018 as cash dividend		(4,803)	(33,543)	(38,346)	-	-	-
Re. 0.2539 per unit declared on July 29, 2018 as cash dividend		(3,678)	(36,912)	(40,590)	-	-	-
Re. 0.2629 per unit declared on August 12, 2018 as cash dividend		(364)	(36,890)	(37,254)	-	-	-
Re. 0.2502 per unit declared on August 26, 2018 as cash dividend		(192)	(34,310)	(34,502)	-	-	-
Re. 0.2500 per unit declared on September 09, 2018 as cash dividend		(481)	(34,740)	(35,221)	-	-	-
Re. 0.2461 per unit declared on September 23, 2018 as cash dividend		(216)	(33,390)	(33,606)	-	-	-
Re. 0.2691 per unit declared on October 07, 2018 as cash dividend		(2,975)	(34,290)	(37,265)	-	-	-
Re. 0.2955 per unit declared on October 21, 2018 as cash dividend		(333)	(38,315)	(38,648)	-	-	-
Re. 0.2938 per unit declared on November 04, 2018 as cash dividend		(2,086)	(36,837)	(38,923)	-	-	-
Re. 0.2732 per unit declared on November 18, 2018 as cash dividend		(916)	(37,553)	(38,469)	-	-	-
Re. 0.2746 per unit declared on December 02, 2018 as cash dividend		(127)	(35,477)	(35,604)	-	-	-
Re. 0.3109 per unit declared on December 16, 2018 as cash dividend		(350)	(35,167)	(35,517)	-	-	-
Re. 0.3683 per unit declared on December 30, 2018 as cash dividend		(1,271)	(36,664)	(37,935)	-	-	-
Re. 0.3675 per unit declared on January 13, 2019 as cash dividend		(1,660)	(30,070)	(31,730)	-	-	-
Re. 0.3707 per unit declared on January 27, 2019 as cash dividend		(2,713)	(36,804)	(39,517)	-	-	-
Re. 0.3531 per unit declared on February 10, 2019 as cash dividend		(3,524)	(39,736)	(43,260)	-	-	-
Re. 0.3686 per unit declared on February 24, 2019 as cash dividend		(979)	(45,399)	(46,378)	-	-	-
Re. 0.3323 per unit declared on March 10, 2019 as cash dividend		(594)	(41,548)	(42,142)	-	-	-
Re. 0.3785 per unit declared on March 24, 2019 as cash dividend		(292)	(44,860)	(45,152)	-	-	-
Re. 0.3797 per unit declared on April 07, 2019 as cash dividend		(316)	(38,784)	(39,100)	-	-	-
Re. 0.3686 per unit declared on April 21, 2019 as cash dividend		(656)	(37,224)	(37,880)	-	-	-
Re. 0.3775 per unit declared on May 05, 2019 as cash dividend		(6,868)	(38,161)	(45,029)	-	-	-
Re. 0.2497 per unit declared on May 19, 2019 as cash dividend		(169)	(23,560)	(23,729)	-	-	-
Re. 0.5288 per unit declared on June 03, 2019 as cash dividend		(248)	(32,424)	(32,672)	-	-	-
Re. 0.5858 per unit declared on June 27, 2019 as cash dividend		(1,016)	(38,310)	(39,326)	-	-	-
Net income for the year less distribution		(538,525)	(209,430)	(747,955)		508,616	508,616
Net assets at the end of the year		6,731,382	105,945	6,837,326	14,120,429	333,781	14,454,210
Undistributed income brought forward comprises of:							
Realised gain			333,781	333,781		80,087	80,087
Unrealised gain			-	-		-	-
Total undistributed income brought forward			333,781	333,781		80,087	80,087
Income available for distribution:							
Relating to capital gains			-	-		-	-
Excluding capital gains			936,890	936,890		253,694	253,694
			936,890	936,890		253,694	253,694
Distributions during the year:							
Annual distribution at Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend			(253,759)	(253,759)		-	-
Interim distributions during the year ended June 30, 2019			(910,968)	(910,968)		-	-
			(1,164,727)	(1,164,727)		-	-
Undistributed income carried forward			105,945	105,945		333,781	333,781
Undistributed income carried forward comprises of:							
Realised gain			105,945	105,945		333,781	333,781
Unrealised gain			-	-		-	-
Total undistributed income carried forward			105,945	105,945		333,781	333,781
				(Rupees)			**(Rupees)**
Net assets value per unit at the beginning of the year				106.2344			100.6834
Net assets value per unit at the end of the year				100.7804			106.2344

The annexed notes from 1 to 33 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

1.1 UBL Liquidity Plus Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. It was constituted under the Trust Deed dated May 07, 2009 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

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

1.3 The Fund is a money market scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended money market scheme in accordance with Circular No. 7 of 2009 issued by the SECP and it commences its operations on June 21, 2009.

1.4 The principal activity of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.

1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

1.6 VIS Credit Rating Company has assigned an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 27, 2018 and a stability rating of "AA (f)" to the Fund as on December 31, 2018.

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, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values. These financial statements have been prepared by following accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Classification and measurement of financial assets and financial liabilities
For details please refer notes 4.2.1.1 and 23 to these financial statements.

Impairment of financial assets
For details please refer notes 4.2.1.2 to these financial statements.

Provision for taxation
For details please refer notes 4.7 and 20 to these financial statements.

Workers' Welfare Fund

For details please refer note 14.2 to these financial statements.

Other assets

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

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

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

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

		Effective date (annual periods beginning on or after)
Conceptual Framework for Financial Reporting 2018 - Original Issue		March 01, 2018
IAS 7	Financial Instruments: Disclosures - additional hedge accounting disclosures(and consequential amendments) resulting from the introduction of the hedge accounting	July 01, 2018
IFRS 9	Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without	July 01, 2018
IFRS 9	Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 01, 2018
IAS 39	Financial Instruments: Recognition and Measurements- amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope	July 01, 2018

		Effective date (annual periods beginning on or after)

3.2 Standards / Amendments that are effective in current year and not relevant to the Fund

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

IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment	January 01, 2018
IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 5	Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 8	Amendments regarding the interaction of IFRS 4 and	January 01, 2018
IFRS 15	Original issue	July 01, 2018
IFRS 15	Clarifications to IFRS 15	July 01, 2018
IAS 40	Investment Property - amendments to clarify transfers of property to, or from, investment property	January 01, 2018

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

Annual Improvements to IFRSs (2014 – 2016) Cycle:

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

		Effective date (annual periods beginning on or after)

3.3 Amendments not yet effective

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

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38,IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 8	Amendments regarding prepayment features with negative compensation and modifications of financial	January 01, 2019
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of	January 01, 2020
IAS 19	Employee benefits - amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 17	Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates	January 01, 2019

		Effective date (annual periods beginning on or after)

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

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

3.4 Standards or interpretations not yet effective

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

IFRS 16	Leases	January 01, 2019

The Funds expects that the adoption of IFRS 16 will not have any material impact and therefore will not affect the Funds's financial statements in the period of initial application.

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for reporting period / year ending on or after June 30, 2019.

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 details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund’s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
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 following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 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					
Bank balances - Saving Accounts	(a)	Loans and receivables	Amortised cost	12,991,421	12,991,421
Term Deposit Receipts (TDRs)	(a)	Loans and receivables	Amortised cost	1,580,000	1,580,000
Mark-up / interest receivable	(a)	Loans and receivables	Amortised cost	18,914	18,914
Deposits and other receivable	(a)	Loans and receivables	Amortised cost	15,531	15,531
				14,605,866	14,605,866

(a) These financial assets classified as 'loans and receivables' have been classified as amortised

4.2.1.2 Impairment of financial assets

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

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

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.

For financial assets classified as 'at amortized cost', 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.

4.2.1.3 Transition

The Fund has used the exemption not to restate comparative periods. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets measured at FVTPL.

4.2.1.4 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.

4.2.1.5 Derecognition

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

4.2.2 Financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities.

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

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

4.2.3 Offsetting of financial assets and liabilities

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

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.4 Provisions

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

4.5 Collaterals

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

4.6 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and Government securities, are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement on a time proportionate basis.

Transactions of sale under repurchase (repo) of marketable and Government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement on a time proportionate basis.

4.7 Taxation

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

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

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

4.8 Proposed distributions

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

4.9 Issuance and redemption of units

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

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

4.10 Element of income

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

4.11 Net asset value per unit

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

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments is accounted for in the year in which it arises.
- Unrealised (loss) / gain on revaluation of investments classified as financial assets at fair value through profit or loss is included in the income statement in the year in which it arises.
- Unrealised (loss) / gain on revaluation of investments classified as financial assets at fair value through other comprehensive income is included in the equity through other comprehensive income in the year in which it arises.
- Income on reverse repurchase lending arrangements, certificates of investment, placements, Government securities and investments in debt securities is recognised at rate of return implicit in the instrument / arrangement on a time
- Profit on bank balances and term deposits is recorded on accrual basis.

4.13 Foreign currency transactions

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

4.14 Transactions with related parties / connected persons

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

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

	Note	2019	2018
		------- (Rupees in '000) -------	
5 BANK BALANCES			
Cash at bank			
In current accounts		4	4
In savings accounts	5.1	5,986,227	12,991,417
		5,986,231	12,991,421

5.1 Profit rates on these savings accounts range between 4.00% to 13.40% per annum (June 30, 2018: 3.75% to 6.60% per annum). This includes an amount of Rs. 29.27 million (June 30,2018: Rs. 32.157 million) held by a related party (United Bank Limited) on which return is earned at 4.5% (June 30, 2018: 4.00%) per annum.

	Note	2019	2018
		------- (Rupees in '000) -------	
6 PLACEMENTS AND TERM DEPOSIT RECEIPTS			
Opening balance		1,580,000	-
Acquired during the year		50,633,000	14,416,000
Matured during the year	6.1 & 6.2	(51,363,000)	(12,836,000)
Closing balance	6.3	850,000	1,580,000

6.1 Term Deposit Receipts having face value of Rs. 2,250 million carrying interest rate ranging from 10.75% to 11% were acquired and matured during the year.

6.2 Letter of Placements having face value of Rs. 47,533 million carrying interest rates ranging from 7.70% to 14% were acquired and matured during the year.

6.3 This consists of Letter of Placements having face value of Rs. 350.000 million and Rs. 500.000 million, carries interest at the rate of 13.5% and 14.0% per annum, respectively, and will mature on August 01, 2019 and January 02, 2020 respectively.

7 INVESTMENTS

7.1 Government Securities classified as financial asset at fair value through profit or loss (June 30, 2018: Government Securities designated at fair value through profit or loss).

Name of security	At the beginning of the year	Acquired during the year	Sold / matured during the year	At the end of the year	Market value as at June 30, 2019	Market value as at June 30, 2018	Percentage of investment
	---- No. of holdings ----				--- (Rupees in '000) ---		
Market Treasury Bills *							
T bills 3 months	-	1,135,010	1,135,010	-	-	-	0%
	-	1,135,010	1,135,010	-	-	-	0%

* These T-bills had a nominal value of Rs 100,000 each.

