15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.

16. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or directors of the Management Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

S.no	Non-Mandatory Requirement	Reg. No.	Explanation
1.	**Independent Director** The independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher. When there are seven directors on the board of the company the fraction of independent director share comes at 2.33. The company may round up or provide reason for contrary.	6	The two independent directors have requisite education and extensive and suitable experience to carry out their responsibilities, therefore the Board has not appointed the third independent director.
2.	**Nomination Committee** The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the board has not constituted a separate NC and the functions are being performed by the BHRCC

AZHAR HAMID
Chairman

Karachi.
Dated: August 17, 2021

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YOUSUF ADIL

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of UBL Cash Fund

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) for UBL Cash Fund for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2021.

Yousuf Adil

Chartered Accountants

Place : Karachi
Date : September 24, 2021

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of UBL Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UBL Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

Board of Directors of UBL Fund Managers Limited (the Management Company) is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 24, 2021

UBL CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	5	**5,283,932**	1,679,874
Investments - net	6	**-**	-
Placements and Term Deposit Receipts	7	**500,000**	150,000
Mark-up receivable	8	**6,267**	7,773
Advance income tax	9	**1,478**	834
Other receivables	10	**1,300**	69
Total assets		**5,792,977**	1,838,550
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	**4,343**	3,169
Payable to Central Depository Company of Pakistan Limited - Trustee	12	**285**	152
Payable to the Securities and Exchange Commission of Pakistan	13	**534**	188
Accrued expenses and other liabilities	14	**25,356**	15,737
Total liabilities		**30,518**	19,246
Net Assets		**5,762,459**	1,819,304
Unit Holders' Fund (as per statement attached)		**5,762,459**	1,819,304
CONTINGENCIES AND COMMITMENTS	15		
		--------- (Number of units) --------	
Number of Units in Issue	16	**57,562,986**	18,185,582
		--------------- (Rupees) --------------	
Net Asset Value per Unit		**100.1070**	100.0410
Face Value per Unit		**100.0000**	100.0000

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

For UBL Fund Managers Limited
(Management Company)

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

UBL CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	For the year ended June 30, 2021	For the period from September 23, 2019 to June 30, 2020
		----------- (Rupees in '000) ------------	
INCOME			
Financial income	17	**198,713**	103,856
Gain on sale of investments - net		**837**	10,588
Total income		**199,550**	114,444
EXPENSES			
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	**1,958**	690
Annual fee of Securities and Exchange Commission of Pakistan	13.1	**534**	188
Allocated expenses	11.2	**4,831**	1,546
Legal and professional charges		**83**	-
Brokerage and settlement charges		**325**	256
Listing fee		**28**	26
Bank charges		**35**	-
Total expenses		**7,794**	2,706
Net operating income for the year / period		**191,756**	111,738
Provision for Sindh Workers' Welfare Fund	14.1	**(3,760)**	(2,191)
Net income for the year / period before taxation		**187,996**	109,547
Taxation	18	**-**	-
Net income for the year / period after taxation		**187,996**	109,547
Allocation of net income for the year / period			
- Net income for the year / period after taxation		**187,996**	109,547
- Income already paid on units redeemed		**(93,852)**	(65,628)
Net income for the year / period available for distribution		**94,144**	43,919
Accounting income available for distribution			
- Relating to capital gains		**467**	3,797
- Excluding capital gains		**93,677**	40,122
		94,144	43,919
Earnings per unit	19		

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

For UBL Fund Managers Limited
(Management Company)

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

UBL CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2021	For the period from September 23, 2019 to June 30, 2020
	----------- (Rupees in '000) ------------	
Net income for the year / period after taxation	**187,996**	109,547
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 / period	**187,996**	109,547

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	Chief Financial Officer	Director

UBL CASH FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2021			For the period from September 23, 2019 to June 30, 2020		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year / period	**1,819,271**	**33**	**1,819,304**	-	-	-
Amount received on issuance of 195,836,566 units (2020: 38,778,568 units)						
- Capital value	**19,591,686**	**-**	**19,591,686**	3,877,857	-	3,877,857
- Element of income	**872,001**	**-**	**872,001**	221,199	-	221,199
Total amount received on issuance of units	**20,463,687**	**-**	**20,463,687**	4,099,056	-	4,099,056
Amount paid on redemption of 156,459,162 units (2020: 20,592,986 units)						
- Capital value	**(15,652,331)**	**-**	**(15,652,331)**	(2,059,299)	-	(2,059,299)
- Element of income	**(583,559)**	**(93,852)**	**(677,411)**	(87,779)	(65,628)	(153,407)
Total amount paid on redemption of units	**(16,235,890)**	**(93,852)**	**(16,329,742)**	(2,147,078)	(65,628)	(2,212,706)
Total comprehensive income for the year / period	**-**	**187,996**	**187,996**	-	109,547	109,547
Interim distribution:						
Rs. 0.4288 per unit paid on September 29, 2019	**-**	**-**	**-**	-	(423)	(423)
Rs. 9.7866 per unit paid on June 28, 2020	**-**	**-**	**-**	(132,707)	(43,463)	(176,170)
Rs. 7.0645 per unit paid on June 29, 2021	**(288,357)**	**(90,429)**	**(378,786)**	-	-	-
Net income for the year / period less distribution	**(288,357)**	**97,567**	**(190,790)**	(132,707)	65,661	(67,046)
Net assets at end of the year / period	**5,758,711**	**3,748**	**5,762,459**	1,819,271	33	1,819,304