	2019	2018
	------- (Rupees in '000) -------	
8 MARK-UP / INTEREST RECEIVABLE		
Markup / interest receivable on:		
Savings accounts	63,648	15,414
Letter of placements / Term deposit receipts	3,097	3,500
	66,745	18,914

		2019	2018
		------- (Rupees in '000) -------	

9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

	2019	2018
Deposit for CDS account	100	100
Prepaid rating fees	244	239
Other receivables	57	36
Receivable against issuance of units	47,503	15,395
	47,904	15,770

10 ADVANCE TAX

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

11 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

	Note	2019	2018
Remuneration payable (including Sindh Sales tax)	11.1	6,314	7,952
Conversion charges payable		118	96
Allocated expense payable	19	-	2,874
Others		17	-
		6,449	10,922

11.1 As per NBFC Regulations, the Management Company is entitled to remuneration of an amount not exceeding 1% of average annual net assets of the Fund. The Management Company has charged remuneration at the rate of 7.5% of the gross earnings of the Fund calculated on a daily basis subject to minimum of 0.25% and maximum of 1% of the average daily net assets.

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

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

12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee fee payable (including Sindh Sales tax)	12.1 & 12.2	548	1,185

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

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

Up to Rs. 1,000 million	0.15% p.a. of NAV
Rs. 1,000 million to Rs. 10,000 million	Rs. 1.5 million plus 0.075% p.a. of NAV exceeding Rs. 1,000 million
Exceeding Rs. 10,000 million	Rs. 8.25 million plus 0.06% p.a. of NAV exceeding Rs. 10,000 million

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

13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	13.1	8,912	7,080

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

14 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		530	469
Brokerage expense payable		1,112	219
Payable against legal charges		61	11

	Note	2019	2018
		------- (Rupees in '000) -------	
Capital gains tax payable		520	15,999
Zakat deducted at source payable		1,263	715
Payable against redemption of units		-	48,565
Withholding tax payable		5,154	-
Provision for indirect duties and taxes	14.1	55,390	55,390
Provision for Sindh Workers' Welfare Fund	14.2	32,932	13,822
Dividend payable		2,652	-
Other payable		25	-
		99,639	135,190

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

On June 30, 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 July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 55.390 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2019 would have been higher by Re. 0.8164 per unit (June 30, 2018: Rs. 0.4071 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

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

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

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

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

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

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on January 12, 2017. In response to the aforementioned letter SECP vide its letter dated February 1, 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the financial statements of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on January 12, 2017.
Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.4854 per unit (2018: Rs. 0.1016 per unit).

15 CONTINGENCIES AND COMMITMENTS

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

16 NUMBER OF UNITS IN ISSUE

	2019	2018
	------------(Number of units)------------	
Total units in issue at the beginning of the year	136,059,656	40,545,329
Add: Units issued	295,813,917	359,901,975
Less: Units redeemed	(364,029,800)	(264,387,648)
Total units in issue at the end of the year	67,843,773	136,059,656

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

17 FINANCIAL INCOME

	2019	2018
Markup / interest income on:		
Bank balances	424,427	281,275
Placements and term deposit receipts	200,555	72,300
Market Treasury Bills	513,148	249,901
	1,138,130	603,476

18 AUDITORS' REMUNERATION

	2019	2018
Annual audit fee	369	348
Fee for half yearly review	173	163
Fee for review of compliance with the requirements of the Code of Corporate Governance	43	43
Fee for other certifications / services	46	43
Out of pocket expenses and sales tax	175	141
	806	738

19 ALLOCATED EXPENSES

As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme. Previously, the Fund was required to charge such expenses up to a maximum of 0.1% of the average annual net assets or the actual cost whichever is lower. The SECP, vide S.R.O 639(I)/2019 dated June 30, 2019, has withdrawn the requirement to restrict allocated expenses up to a maximum of 0.1% of the average annual net assets. During the year, the Management Company has charged allocated expenses till December 18, 2018.

20 TAXATION

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

21 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.

22 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the Total Expense Ratio of the Fund is 1.21% as on June 30, 2019 which includes 0.34% representing Government Levy, Worker's Welfare Fund and SECP fee.

23 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, the financial assets carried on the statement of assets and liabilities are categorised as at 'Amortised cost'. The financial liabilities carried on the statement of assets and liabilities are categorised as at amortised cost i.e. liabilities other than 'at fair value through profit or loss'.

Particulars	As at June 30, 2019		
	Amortised Cost	Financial assets 'at fair value through profit or loss'	Total
	---------- Rupees in '000 ----------		
Financial assets			
Bank balances	5,986,231	-	5,986,231
Letter of placements	850,000	-	850,000
Mark-up / interest receivable	66,745	-	66,745
Deposits and other receivable	47,660	-	47,660
	6,950,636	-	6,950,636

Particulars	As at June 30, 2019		
	Financial liabilities 'at fair value through profit or loss'	Financial liabilities at 'amortised cost'	Total
	---------- Rupees in '000 ----------		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	5,723	5,723
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	485	485
Accrued expenses and other liabilities	-	4,380	4,380
	-	10,588	10,588

Particulars	As at June 30, 2018		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	---------------------------------- Rupees in '000	----------------------------------	
Financial assets			
Bank balances	12,991,421	-	12,991,421
Term deposit receipts	1,580,000	-	1,580,000
Mark-up / interest receivable	18,914	-	18,914
Deposits and other receivable	15,495	-	15,495
	14,605,830	-	14,605,830

Particulars	As at June 30, 2018		
	Financial liabilities 'at fair value through profit or	Other financial liabilities	Total
	---------------------------------- Rupees in '000	----------------------------------	
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	10,007	10,007
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	1,049	1,049
Accrued expenses and other liabilities	-	49,264	49,264
	-	60,320	60,320

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

		June 30, 2019 (Percentage)
1	Continental Exchange (Private) Limited	31.6%
2	Bright Capital (Private) Limited	11.5%
3	Invest One Markets Limited	9.2%
4	Vector Capital (Private) Limited	8.9%
5	Pearl Securities Limited	7.4%
6	Icon Securities (Private) Limited	5.3%
7	BIPL Securities Limited (Formerly KASB Securities Limited)	4.5%
8	Paramount Capital (Private) Limited	4.5%
9	Magenta Capital (Private) Limited	4.0%
10	C&M Management (Private) Limited	4.0%
		90.8%

		June 30, 2018 (Percentage)
1	Bright Capital (Private) Limited	37.2%
2	Currency Market Associates (Private) Limited	20.1%
3	Invest Capital Markets Limited	15.9%
4	Paramount Capital (Private) Limited	6.9%
5	Invest One Markets Limited	5.1%
6	Elixir Securities Pakistan (Private) Limited	4.6%
7	C&M Management (Private) Limited	2.4%
8	Next Capital Limited	2.3%
9	Pearl Securities Limited	2.1%
10	Summit Capital (Private) Limited	1.4%
		98.0%

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

Details of the members of the Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	17.74	MBA, CFA
3	Muhammad Waseem	Acting Head of Research	5.14	BBA
4	Hadi Hassan Mukhi	Head of Risk, Management, Compliance, Information Security and Quality Assurance	18.91	B.Com
5	Asim Wahab Khan	Head of Investment Strategy and Equities	13.45	MBA, CFA
6	Usama Bin Razi	Fund Manager	15.7	MBA

Usama Bin Razi is the Fund Manager of the Fund. He is also the Fund Manager of UBL Growth and Income Fund, UBL Asset Allocation Fund, UBL Government Securities Fund, UBL Retirement Savings Fund, UBL Capital Protected Fund III, UBL Special Savings Fund, Al-Ameen Islamic Aggressive Income Fund and Al-Ameen Islamic Asset Allocation Fund.

26 **PATTERN OF UNIT HOLDING**

Category	-------------------------June 30, 2019-------------------------		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	5,802	18,831,069	27.76%
Associated Companies and Key Executives	4	147,324	0.22%
Insurance Companies	1	102,978	0.15%
Retirement Funds	20	1,776,525	2.62%
Public Limited Companies	29	33,086,625	48.77%
Others	46	13,899,253	20.49%
	5,902	67,843,774	100.00%

Category	-------------------------June 30, 2018-------------------------		
	Number of unit holders	Number of units held	Percentage of units held
Individuals	5,251	19,287,342	14.18%
Associated Companies and Directors	9	8,516,269	6.26%
Insurance Companies	3	665,412	0.49%
Retirement Funds	23	2,652,184	1.95%
Public Limited Companies	32	90,151,270	66.26%
Others	41	14,787,179	10.87%
	5,359	136,059,656	100.00%

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

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee), Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	------ (Rupees in '000) ------					
Transactions during the year ended June 30, 2019						
Profit on savings accounts	-	27,241	-	-	-	-
Bank charges	-	109	-	-	-	-
Units issued	136,779	6,137	-	399,243	6,576	10,010,749
Units redeemed	791,123	17,609	-	568,059	15,746	7,546,692
Dividend paid	38,911	936	-	9,788	2,456	252,248
Purchase of securities	-	2,091,972	-	1,518,709	-	-
Sale of securities	-	6,023,448	-	980,151	-	-
Remuneration (including Sindh sales tax)	94,058	-	10,528	-	-	-
Allocated expenses	6,443	-	-	-	-	-
Listing fee	-	-	-	-	-	25
Custody fee	-	-	7	-	-	-
Transactions during the year ended June 30, 2018						
Profit on savings accounts	-	9,410	-	-	-	-
Bank charges	-	92	-	-	-	-
Units issued	1,247,580	15,300	-	3,850,631	35,676	4,262,620
Units redeemed	577,163	27,039	-	3,706,334	15,234	1,623,552
Purchase of securities	-	4,495,025	-	800,267	-	-
Sale of securities	-	346,633	-	1,470,171	-	-
Remuneration (including sindh sales tax)	54,915	-	-	-	-	-
Allocated expenses	8,596	-	8,567	-	-	-
Listing fee	-	-	-	-	-	25
Custody fee	-	-	8	-	-	-
Balances held as at June 30, 2019						
Units held (in Units '000)	-	-	-	-	147	24,399
Units held (in Rupees '000)	-	-	-	-	14,847	2,458,989
Bank balances	-	29,278	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	6,314	-	548	-	-	-
Other payables	135	-	-	-	-	-
Profit receivable	-	279	-	-	-	-
Balances held as at June 30, 2018						
Units held (in Units '000)	6,496	114	-	1,668	238	25,045
Units held (in Rupees '000)	690,099	12,111	-	177,199	25,284	2,660,641
Bank balances	-	32,158	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	7,935	-	1,185	-	-	-
Other payables	113	-	-	-	-	-
Allocated expense payable	2,874	-	-	-	-	-
Profit receivable	-	221	-	-	-	-

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:

Particulars	August 28, 2018	October 26 , 2018	November 08, 2018	December 11, 2018	February 27, 2019	April 29, 2019	May 06, 2019	Total meetings attended
Name of Directors:								
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	✓	7
Mirza Muhammad Sadeed Hassan Barlas*	✓	N/A	N/A	N/A	N/A	N/A	N/A	1
Mr. Imran Sarwar**	N/A	N/A	✓	✓	×	✓	✓	4
Mr. Tauqeer Mazhar**	N/A	N/A	✓	✓	×	×	✓	3
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	✓	7
Mr. Zia Ijaz*	×	N/A	N/A	N/A	N/A	N/A	N/A	0
Mr. Sharjeel Shahid*	✓	N/A	N/A	N/A	N/A	N/A	N/A	1
Ms. Naz Khan	✓	✓	✓	✓	✓	✓	✓	7
Ms. Sadia Saeed**	N/A	N/A	✓	✓	✓	✓	✓	5
Syed Furrukh Zaeem	✓	✓	✓	×	✓	✓	✓	6
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 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

29.1 Market risk

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

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

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

29.1.1 Currency risk

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

29.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2019, the Fund is exposed to such risk on its balances held with bank, investments in Placements, and Government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts the interest rates on which range between 4.00% to 13.40% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2019, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 59.862 million (2018: Rs. 145.714 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to Fair value interest rate risk for investment in term deposit receipts, the interest rate on which range between 13.5% to 14% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2019, with all other variables held constant, the net income for the year and the net assets would have been lower / higher by Rs. 8.500 million (2018: Rs. 15.800 million).

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

Particulars	---------- June 30 , 2019 ----------					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	--------------(Rupees in '000)--------------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.25 - 13.4	5,986,231	5,986,227	-	-	4
Term deposit receipts	13.5- 14	850,000	350,000	500,000	-	-
Mark-up / interest receivable		66,745	-	-	-	66,745
Deposits and other receivable		47,660	-	-	-	47,660
Sub total		6,950,636	6,336,227	500,000	-	114,409
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		5,723	-	-	-	5,723
Payable to the Central Depository Company of Pakistan Limited - Trustee		485	-	-	-	485
Accrued expenses and other liabilities		4,380	-	-	-	4,380
Sub total		10,588	-	-	-	10,588
On-balance sheet gap (a)		6,940,048	6,336,227	500,000	-	103,821
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			6,336,227	500,000	-	
Cumulative interest rate sensitivity gap			6,336,227	500,000	-	

Particulars	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
	-- June 30 , 2018					
			Upto three months	More than three months and upto one year	More than one year	
	%	---------------------------(Rupees in '000)----------------------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.75 - 6.60	12,991,421	12,991,417	-	-	4
Term deposit receipts	6.29 - 7.60	1,580,000	1,580,000	-	-	-
Mark-up / interest receivable		18,914	-	-	-	18,914
Deposits and other receivable		15,495	-	-	-	15,495
Sub total		14,605,830	14,571,417	-	-	34,413
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		10,007	-	-	-	10,007
Payable to the Central Depository Company of Pakistan Limited - Trustee		1,049	-	-	-	1,049
Accrued expenses and other liabilities		49,264	-	-	-	49,264
Sub total		60,320	-	-	-	60,320
On-balance sheet gap (a)		14,545,510	14,571,417	-	-	(25,907)
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			14,571,417	-	-	
Cumulative interest rate sensitivity gap			14,571,417	-	-	

29.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund is not exposed to the risk as its constitutive documents prohibit it from investing in equity securities.

29.2 Liquidity risk

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

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

Management of liquidity risk

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

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

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

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

Particulars	June 30, 2019			
	Upto three months	More than three months and upto one year	Over one year	Total
	Rupees in '000			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	5,723	-	-	5,723
Payable to the Central Depository Company of Pakistan Limited - Trustee	485	-	-	485
Accrued expenses and other liabilities	4,380	-	-	4,380
Total liabilities	10,588	-	-	10,588

Particulars	June 30, 2018			
	Upto three months	More than three months and upto one year	Over one year	Total
	Rupees in '000			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	10,007	-	-	10,007
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,049	-	-	1,049
Accrued expenses and other liabilities	49,264	-	-	49,264
Total liabilities	60,320	-	-	60,320

29.3 Credit risk

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

Management of credit risk

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

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'. Investment in Government securities, however, are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

29.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2019:

Balances with banks by rating category

Name of the bank	Rating agency	Balances held by the Fund as at June 30, 2019	La pub at
		Rupees in '000	
Allied Bank Limited	PACRA	27	
Askari Bank Limited	PACRA	7	
Bank Alfalah Limited	PACRA	4,430,249	
Faysal Bank Limited	JCR-VIS	43	
Habib Bank Limited	JCR-VIS	1,509,554	
Habib Metropolitan Bank Limited	PACRA	1,527	
Meezan Bank Limited	JCR-VIS	10	
United Bank Limited	JCR-VIS	29,278	
Sindh Bank Limited	JCR-VIS	11	
Samba Bank Limited	JCR-VIS	12,144	
MCB Bank Limited	PACRA	2,840	
Zarai Taraqiati Bank Limited	JCR-VIS	7	
National Bank of Pakistan	PACRA	534	
		5,986,231	

29.3.2 The analysis below summarizes the credit quality of the Fund’s credit exposure:

Rating by rating category	2019	2018
	---------- (Percentage) ----------	
AAA	46.00	46.00
AA- to AA+	46.00	54.00
A+	8.00	-
	100.00	100.00

Concentration on credit risk

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

The Fund's major asset balances are held with one bank. The management believes that these banks are reputed institutions.

30 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. The Fund’s objective when managing the unit holders' fund is to safeguard the Fund’s ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund’s policy is to perform the following:

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

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

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

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

As of June 30, 2019, the Fund does not hold any financial instrument measured at fair value.

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

32 DATE OF AUTHORIZATION FOR ISSUE

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

33 GENERAL

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

For UBL Fund Managers Limited
(Management Company)

SD	SD	SD
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

UMMF

UBL Money Market Fund

INVESTMENT OBJECTIVE

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	KPMG - Taseer Hadi & Co
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (JCR VIS)
Fund Rating	AA(f) (JCR VIS)

Fund Manager's Report – UBL Money Market Fund (UMMF)

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

Money Market / Open-end

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

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

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

The Fund achieved its stated objective.

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

70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP

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

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
UMMF	6.56%	6.71%	6.41%	7.68%	7.22%	9.02%	9.75%	9.88%	9.42%	9.93%	7.97%	12.21%	8.54%
Benchmark	6.30%	6.66%	6.89%	7.50%	7.97%	8.83%	8.99%	9.27%	9.76%	10.11%	10.77%	11.66%	8.72%

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

During the period under review, UMMF generated a return of 8.54% p.a during FY19. Net assets of the fund were PKR 2.725mn at the end of FY19. The Fund Manager maintained a high-quality liquid profile during the period with major allocation to cash. The weighted average time to maturity of the fund was 15.60 days at the end of FY19.

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
Placements with Banks	8%	0%
Placements with DFIs	0%	12%
PIBs	0%	0%
GoP Ijarah Sukuk	0%	0%
T-Bills	0%	0%
Cash	91%	87%

Others	0%	1%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	8.54%
Standard Deviation (12m trailing):	0.12%
Sharpe Ratio (12m trailing):	(10.63)

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		%
2,725,431	1,615,172	68.69	100.6767	105.6073	(4.67)

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

xi) <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.

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

Distribution				Per unit	
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	Rupees (000)		*-------------- Rupees --------------*		
02-Jul-18	-	78,655	5.1412	105.6073	100.4661
24-Jun-19	-	107,593	8.3440	108.8101	100.4661

xiii) Breakdown of unit holdings by size

Range of Units	Number of Investors
	UMMF
0.0001 - 9,999.9999	1,347
10,000.0000 - 49,999.9999	146
50,000.0000 - 99,999.9999	21
100,000.0000 - 499,999.9999	33
500,000.0000 & Above	12
Total	**1,559**

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Money Market Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**2,725,431**	1,615,672	876,240
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer	**101.8143**	106.8007	101.6014
- Redemption	**100.6767**	105.6073	100.4661
RETURN OF THE FUND - %			
Total Return of the Fund	**8.54**	5.12	5.41
Capital Growth (per unit)	**0.64**	5.12	0.01
Date of Income Distribution	**24-Jun-19**	-	26-Jun-17
Income Distribution	**8.344**	-	5.40
Date of Income Distribution	**2-Jul-18**	-	-
Income Distribution	**5.1412**	-	-
AVERAGE ANNUAL RETURN - %			
One Year	**8.54**	5.12	5.41
Second Year	**6.83**	5.27	5.28
Third Year	**6.36**	5.23	6.18
Forth Year	**6.06**	5.92	6.59
Fifth Year	**6.44**	6.29	7.13
Since inception	**8.16**	8.11	8.54
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	**110.0008**	106.8007	106.9419
Highest price per unit - Class C units - Redemption	**108.7717**	105.6073	105.7470
Lowest price per unit - Class C units - Offer	**101.6014**	101.6261	101.4997
Lowest price per unit - Class C units - Redemption	**100.4661**	100.4906	100.3656

* Front-end load @ 1% is applicable

PORTFOLIO COMPOSITION - %
Percentage of Net Assets as at 30 June

PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**87**	92.00	99.00
Placements and Term Deposit Receipts	**12**	8.00	-
Others	**1**	-	-

PORTFOLIO COMPOSITION BY MARKET - %			
Debt market	**100**	100	99

Note:
- The Launch date of Fund is 14 Oct 2010

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

UBL MONEY MARKET FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Money Market Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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

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

NAME OF FUND: **UBL Money Market 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 UBL Money Market 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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info@ublfunds.com
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit holders of UBL Money Market Fund

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 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 UBL Money Market 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.

Date: 19 September 2019

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

KPMG Taseer Hadi & Co.
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Karachi 75530 Pakistan
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Independent Auditors' Report

To the Unit holders of UBL Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UBL Money Market Fund** ("the Fund"), which comprise the statement of assets and liabilities as at 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.

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

KPMG Taseer Hadi & Co.

Date: 19 September 2019

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

UBL Money Market Fund
Statement of Assets and Liabilities
As at 30 June 2019

	Note	2019	2018
		---- (Rupees in '000) ----	
Assets			
Bank balances	6	**2,388,715**	1,490,596
Investments	7	**340,000**	135,000
Profit receivable	8	**21,992**	3,058
Deposits, prepayments and other receivables	9	**1,373**	1,769
Advance tax	10	**1,589**	1,071
Total assets		**2,753,669**	1,631,494
Liabilities			
Payable to the Management Company	11	**2,684**	998
Payable to Central Depository Company of Pakistan Limited - Trustee	12	**222**	169
Payable to Securities and Exchange Commission of Pakistan	13	**1,414**	828
Accrued expenses and other payables	14	**23,918**	13,827
Total liabilities		**28,238**	15,822
Net assets		**2,725,431**	1,615,672
Unit holders' fund (as per statement attached)		**2,725,431**	1,615,672
Contingencies and commitments	19		
		(Number of Units)	
Number of units in issue		**27,071,133**	15,298,865
		(Rupees)	
Net assets value per unit	4.11	**100.6767**	105.6073

The annexed notes 1 to 31 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**

UBL Money Market Fund

Income Statement

For the year ended 30 June 2019

	Note	**2019**	2018
		---- (Rupees in '000) ----	
Income			
Markup on bank deposits and mark-up / return on investments calculated using the effective interest method	*15*	**191,342**	71,446
Realised (loss) on sale of investments	*16*	**(7,283)**	(116)
Other income		**298**	46
Total income		**184,357**	71,376
Expenses			
Remuneration of the Management Company	*11.1*	**13,891**	7,647
Sindh Sales Tax on the Management Company's remuneration	*11.2*	**1,806**	994
Allocation of expenses relating to the Fund	*11.3*	**1,885**	1,103
Remuneration of Central Depository Company of Pakistan Limited - Trustee	*12.1*	**2,445**	1,691
Annual fee of Securities and Exchange Commission of Pakistan	*13*	**1,414**	828
Bank charges		**292**	298
Auditors' remuneration	*17*	**727**	637
Listing fees		**27**	27
Legal and professional charges		**211**	152
Brokerage expenses		**387**	44
Other expenses		**235**	253
Total operating expenses		**23,320**	13,674
Net income from operating activities		**161,037**	57,702
Provision for Sindh Workers' Welfare Fund	*14.2*	**(3,160)**	(1,132)
Net income for the year before taxation		**157,877**	56,570
Taxation	*18*	**-**	-
Net income for the year after taxation		**157,877**	56,570
Allocation of net income for the year after taxation			
Net income for the year after taxation		**157,877**	56,570
Income already paid on units redeemed		**(93,332)**	(37,863)
Accounting income available for distribution		**64,545**	18,707
Accounting income available for distribution			
- Relating to capital gains		**-**	-
- Excluding capital gains		**64,545**	18,707
		64,545	18,707

The annexed notes 1 to 31 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**

UBL Money Market Fund
Statement of Comprehensive Income
For the year ended 30 June 2019

	2019	2018
	---- (Rupees in '000) ----	
Net income for the year after taxation	**157,877**	56,570
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**157,877**	56,570

The annexed notes 1 to 31 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**

UBL Money Market Fund

Statement of Movement in Unit holders' Fund

For the year ended 30 June 2019

	2019			2018		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	------ (Rupees in '000) ------					
Net assets at beginning of the year	**1,590,492**	**25,180**	**1,615,672**	869,767	6,473	876,240
Issuance of 69,804,765 units (2018: 51,468,020 units)						
- Capital value	**7,013,013**	**-**	**7,013,013**	5,212,022	-	5,212,022
- Element of income	**181,825**	**-**	**181,825**	129,025	-	129,025
Total proceeds on issuance of units	**7,194,838**	**-**	**7,194,838**	5,341,047	-	5,341,047
Redemption of 58,032,497 units (2018: 44,890,908 units)						
- Capital value	**(5,830,299)**	**-**	**(5,830,299)**	(4,531,759)	-	(4,531,759)
- Element of loss	**(133,077)**	**(93,332)**	**(226,409)**	(88,563)	(37,863)	(126,426)
Total payments on redemption of units	**(5,963,376)**	**(93,332)**	**(6,056,708)**	(4,620,322)	(37,863)	(4,658,185)
Total comprehensive income for the year	**-**	**157,877**	**157,877**	-	56,570	56,570
Final distribution for the year ended 30 June 2018: Rs. 5.1412 per unit declared on 02 July 2018 (31 December 2017: Nil)	**(59,909)**	**(18,746)**	**(78,655)**	-	-	-
Interim distribution for the year ended 30 June 2019: Rs. 8.344 per unit paid on 24 June 2019	**(47,910)**	**(59,683)**	**(107,593)**	-	-	-
Net income for the year less distribution	**(107,819)**	**79,448**	**(28,371)**	-	56,570	56,570
Net assets at end of the year	**2,714,135**	**11,296**	**2,725,431**	1,590,492	25,180	1,615,672
Undistributed income brought forward:						
- Realised income		**25,180**			6,473	
- Unrealised income		**-**			-	
		25,180			6,473	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**64,545**			18,707	
		64,545			18,707	
Final distribution for the year ended 30 June 2018: Rs. 5.1412 per unit declared on 02 July 2018 (31 December 2017: Nil)		**(18,746)**			-	
Interim distribution for the year ended 30 June 2019: Rs. 8.344 per unit paid on 24 June 2019		**(59,683)**			-	
Undistributed income carried forward		**11,296**			25,180	
Undistributed income carried forward comprise of:						
- Realised income		**11,296**			25,180	
- Unrealised income		**-**			-	
		11,296			25,180	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			**105.6073**			100.4661
Net assets value per unit at end of the year			**100.6767**			105.6073

The annexed notes 1 to 31 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**

UBL Money Market Fund
Cash Flow Statement
For the year ended 30 June 2019

	Note	2019	2018
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**157,877**	56,570
Adjustments for non-cash and other items:			
Markup on bank deposits and mark-up / return on investments calculated using the effective interest method		**(191,342)**	(71,446)
Realised loss on sale of investments		**7,283**	116
Provision for Sindh Workers' Welfare Fund		**3,160**	1,132
		(180,899)	(70,198)
Net cash used in operations before working capital changes		**(23,022)**	(13,628)
Working capital changes			
(Increase) in assets			
Investments		**(197,283)**	(116)
Deposits, prepayments and other receivables		**(1)**	-
Advance tax		**(518)**	(562)
		(197,802)	(678)
Increase / (decrease) in liabilities			
Payable to the Management Company		**1,686**	(312)
Payable to Central Depository Company of Pakistan Limited - Trustee		**53**	7
Payable to Securities and Exchange Commission of Pakistan		**586**	321
Accrued expenses and other payables		**6,931**	(3,390)
		9,256	(3,374)
Profit received		**172,408**	74,260
Net cash flows (used in) / generated from operating activities		**(39,160)**	56,580
CASH FLOWS FROM FINANCING ACTIVITIES	*21*		
Proceeds from issuance of units		**7,087,416**	5,341,400
Payments on redemption of units		**(6,056,708)**	(4,658,185)
Cash distribution to unit holders		**(78,429)**	-
Net cash flows generated from financing activities		**952,279**	683,215
Net increase in cash and cash equivalents		**913,119**	739,795
Cash and cash equivalents at beginning of the year		**1,625,596**	885,801
Cash and cash equivalents at end of the year		**2,538,715**	1,625,596
CASH AND CASH EQUIVALENTS			
Bank balances		**2,388,715**	1,490,596
Term deposit receipts		**-**	135,000
Letter of placement		**150,000**	-
Cash and cash equivalents at end of the year		**2,538,715**	1,625,596

The annexed notes 1 to 31 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

UBL Money Market 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 10 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 14 October 2010.

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

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

The investment objective of the Fund is to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- 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 recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4.3 - 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:

- Notes 4.2.4 and 4.3 - Valuation of investments
- Notes 4.2.5, 4.3 and 4.18 - Impairment of financial instruments 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 stated otherwise.

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 conseqential 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 interest 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 profit, mark-up 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 4.

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 recognized.

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 amoritised 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 period 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

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

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, (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 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 the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Basis of valuation of Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

c) Loans and receivables

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

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

4.2.5 Impairment of financial assets

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

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

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.

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 interest / markup, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. 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 interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

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 the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

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

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

4.8 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 unitholders' 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 atleast 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.

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 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 note 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) ----	
Financial assets					
Bank balances	(a)	Loans and receivables	Amortised cost	1,490,596	1,490,596
Term deposit receipts and placement	(a)	Loans and receivables	Amortised cost	135,000	135,000
Profits receivable	(a)	Loans and receivables	Amortised cost	3,058	3,058
Deposit and other receivables	(a)	Loans and receivables	Amortised cost	1,672	1,672
Financial liabilities					
Payable to the Management Company	(b)	Other financial liabilities	Amortised cost	998	998
Payable to Central Depository Company of Pakistan Limited - Trustee	(b)	Other financial liabilities	Amortised cost	169	169
Accrued expenses and other payables	(b)	Other financial liabilities	Amortised cost	1,861	1,861

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

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

(b) The financial liabilites 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*	**2,174**	86
In saving accounts	*6.2*	**2,386,541**	1,490,510
		2,388,715	1,490,596

6.1 This represents balance with United Bank Limited, holding company of the Management Company.

6.2 These carry profit rates ranging from 4% to 13.4% (30 June 2018: 3.75% to 7.60%) per annum. This includes balance with United Bank Limited of Rs. 13.613 million (30 June 2018: Rs. 2.405 million) carrying profit rate of 8.25% (30 June 2018: 4%) per annum.

7 INVESTMENTS

	Note	**2019**	2018
		---- (Rupees in '000) ----	
Investments by category			
At fair value through profit or loss			
Government securities			
- Market Treasury bills	*7.1*	**-**	-
At amortised cost (30 June 2018: Loans and receivables)			
Letter of placements	*7.2*	**340,000**	-
Term deposit receipts	*7.3*	**-**	135,000
		340,000	135,000

7.1 Investment in Government securities - At fair value through profit or loss

Issue date	Tenor	Face value				Amortised cost as at 30 June 2019	Market value as at 30 June 2019	Market value as a percentage of	
		As at 01 July 2018	Purchases during the year	Sales / matured during the year	As at 30 June 2019			Total investments of fund	Net assets of fund
		(Rupees in '000)						%	
Market treasury bills									
June 7, 2018	3 months	-	75,000	75,000	-	-	-	-	-
July 19, 2018	3 months	-	1,466,000	1,466,000	-	-	-	-	-
August 2, 2018	3 months	-	1,150,000	1,150,000	-	-	-	-	-
October 11, 2018	3 months	-	4,000,000	4,000,000	-	-	-	-	-
December 6, 2018	3 months	-	3,800,000	3,800,000	-	-	-	-	-
January 3, 2019	3 months	-	500,000	500,000	-	-	-	-	-
January 17, 2019	3 months	-	500,000	500,000	-	-	-	-	-
February 14, 2019	3 months	-	2,995,000	2,995,000	-	-	-	-	-
February 28, 2019	3 months	-	550,000	550,000	-	-	-	-	-
April 11, 2019	3 months	-	500,000	500,000	-	-	-	-	-
April 25, 2019	3 months	-	875,000	875,000	-	-	-	-	-
May 9, 2019	3 months	-	1,000,000	1,000,000	-	-	-	-	-
May 23, 2019	3 months	-	1,000,000	1,000,000	-	-	-	-	-
		-	**18,411,000**	**18,411,000**	**-**	**-**	**-**	**-**	**-**

7.2 Letter of placements - at amortised cost

Name of Company	*Note*	Maturity Date	Placements made during the year	Placements matured during the year	As at 30 June 2019	Percentage of total value of investments	Percentage of Net Assets
			(Rupees in '000)			%	
PAIR Investment Company Limited		11 October 2018	150,000	150,000	-	-	-
Pak Brunei Investment Company Limited		11 October 2018	150,000	150,000	-	-	-
PAIR Investment Company Limited		29 November 2018	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		03 December 2018	150,000	150,000	-	-	-
Pak China Investment Company Limited		04 December 2018	150,000	150,000	-	-	-
Pak Oman Investment Company Limited		04 December 2018	150,000	150,000	-	-	-
Pak Oman Investment Company Limited		05 December 2018	178,000	178,000	-	-	-
Pak Brunei Investment Company Limited		06 December 2018	150,000	150,000	-	-	-
Zarai Taraqiati Bank Limited		06 December 2018	200,000	200,000	-	-	-
Askari Bank Limited		06 December 2018	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		06 December 2018	200,000	200,000	-	-	-
PAIR Investment Company Limited		07 December 2018	100,000	100,000	-	-	-
Pak Oman Investment Company Limited		10 December 2018	150,000	150,000	-	-	-
Pak Oman Investment Company Limited		13 December 2018	50,000	50,000	-	-	-
Pak Oman Investment Company Limited		14 December 2018	50,000	50,000	-	-	-
Pak Oman Investment Company Limited		17 December 2018	80,000	80,000	-	-	-
Pak Oman Investment Company Limited		18 December 2018	50,000	50,000	-	-	-
Pak Oman Investment Company Limited		19 December 2018	80,000	80,000	-	-	-
Pak Oman Investment Company Limited		20 December 2018	80,000	80,000	-	-	-
Pak Oman Investment Company Limited		21 December 2018	30,000	30,000	-	-	-
Pak Oman Investment Company Limited		24 December 2018	30,000	30,000	-	-	-
PAIR Investment Company Limited		31 Janauary 2019	50,000	50,000	-	-	-
PAIR Investment Company Limited		06 February 2019	125,000	125,000	-	-	-
Pak Oman Investment Company Limited		08 February 2019	160,000	160,000	-	-	-
Pak Brunei Investment Company Limited		14 February 2019	150,000	150,000	-	-	-
Pak Oman Investment Company Limited		15 February 2019	140,000	140,000	-	-	-
PAIR Investment Company Limited		28 February 2019	100,000	100,000	-	-	-
PAIR Investment Company Limited		04 March 2019	60,000	60,000	-	-	-
Pak Oman Investment Company Limited		08 March 2019	60,000	60,000	-	-	-
Pak Oman Investment Company Limited		08 March 2019	130,000	130,000	-	-	-
PAIR Investment Company Limited		11 March 2019	48,000	48,000	-	-	-
Pak Oman Investment Company Limited		12 March 2019	170,000	170,000	-	-	-
Zarai Taraqiati Bank Limited		18 April 2019	160,000	160,000	-	-	-
PAIR Investment Company Limited		10 May 2019	200,000	200,000	-	-	-
Pak Brunei Investment Company Limited		15 May 2019	185,000	185,000	-	-	-
Pak Oman Investment Company Limited		27 May 2019	200,000	200,000	-	-	-
Saudi Pak Industrial and Agricultural Investment				-	-		
Company Limited		27 May 2019	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		31 May 2019	200,000	200,000	-	-	-
Pak Brunei Investment Company Limited		31 May 2019	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		10 June 2019	200,000	200,000	-	-	-
Zarai Taraqiati Bank Limited		14 June 2019	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		14 June 2019	200,000	200,000	-	-	-
Pak Brunei Investment Company Limited		17 June 2019	200,000	200,000	-	-	-
Zarai Taraqiati Bank Limited		17 June 2019	200,000	200,000	-	-	-
Pak Oman Investment Company Limited		17 June 2019	200,000	200,000	-	-	-
PAIR Investment Company Limited	*7.2.1*	01 August 2019	150,000	-	150,000	43.95	0.06
Pak Brunei Investment Company Limited	*7.2.2*	02 January 2020	190,000	-	190,000	55.67	0.07
			6,656,000	**6,316,000**	**340,000**	**99.62**	**0.12**

7.2.1 This letter of placement has been placed at discount at a rate of 13.50% per annum and is being amortised over a period of 49 days.

7.2.2 This letter of placement has been placed at discount at a rate of 14.00% per annum and is being amortised over a period of 189 days.

7.3 It carries profit at rate of 7.35% per annum and was matured on 20 July 2018.

8 PROFIT RECEIVABLE

	2019	2018
	---- (Rupees in '000) ----	
Profits receivable on:		
- Bank balances	**20,702**	2,759
- Term deposit receipts	**-**	299
- Letter of placements	**1,290**	-
	21,992	3,058

9 DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

	2019	2018
Receivable against issuance of units	**1,175**	1,572
Security deposit with Central Depository Company of Pakistan Limited - Trustee	**100**	100
Prepayments	**98**	97
	1,373	1,769

10 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 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax year 2019.

11 PAYABLE TO THE MANAGEMENT COMPANY

	Note	2019	2018
		---- (Rupees in '000) ----	
Management remuneration payable	*11.1*	**1,804**	576
Sindh Sales Tax on management remuneration	*11.2*	**234**	75
Payable against allocation of expenses relating to the Fund	*11.3*	**180**	209
Sales load and other payables		**466**	138
		2,684	998

11.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1% of average annual net assets in case of Money Market Scheme. The Management Company has charged remuneration at the rate of 7.5% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted. Moreover, the fee is subject to a minimum of 0.25% of the daily net assets. This basis for accrual of management fee is applied with effect from 15 January 2018.

Previously, the Management Company of the Fund has charged remuneration at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted. The remuneration is paid to the Management Company on monthly basis in arrears.

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

11.3 As a result of amendments in 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% per annum of the average annual net assets, being lower.

12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2019	2018
		---- (Rupees in '000) ----	
Trustee remuneration	*12.1*	**196**	150
Sindh Sales Tax on Trustee remuneration	*12.2*	**26**	19
		222	169

12.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee 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	0.15% per annum of net assets value
- From Rs.1 billion to Rs.10 billion	Rs. 1.5 million plus 0.075% per annum of net assets value exceeding Rs.1 billion
- On amount exceeding Rs. 10 billion	Rs. 8.25 million plus 0.06% per annum of net assets value exceeding Rs. 10 billion.

12.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2016.

13 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

14 ACCRUED EXPENSES AND OTHER PAYABLES

	Note	**2019**	2018
		---- (Rupees in '000) ----	
Provision for indirect duties and taxes	*14.1*	**9,499**	9,499
Provision for Sindh Workers' Welfare Fund	*14.2*	**5,627**	2,467
Withholding tax deducted at source		**4,760**	-
Capital gains tax payable		**2,595**	668
Zakat deducted at source		**569**	520
Auditors' remuneration payable		**471**	397
Brokerage payable		**219**	56
Sindh Sales Tax payable		**-**	3
Sales load and other payables		**178**	217
		23,918	13,827

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

On 30 June 2016, the Honourable Sindh High Court 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. 9.499 million (30 June 2018: Rs. 9.499 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. 0.3509 per unit (30 June 2018: Rs. 0.6209 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.

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

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honourable Lahore High Court (LHC) and the Honourable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honourable Supreme Court of Pakistan (SCP). On 10 November 2016, the SCP passed a 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:

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

- 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. 0.2079 per unit (30 June 2018: Rs. 0.1613) per unit.

15 MARKUP ON BANK DEPOSITS AND MARK-UP / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2019	2018
	---- (Rupees in '000) ----	
Profits on:		
- Bank balances	**87,073**	40,060
- Term deposit receipts / letter of placement	**28,421**	6,860
- Market treasury bills	**75,848**	24,526
	191,342	71,446

16 REALISED (LOSS) ON SALE OF INVESTMENTS

	2019	2018
	---- (Rupees in '000) ----	
At fair value through profit or loss		
- Market treasury bills	**(7,283)**	(116)
	(7,283)	(116)

17 AUDITORS' REMUNERATION

	2019	2018
Annual audit fee	**321**	286
Half yearly review fee	**159**	141
Fee for certifications and other services	**148**	139
Out of pocket expenses	**99**	71
	727	637

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund has distributed more than ninety percent of the Fund's accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly, no provision has been made in the financial statements for the year ended 30 June 2019.

19 CONTINGENCIES AND COMMITMENTS

Except as stated in note 14.2, there are no contingencies and commitments as at 30 June 2019.

20 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 1.40% which include 0.36% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

21 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	1,572	-	1,572
Receivable against issuance of units	7,087,019	-	7,087,019
Payable against redemption of units	-	6,056,708	6,056,708
	7,087,019	6,056,708	13,143,727
Amount received on issuance of units	(7,087,416)	-	(7,087,416)
Amount paid on redemption of units	-	(6,056,708)	(6,056,708)
	(7,087,416)	(6,056,708)	(13,144,124)
Closing balance as at 30 June 2019	**1,175**	-	**1,175**

22 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under 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 to the Management Company and the trustee is determined in accordance with the provision of Non Banking Finance Companies Rules, 2003, Non Banking Finance Companies and Notified Entities regulations, 2008 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:

22.1 Transactions during the year

	2019					
	Management Company	**Associated Companies**	**Trustee**	**Funds under Common Management**	**Directors and Key Executives**	**Other Connected Persons / Related Parties**
	(Rupees in '000)					
Units issued	**75,955**	**598**	**-**	**1,023,221**	**31,529**	**1,077,329**
Units redeemed	**682,953**	**23,986**	**-**	**816,238**	**7,213**	**683,708**
Profit on saving accounts	**298**	**3,585**	**-**	**-**	**-**	**-**
Bank charges	**-**	**67**	**-**	**-**	**-**	**-**
Purchase of securities	**-**	**-**	**-**	**980,283**	**-**	**-**
Sale of securities	**-**	**1,106,348**	**-**	**395,528**	**-**	**-**
Remuneration	**13,891**	**-**	**2,164**	**-**	**-**	**-**
Sindh sales tax on remuneration	**1,806**	**-**	**281**	**-**	**-**	**-**
Dividend paid	**30,986**	**1,171**	**-**	**7,662**	**1,716**	**-**
Allocation of expenses relating to the Fund	**1,885**	**-**	**-**	**-**	**-**	**-**
Term deposit receipts matured	**-**	**190,000**	**-**	**-**	**-**	**-**
	2018					
Units issued	1,637,639	12,279	-	1,403,578	-	-
Units redeemed	1,013,284	7,194	-	1,253,850	-	-
Profit on saving accounts	-	255	-	-	-	-
Bank charges	-	79	-	-	-	-
Purchase of securities	-	-	-	99,901	-	-
Sale of securities	-	247,595	-	1,488,787	-	-
Remuneration	7,647	-	1,496	-	-	-
Sindh sales tax on remuneration	994	-	195	-	-	-
Listing Fee	-	-	-	-	-	25
Allocation of expenses relating to the Fund	1,103	-	-	-	-	-

22.2 Balances outstanding as at year end

	2019					
Units held (in units '000)	**-**	**-**	**-**	**3,862**	**235**	**3,979**
Units held (in rupees '000)	**-**	**-**	**-**	**388,767**	**23,641**	**400,604**
Bank balances *	**-**	**15,787**	**-**	**-**	**-**	**-**
Remuneration payable **	**2,038**	**-**	**222**	**-**	**-**	**-**
Sales load and other payable	**466**	**-**	**-**	**-**	**-**	**-**
Payable against allocated expenses	**180**	**-**	**-**	**-**	**-**	**-**
Receivable from issuance of unit	**1,000**	**-**	**-**	**174**	**-**	**-**
Profit receivable	**-**	**52**	**-**	**-**	**-**	**-**
Deposit	**-**	**-**	**100**	**-**	**-**	**-**
	2018					
Units held (in units '000)	6,027	228	-	1,490	0.09	-
Units held (in rupees '000)	636,491	24,046	-	157,384	9	-
Bank balances *	-	2,491	-	-	-	-
Remuneration payable **	651	-	169	-	-	-
Sales load and other payable	122	206	-	-	-	-
Payable against allocated expenses	209	-	-	-	-	-
Profit receivable	-	7	-	-	-	-
Receivable against issuance of units	1,572	-	-	-	-	-
Deposit	-	-	100	-	-	-

* These carry profit rate of 8.25% per annum (30 June 2018: 4%) per annum.
** These balance are inclusive of Sindh sales tax payable.

23 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	**2,388,715**	**-**	**-**	**2,388,715**
Letter of placements	**340,000**	**-**	**-**	**340,000**
Profit receivable	**21,992**	**-**	**-**	**21,992**
Deposits and other receivables	**1,275**	**-**	**-**	**1,275**
	2,751,982	**-**	**-**	**2,751,982**

	At amortised cost	**Total**
	(Rupees in '000)	
Financial liabilities		
Payable to the Management Company	**2,684**	**2,684**
Payable to Central Depository Company of Pakistan Limited - Trustee	**222**	**222**
Accrued expenses and other payables	**8,792**	**8,792**
	11,698	**11,698**

	2018			
	Loans and receivables	Held for trading	Available-for-sale	Total
	(Rupees in '000)			
Financial Assets				
Bank balances	1,490,596	-	-	1,490,596
Term deposit receipt	135,000	-	-	135,000
Profit receivable	3,058	-	-	3,058
Deposits and other receivables	1,672	-	-	1,672
	1,630,326	-	-	1,630,326

	Other financial liabilities	Total
	(Rupees in '000)	
Financial liabilities		
Payable to the Management Company	998	998
Payable to Central Depository Company of Pakistan Limited - Trustee	169	169
Accrued expenses and other liabilities	1,861	1,861
	3,028	3,028

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

On-balance sheet financial instruments

		2019								
		Carrying amount					Fair value			
	Note	**Mandatorily at fair value through profit or loss**	**Designated as at fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		(Rupees in '000)								
Financial assets not measured at fair value	*24.1*									
Bank balances		-	-	-	**2,388,715**	**2,388,715**				
Letter of placements		-	-	-	**340,000**	**340,000**				
Profits receivable		-	-	-	**21,992**	**21,992**				
Deposits and other receivables		-	-	-	**1,275**	**1,275**				
		-	-	-	**2,751,982**	**2,751,982**				
Financial liabilities not measured at fair value	*24.1*									
Payable to the Management Company		-	-	-	**2,684**	**2,684**				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	**222**	**222**				
Accrued expenses and other payables		-	-	-	**8,792**	**8,792**				
		-	-	-	**11,698**	**11,698**				

		2018								
		Carrying amount					Fair value			
	Note	Held for trading	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets not measured at fair value	*24.1*									
Bank balances		-	-	1,490,596	-	1,490,596				
Term deposit receipts		-	-	135,000	-	135,000				
Profits receivable		-	-	3,058	-	3,058				
Deposits and other receivables		-	-	1,672	-	1,672				
		-	-	1,630,326	-	1,630,326				
Financial liabilities not measured at fair value	*24.1*									
Payable to the Management Company		-	-	-	998	998				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	169	169				
Accrued expenses and other payables		-	-	-	1,861	1,861				
		-	-	-	3,028	3,028				

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

24.2 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.

25 FINANCIAL RISK MANAGEMENT

25.1 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. The Fund primarily invests in a portfolio of debt and money market investments such as investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds.

25.2 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:

Financial assets exposed to credit risk	**2019**	2018
	---(Rupees in '000)---	
Bank balances	**2,388,715**	1,490,596
Investments	**340,000**	135,000
Profit receivable	**21,992**	3,058
Deposits and other receivables	**1,275**	1,672
	2,751,982	1,630,326

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.

All deposits with Banks and CDC are highly rated and risk of default is considered minimal. Further, investment in government securities is not exposed to credit risk.

The analysis below summarizes the credit quality of the Fund's portfolio in total as on 30 June 2019:

	Rating Agency	**Rating**	**2019**	2018
			---(Rupees in '000)---	
Bank balances by rating category				
United Bank Limited	**VIS**	**AAA**	**15,787**	2,491
Allied Bank Limited	**PACRA**	**AAA**	**11**	255
MCB Bank Limited	**PACRA**	**AAA**	**2,771**	1,702
Habib Bank Limited	**VIS**	**AAA**	**852,548**	1,446,708
National Bank of Pakistan Limited	**VIS**	**AAA**	**48**	402
Zarai Taraqiati Bank Limited	**VIS**	**AAA**	**6**	16
Meezan Bank Limited	**VIS**	**AA+**	**1**	1
Askari Bank Limited	**PACRA**	**AA+**	**6**	5
Habib Metropolitan Bank Limited	**PACRA**	**AA+**	**64**	163
Faysal Bank Limited	**PACRA**	**AA**	**38**	477
Samba Bank Limited	**VIS**	**AA**	**161**	85
Bank Alfalah Limited	**VIS**	**AA-**	**1,517,263**	38,259
Sindh Bank Limited	**VIS**	**A+**	**11**	32
Total			**2,388,715**	1,490,596

	2019	2018
	---------------%-------------	
AAA	**36.47**	46.00
AA	**0.01**	31.00
A- to A+	**-**	-
AA- to AA+	**63.52**	23.00
Others	**-**	-
	100.00	100.00

Investment in letter of placement				
Pak Brunei Investment Company Limited	**VIS**	**AA+**	**190,291**	-
PAIR Investment Company Limited	**PACRA**	**AA**	**150,999**	-
			341,290	-
Investment in term deposit receipts				
Habib Metropolitan Bank Limited	**PACRA**	**AA+**	**-**	135,000
Profit receivable			**21,992**	3,058
Deposits and other receivables			**1,275**	1,672

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.

25.3 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 short term government securities and saving accounts. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

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

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

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

In addition to 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			**More than one year**	**Total**
	Three months	**Six months**	**One year**		
	(Rupees in '000)				
Financial Liabilities					
Payable to Management Company	**2,684**	-	-	-	**2,684**
Payable to Central Depository Company of Pakistan Limited - Trustee	**222**	-	-	-	**222**
Accrued expenses and other payables	**8,792**	-	-	-	**8,792**
	11,698	**-**	**-**	**-**	**11,698**
Unit holders' fund	**2,725,431**	-	-	-	**2,725,431**

	2018				
	Maturity Up to			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Financial Liabilities					
Payable to the Management Company	998	**-**	**-**	**-**	998
Payable to Central Depository Company of Pakistan Limited - Trustee	169	**-**	**-**	**-**	169
Accrued expenses and other payables	1,861	**-**	**-**	**-**	1,861
	3,028	-	-	-	3,028
Unit holders' fund	1,615,672	**-**	**-**	**-**	1,615,672

25.4 Market risk

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

i) Interest rate risk

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

As at 30 June 2019, the balances that may be exposed to interest rate risk are as follows:

	2019	2018
	(Rupees in '000)	
Variable rate instruments		
Bank balances	**2,386,541**	1,490,510
Fixed rate instrument		
Letter of placements	**340,000**	-
Term deposit receipts	**-**	135,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased / (decreased) the net assets and net income by Rs. 23.865 million (30 June 2018: Rs. 14.906 million), assuming all other variables held constant.

Cash flow sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Market Association are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2019 is not necessarily indicative of the effect on Funds net assets of future movements in interest rates. The fluctuation in interest rate of 100 basis points is reasonably possible in the current economic environment.

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

	2019					
		Exposed to yield / interest rate				
	Yield / Interest Rate	Up to three months	More than three months and up to	More than one year	Not exposed to yield / interest rate risk	Total
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	**4.0-13.4**	**2,386,541**	**-**	**-**	**2,174**	**2,388,715**
Investments	**13.5-14.0**	**340,000**	**-**	**-**	**-**	**340,000**
Profit receivable		**-**	**-**	**-**	**21,992**	**21,992**
Deposits and other receivables		**-**	**-**	**-**	**1,275**	**1,275**
Total financial assets		**2,726,541**	**-**	**-**	**25,441**	**2,751,982**
Financial liabilities						
Payable to the Management Company		**-**	**-**	**-**	**2,684**	**2,684**
Payable to Central Depository Company of Pakistan Limited - Trustee		**-**	**-**	**-**	**222**	**222**
Accrued expenses and other liabilities		**-**	**-**	**-**	**8,792**	**8,792**
Total financial liabilities		**-**	**-**	**-**	**11,698**	**11,698**
On-balance sheet gap		**2,726,541**	**-**	**-**	**13,743**	**2,740,284**
Off-balance sheet financial instruments		**-**	**-**	**-**	**-**	**-**
Off-balance sheet gap		**-**	**-**	**-**	**-**	**-**

	2018					
		Exposed to yield / interest rate				
	Yield / Interest	Up to three months	More than three	More than	Not exposed to yield / interest rate	Total
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.75-7.60	1,490,510	-	-	86	1,490,596
Investment	7.35	135,000	-	-	-	135,000
Profit receivable		-	-	-	3,058	3,058
Deposits and other receivables		-	-	-	1,672	1,672
Total financial assets		1,625,510	-	-	4,816	1,630,326
Financial liabilities						
Payable to the Management Company		-	-	-	998	998
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	222	222
Accrued expenses and other liabilities		-	-	-	1,861	1,861
Total financial liabilities		-	-	-	3,081	3,081
On-balance sheet gap		1,625,510	-	-	1,735	1,627,245
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

ii) Foreign Currency risk

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

iii) Price risk

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

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

Name of Broker	Commission 2019 %
Continental Exchange (Private) Limited	**31.00**
Bright Capital (Private) Limited	**12.79**
Vector Capital (Private) Limited	**11.51**
Pearl Securities Limited	**8.50**
Invest One Markets Limited	**7.06**
C & M Management (Private) Limited	**6.45**
Paramount Capital (Private) Limited	**5.67**
Icon Securities (Private) Limited	**4.54**
Magenta Capital (Private) Limited	**4.36**
JS Global Capital Limited	**3.63**

Name of Broker	Commission 2018 %
Bright Capital (Private) Limited	52.10
Invest Capital Markets Limited	20.05
C & M Management (Private) Limited	12.48
Currency Market Associates (Private) Limited	10.04
Next Capital Limited	2.35
Paramount Capital (Private) Limited	1.29
BIPL Securities Limited	0.94
EFG Hermes Pakistan Limited	0.75

27 INVESTMENT COMMITTEE

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

S.No	Name	Designation	Experience in years	Qualifications
1	Mr. Yasir Qadri	Chief Executive Officer	23	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	18	MBA,CFA
3	Mr. Muhammad Waseem	Acting Head of Research	5	BBA
4	Mr. Hadi Hassan Muki	Head of Risk Management Compliance, Information Security and Quality Assurance	19	B.COM
5	Mr. Asim Wahab Khan	Head of Investment Strategy & Equity	13	MBA,CFA
6	Mr. Usama Bin Razi	Head of Fixed Income Funds	15	MBA
7	Mr. Mubashir Anis	Fund Manager Equity	7	BSC,CFA
8	Syed Sheraz Ali	Fund Manager Senior Analyst	9	BS

*Syed Sheraz Ali is Fund Manager of UBL Money Market Fund, UBL Income Opportunity Fund and UBL Financial Planning Fund

28 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. Mirza Muhammad Sadeed Hassan Barlas*	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Imran Sarwar**	4	N/A	N/A	Yes	Yes	No	Yes	Yes
Mr. Tauqeer Mazhar**	3	N/A	N/A	Yes	Yes	No	No	Yes
Mr. Yasir Qadri	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Zia Ijaz*	0	No	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Sharjeel Shahid*	1	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Naz Khan	7	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sadia Saeed**	5	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Syed Furrukh Zaeem	6	Yes	Yes	Yes	No	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. Mirza Muhammad Sadeed Hassan Barlas, Mr. Zia Ijaz, and Mr. Sharjeel Shahid resigned on 09 October 2018
** Mr. Imran Sarwar, Mr. Tauqeer Mazhar and Ms. Sadia Saeed appointed as of 02 November 2018

29 PATTERN OF UNIT HOLDERS

	2019		
	Number of		
Category	**Unit holders**	**Units held**	**Percentage**
Individuals	**1,497**	**10,374,117**	**38.32**
Associated companies and directors	**4**	**234,819**	**0.87**
Insurance companies	**2**	**94,478**	**0.35**
Non Banking Financial Companies	**3**	**3,861,543**	**14.26**
Retirement funds	**26**	**3,509,885**	**12.97**
Public limited companies	**9**	**582,801**	**2.15**
Others	**18**	**8,413,490**	**31.08**
	1,559	**27,071,133**	**100.00**

	2018		
	Number of		
	Unit holders	Units held	Percentage
Individuals	951	3,562,743	23.29
Associated companies and directors	4	227,776	1.49
Insurance companies	4	948,904	6.20
Non Banking Financial Companies	3	7,517,239	49.14
Retirement funds	15	2,046,864	13.38
Public limited companies	4	962,040	6.29
Others	2	33,299	0.21
	983	15,298,865	100.00

30 CREDIT RATING

The Management Company has been rated as' AM1 on 27 December 2018 by VIS. The Fund has been rated as AA(f) by VIS on 31 December 2018.

31 GENERAL

31.1 Date of authorisation for issue

These financials 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**

UGSF

UBL Government Securities Fund

INVESTMENT OBJECTIVE

The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	BDO Ebrahim & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited National Bank of Pakistan Limited Zarai Taraqiati Bank Limited Soneri Bank Limited
Management Co. Rating	AM1 (JCR-VIS)
Fund Rating	A+(f) (JCR-VIS)

Fund Manager's Report – UBL Government Securities Fund (UGSF)

i) Description of the Collective Investment Scheme category and type

Income / Open-end

ii) Statement of Collective Investment Scheme's investment objective

The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.

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

The Fund achieved its stated objective.

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

Average of 6M PKRV rates.

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

Monthly Yield	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	FYTD
UGSF	5.48%	5.53%	5.99%	7.43%	5.65%	8.05%	10.63%	12.56%	8.89%	10.24%	1.30%	9.90%	7.55%
Benchmark	7.41%	7.85%	8.03%	9.00%	9.67%	10.44%	10.51%	10.63%	10.78%	11.07%	11.89%	12.83%	10.00%

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

UBL Government Securities Fund posted a return of 7.55% p.a. during FY19. The fund manager allocated 67% to Cash and 31% in PIBs at end of FY19. The weighted average maturity of the fund was 1.61 years by the end of FY19.

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
Placements with banks	4%	0%
PIBs	0%	31%
GOP Ijarah Sukuk	0%	0%
Reverse Repo	0%	0%
T-Bills	55%	0%
Cash	40%	67%
Others	0%	2%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'19 Return:	7.55%
Standard Deviation (12m trailing):	0.41%
Sharpe Ratio (12m trailing):	(5.48)

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		%
1,533,514	1,877,040	(18.30)	105.7851	110.5634	(4.32)

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

Debt Market Review for FY19

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.

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**
23-June-2019		***193,120***	***7.7695***	***113.3640***	***105.5945***

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

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

xiii) Breakdown of unit holdings by size

Range of Units	**Number of Investors**
	UGSF
0.0001 - 9,999.9999	2,634
10,000.0000 - 49,999.9999	141
50,000.0000 - 99,999.9999	18
100,000.0000 - 499,999.9999	13
500,000.0000 & Above	3
Total	**2,809**

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Government Securities Fund

	2019	2018	2017
NET ASSETS AS AT 30 JUNE - Rupees in '000	**1,533,514**	**1,877,040**	3,339,182
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer *	**106.9805**	111.8128	106.7878
- Redemption	**105.7851**	110.5634	105.5946
RETURN OF THE FUND - %			
Total Return of the Fund	**7.55**	**4.71**	4.81
Capital Growth (per unit)	**0.52**	**4.46**	(0.14)
Date of Income Distribution	**2-Jul-18**	**-**	26-Jun-17
Income Distribution	**4.97**		4.95
Date of Income Distribution	**24-Jun-19**	**-**	-
Income Distribution	**7.77**	**-**	-
AVERAGE ANNUAL RETURN - %			
One Year	**7.55**	**4.71**	4.81
Second Year	**6.13**	**4.76**	6.88
Third Year	**5.69**	**6.16**	4.64
Since inception	**7.06**	**6.13**	7.37
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	**114.6096**	**111.8128**	111.6365
Highest price per unit - Class C units - Redemption	**113.3290**	**110.5634**	110.3891
Lowest price per unit - Class C units - Offer	**106.7877**	**106.7397**	106.6445
Lowest price per unit - Class C units - Redemption	**105.5945**	**105.5470**	105.4529

* Front-end load @1% is applicable

	2019	2018	2017
PORTFOLIO COMPOSITION - %			
Percentage of Net Assets as at 30 June			
PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**67**	**40**	33
Placements and Term Deposit Receipts	**-**	**5**	-
Government securities	**31**	**55**	67
Others	**2**	**-**	-
PORTFOLIO COMPOSITION BY MARKET - %			
Debt market	**100.00**	**100.00**	100.00

Note:
- The Launch date of Fund is 27 July 2011

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
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TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GOVERNMENT SECURITIES FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Government Securities Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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 20, 2019

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

NAME OF FUND: **UBL Government Securities 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 UBL Government Securities 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.

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

UBL FUNDS

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.

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 UNITHOLDERS OF UBL GOVERNMENT SECURITIES FUND ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 AS ADOPTED BY THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of UBL Government Securities 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 Directors of the Management Company of the Fund. Our responsibility is to review whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

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

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

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

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

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

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

KARACHI

DATED: AUGUST 30, 2019

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Adoption of IFRS 9** Effective July 01, 2018, the Fund changed its accounting policies due to the application of the International Financial Reporting Standard: IFRS 9 "Financial Instruments" which supersedes the requirements of IAS 39 "Financial Instruments - Recognition and Measurement".	Our audit procedures included the following: • Obtained an understanding of the analysis performed by management to identify all significant differences between previous accounting standard and the new accounting standard which can impact the financial statements;

S.No.	Key audit matter(s)	How the matter was addressed in our audit
	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces a new impairment model for financial assets. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Management has determined that the significant impact of the new standard on the Fund's financial statements relates to the disclosures required to be made by the new accounting standard in the financial statements. The Fund has used the exemption available in IFRS 9 not to restate comparative periods. Accordingly, comparative periods have not been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in net assets attributable to unit holders as at July 1, 2018. We considered this as a key audit matter since the adoption of the new accounting standard has a significant impact on the financial statements from recognition, classification & measurement and disclosure perspective. Note 4.2 to the financial statements explains the impact of the adoption of the new accounting standard.	• Reviewed 'Investment Classification Model' of the management for analysis of 'Business Model' assessment and 'Contractual Cash Flow Characteristics' test for classification of financial assets; • Reviewed management's assessment of the impact of new accounting standard on the Fund's financial statements; • Evaluated the key decisions made by the Fund with respect to accounting policies, estimates and judgments in relation to adoption of the new accounting standard and assessed their appropriateness based on our understanding of the Fund's business and its operations; • Evaluated the adequacy and appropriateness of disclosures made in the financial statements in relation to adoption of the new accounting standard.

S.No.	Key audit matter(s)	How the matter was addressed in our audit
2.	**Existence and valuation of investments** As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2019, the investments held by the Fund comprised of debt instruments which represent 32% of the total assets of the Fund as at the year end. As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	Our audit procedures included the following: • We tested controls over acquisition, disposals and periodic valuation of debt instruments portfolio and performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices provided by the Mutual Fund Association of Pakistan (MUFAP). • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and constitutive documents in relation to the concentration of debt instruments and exposure limits prescribed in such Regulations and documented and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the debt instruments portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of debt instruments are compliant with the relevant accounting standards.

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S.No.	Key audit matter(s)	How the matter was addressed in our audit
3.	**Recognition, measurement and presentation of 'Element of Income'** Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) stipulates the requirements for recognition, measurement and presentation of element of income. As per the NBFC Regulations, element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unitholders' fund. Furthermore, the NBFC Regulations also prescribes certain disclosure requirements with respect to presentation of element of income in the 'Statement of Movement in Unit Holders' Fund'. The NBFC Regulations explains that the accounting income as appearing in the 'Income Statement' excludes the amount of element of income and accounting income available for distribution as appearing in the 'Income Statement' excludes income already paid on units redeemed. However, at the time of distribution, in order to maintain the same ex-dividend net asset value of all units outstanding on the date of distribution, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Due to the complex calculations involved in determining the element of income, the related impact on financial statements and ensuring compliance with the NBFC Regulations, we considered recognition, measurement and presentation of 'Element of Income' as a key audit matter.	Our audit procedures included the following: We reviewed the processes and controls implemented by the Fund relating to the production and review of system generated reports and manual workings for the purpose of calculations of element of income or loss, bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed" and checked the accuracy of refund of capital value at the time of distribution. • We evaluated the accuracy of system generated reports and manual workings produced by the Fund to ensure that the data is consistent with source documents and the said workings are in compliance with all the statutory provisions relating to element of income or loss. • We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the NBFC Regulations and assessed its implementation by the Fund. • We evaluated the adequacy of disclosures with respect to element of income / loss along with the adequacy of disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' in accordance with the NBFC Regulations, the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.

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

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("UBL Fund Managers Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

KARACHI

DATED: 30 AUG 2019

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	5	1,109,748	1,645,436
Investments	6	525,571	2,277,353
Term deposit receipts	7	-	185,000
Mark up / interest receivable	8	25,236	5,142
Prepayments and other receivables	9	1,325	4,336
Advance tax	10	5,175	5,122
TOTAL ASSETS		1,667,055	4,122,389
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	2,265	2,477
Payable to Central Depository Company of Pakistan Limited - Trustee	12	190	206
Payable to Securities and Exchange Commission of Pakistan	13	1,270	2,045
Accrued expenses and other liabilities	14	129,816	2,240,621
TOTAL LIABILITIES		133,541	2,245,349
NET ASSETS		1,533,514	1,877,040
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,533,514	1,877,040
CONTINGENCIES AND COMMITMENTS	15		
		-----------(Number of units)-----------	
NUMBER OF UNITS IN ISSUE	16	14,496,497	16,977,050
		-----------------(Rupees)-----------------	
NET ASSETS VALUE PER UNIT		105.7851	110.5634

The annexed notes from 1 to 33 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**

UBL GOVERNMENT SECURITIES FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------- (Rupees in '000) -------	
INCOME			
Financial income	17	168,791	170,724
Capital loss on sale of investments - net		(13,675)	(4,031)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	6.7	(3,173)	(394)
Other income		117	121
Total income		152,060	166,420
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	17,966	27,331
Sindh Sales tax on Management Company's remuneration	11.2	2,336	3,553
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	2,283	3,158
Annual fee of Securities and Exchange Commission of Pakistan	13.1	1,270	2,045
Allocated expenses	19	1,694	2,726
Bank charges		162	276
Auditors' remuneration	18	468	448
Brokerage and settlement expenses		917	580
Legal and professional charges		208	152
Fee and subscription charges		310	310
Other expenses		16	42
Total operating expenses		27,630	40,621
Net income from operating activities		124,430	125,799
Provision for Sindh Workers' Welfare Fund	14.2	(2,441)	(2,468)
Net income for the year before taxation		121,989	123,331
Taxation	20	-	-
Net income for the year after taxation		121,989	123,331
Allocation of net income for the year			
Income already paid on units redeemed		(23,935)	(62,223)
Net income for the year available for distribution		98,054	61,108
Relating to capital gains		-	-
Excluding capital gains		98,054	61,108
		98,054	61,108
Earnings per unit	21		

The annexed notes from 1 to 33 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**

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	------- (Rupees in '000) -------	
Net income for the year	121,989	123,331
Other comprehensive income		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	121,989	123,331

The annexed notes from 1 to 33 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**

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	121,989	123,331
Adjustments for:		
Financial income	(168,791)	(170,724)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	3,173	394
Capital loss on sale of investments - net	13,675	4,031
Provision for Sindh Workers' Welfare Fund	2,441	2,468
	(149,502)	(163,831)
Cash used in operations before working capital changes	(27,513)	(40,500)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(536,039)	756,133
Prepayments and other receivables	3,011	6,902
Advance tax	(53)	(3,614)
	(533,081)	759,421
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(212)	(2,214)
Payable to Central Depository Company of Pakistan Limited - Trustee	(16)	(135)
Annual fee payable to Securities and Exchange Commission of Pakistan	(775)	(5,881)
Accrued expenses and other liabilities	(2,113,246)	2,118,541
	(2,114,249)	2,110,311
Profit received on bank balances and investments	148,697	174,291
Net cash (used in) / generated from operating activities	(2,526,146)	3,003,523
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,164,288	1,571,191
Payments against redemption of units	(1,436,683)	(3,156,664)
Dividend paid	(193,120)	-
Net cash used in financing activities	(465,515)	(1,585,473)
Net (decrease) / increase in cash and cash equivalents	(2,991,661)	1,418,050
Cash and cash equivalents at the beginning of the year	4,101,409	2,683,359
Cash and cash equivalents at the end of the year	1,109,748	4,101,409
CASH AND CASH EQUIVALENTS		
Bank balances	1,109,748	1,645,436
Term deposit receipts	-	185,000
Market Treasury Bills	-	2,270,973
	1,109,748	4,101,409

The annexed notes from 1 to 33 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**

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,609,216	267,824	1,877,040	3,132,466	206,716	3,339,182
Issuance of 10,620,807 units (2018: 14,557,840 units)						
Capital value of units	1,121,500	-	1,121,500	1,537,229	-	1,537,229
Element of income						
Due to net income earned	42,788	-	42,788	33,962	-	33,962
Total proceeds on issuance of units	1,164,288		1,164,288	1,571,191		1,571,191
Redemption of 13,101,360 units (2018: 29,203,433 units)						
Capital value of units	(1,383,433)	-	(1,383,433)	(3,083,724)	-	(3,083,724)
Element of loss						
Due to net income earned	(29,315)	(23,935)	(53,250)	(10,717)	(62,223)	(72,940)
Total payments on redemption of units	(1,412,748)	(23,935)	(1,436,683)	(3,094,441)	(62,223)	(3,156,664)
Total comprehensive income for the year	-	121,989	121,989	-	123,331	123,331
Distributions during the year:						
Annual distribution for the year ended June 30, 2018 at Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend	(23,040)	(61,316)	(84,356)	-	-	-
Interim distribution at Rs. 7.7695 per unit declared on June 23, 2019 as cash dividend	(13,466)	(95,298)	(108,764)	-	-	-
Net income for the year less distribution	(36,506)	(34,625)	(71,131)	-	123,331	123,331
Net assets at the end of the year	1,324,250	209,264	1,533,514	1,609,216	267,824	1,877,040
Undistributed income brought forward comprises of:						
Realised gain		268,218	268,218		201,669	201,669
Unrealised (loss) / gain		(394)	(394)		5,047	5,047
Total undistributed income brought forward		267,824	267,824		206,716	206,716
Income available for distribution:						
Relating to capital gains		-	-		-	-
Excluding capital gains		98,054	98,054		61,108	61,108
		98,054	98,054		61,108	61,108
Distributions during the year:						
Annual distribution for the year ended June 30, 2018 at Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend		(61,316)	(61,316)		-	-
Interim distribution at Rs. 7.7695 per unit declared on June 23, 2019 as cash dividend		(95,298)	(95,298)		-	-
Undistributed income carried forward		209,264	209,264		267,824	267,824
Undistributed income carried forward comprises of:						
Realised gain		212,437	212,437		268,218	268,218
Unrealised loss		(3,173)	(3,173)		(394)	(394)
Total undistributed income carried forward		209,264	209,264		267,824	267,824
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			110.5634			105.5946
Net assets value per unit at the end of the year			105.7851			110.5634

The annexed notes from 1 to 33 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

1.1 UBL Government Securities Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. It was constituted under the Trust Deed, dated May 19, 2011 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The Fund commenced its operations from July 7, 2011. The registered office of the Management Company is situated at the 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan.

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

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

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

1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

1.6 VIS Credit Rating Company Limited has assigned an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 27, 2018 and a stability rating of "A+(f)" to the Fund as at December 31, 2018.

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, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values. These financial statements have been prepared by following accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Classification and valuation of financial assets and financial liabilities
For details please refer notes 4.2.1.1 and 23 to these financial statements.

Impairment of financial assets
For details please refer notes 4.2.1.2 to these financial statements.

Provision for taxation
For details please refer notes 4.7 and 20 to these financial statements.

Workers' Welfare Fund
For details please refer note 14.2 to these financial statements.

Other assets
Judgement is involved in assessing the realisability of other assets balances.

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

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

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

		Effective date (annual periods beginning on or after)
Conceptual Framework for Financial Reporting 2018 - Original Issue		March 01, 2018
IAS 7	Financial Instruments : Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 9	Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 01, 2018
IFRS 9	Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 01, 2018
IAS 39	Financial Instruments: Recognition and Measurements / amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 01, 2018

3.2 Standards / Amendments that are effective in current year and not relevant to the Fund

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

IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018

		Effective date (annual periods beginning on or after)
IFRS 5	Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 8	Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 15	Original issue	July 01, 2018
IFRS 15	Clarifications to IFRS 15	July 01, 2018
IAS 40	Investment Property - amendments to clarify transfers of property to, or from, investment property	January 01, 2018

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

Annual Improvements to IFRSs (2014 – 2016) Cycle:

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

3.3 Amendments not yet effective

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

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 8	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 19	Employee benefits - amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 17	Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates and joint ventures	January 01, 2019

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

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

3.4 Standards or interpretations not yet effective

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

IFRS 16	Leases	January 01, 2019

The Funds expects that the adoption of IFRS 16 will not have any material impact and therefore will not affect the Funds's financial statements in the period of initial application.

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for reporting period / year ending on or after June 30, 2019.

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 details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund"s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

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 following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund‟s financial assets as at July 1, 2018.

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Investments	(a)	Held for Trading	Fair value through profit or loss	2,277,353	2,277,353
Bank balances	(b)	Loans and receivables	Amortised cost	1,645,436	1,645,436
Term Deposit	(b)	Loans and receivables	Amortised cost	185,000	185,000
Mark up / interest	(b)	Loans and receivables	Amortised cost	5,142	5,142
Other receivables	(b)	Loans and receivables	Amortised cost	4,272	4,272
				4,117,203	4,117,203

(a) These financial assets classified as 'held for trading' have been classified as fair value through profit and loss (FVTPL).

(b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

4.2.1.2 Impairment of financial assets

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

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

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.

For financial assets classified as 'at amortized cost', 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.

4.2.1.3 Transition

The Fund has used the exemption not to restate comparative periods. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets measured at FVTPL.

4.2.1.4 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.

4.2.1.5 Derecognition

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

4.2.2 Financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Fund‟s accounting policies related to financial liabilities.

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

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

4.2.3 Offsetting of financial assets and liabilities

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

4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.4 Provisions

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

4.5 Collaterals

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

4.6 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and Government securities, are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement on a time proportionate basis.

Transactions of sale under repurchase (repo) of marketable and Government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement on a time proportionate basis.

4.7 Taxation

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