	2021	2020
Undistributed income brought forward comprising of:		
- Realised	**33**	-
- Unrealised	**-**	-
	33	-
Accounting income available for distribution		
- Related to capital gain	**467**	3,797
- Excluding capital gain	**93,677**	40,122
	94,144	43,919
Distribution during the year / period	**(90,429)**	(43,886)
Undistributed income carried forward - net	**3,748**	33
Undistributed income carried forward comprising of:		
- Realised	**3,748**	33
- Unrealised	**-**	-
	3,748	33

	(Rupees)	(Rupees)
Net asset value per unit at the beginning of the year / period	**100.0410**	-
Net asset value per unit at the end of the year / period	**100.1070**	100.0410

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	**Chief Financial Officer**	**Director**

UBL CASH FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	For the year ended June 30, 2021	For the period from September 23, 2019 to June 30, 2020
		----------- (Rupees in '000) -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year / period before taxation		**187,996**	109,547
Adjustments for:			
Gain on sale of investments - net		**(837)**	(10,588)
Financial income		**(198,713)**	(103,833)
Provision for Sindh Workers' Welfare Fund		**3,760**	2,191
		(195,790)	(112,230)
Cash used in operations before working capital changes		**(7,794)**	(2,683)
(Increase) / Decrease in assets			
Investment - net		**837**	10,588
Other receivables		**(1,231)**	(69)
		(394)	10,519
Increase in liabilities			
Payable to UBL Fund Managers Limited - Management Company		**1,174**	3,169
Payable to Central Depository Company of Pakistan Limited - Trustee		**133**	152
Payable to the Securities and Exchange Commission of Pakistan		**346**	188
Accrued expenses and other liabilities		**5,859**	13,546
		7,512	17,055
Cash (used in) / generated from operations		**(676)**	24,891
Mark-up received on bank balances		**88,701**	26,907
Mark-up received on placements		**12,906**	14,794
Mark-up received on investments		**98,612**	54,359
Income tax paid		**(644)**	(834)
Net cash generated from operating activities		**198,899**	120,117
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		**20,175,330**	4,099,056
Payments against redemption of units		**(16,329,742)**	(2,212,706)
Dividend paid		**(90,429)**	(176,593)
Net cash generated from financing activities		**3,755,159**	1,709,757
Net increase in cash and cash equivalents during the year / period		**3,954,058**	1,829,874
Cash and cash equivalents at the beginning of the year / period		**1,829,874**	-
Cash and cash equivalents at the end of the year / period		**5,783,932**	1,829,874
Cash and cash equivalents			
Bank balances	5	**5,283,932**	1,679,874
Placements and Term Deposit Receipts	7	**500,000**	150,000
		5,783,932	1,829,874

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	**Chief Financial Officer**	**Director**

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Cash Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 10, 2018 after it was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 04, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from September 23, 2019. Accordingly, the comparative figures of income statement, statement of unit holder's fund and statement of cash flows are not comparable.

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

The Fund is an open-end mutual fund categorized as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

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

VIS Credit Rating Company Limited has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2020. Pakistan Credit Rating Agency Limited has assigned a stability rating of "AA+(f)" to the Fund as on April 02, 2021.

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

The Trust Act, 1882 has been repealed due to promulgation of Provisional Trust Act “Sindh Act 2020” as empowered under Eighteen Amendment to the Constitute of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act 2020, has submitted trust Deed of Collective Investment Scheme to registrar acting under Sindh Act 2020 for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

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

(i) Classification and measurement of financial assets (notes 4.2.1, 4.2.2, 4.2.3, 6 and 7);
(ii) Impairment of financial assets (note 4.2.5);
(iii) Provision for taxation (notes 4.9 and 18); and
(iv) Provision for Sindh Workers' Welfare Fund (note 14.1).

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions

- Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS

- Amendments to IFRS 3 'Business Combinations' - Definition of a business

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material

- Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform

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

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

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

	Effective from Accounting period beginning on or after
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

	Effective from Accounting period beginning on or after
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - Amendments regarding deferred tax on leases and decommissioning obligations	January 01, 2023

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

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

4.2.1 Classification of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Amortized cost (“AC”);
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

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

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

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

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

Financial assets at FVOCI

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

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

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

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

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

Financial assets at FVTPL

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

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

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

4.2.2 Recognition and initial measurement of financial instruments

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

4.2.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value. Gains or losses arising due to changes in fair value are recognised in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification to income statement on derecognition.

Financial assets at FVTPL

All financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognised in income statement.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities:

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

4.2.5 Impairment

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

– Financial assets that are determined to have low credit risk at the reporting date; and

– Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

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

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

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

4.2.6 Classification and measurement of financial liabilities

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

4.2.7 Derecognition

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

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

4.2.8 Regular way contracts

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

4.2.9 Offsetting of financial assets and liabilities

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

4.3 Derivatives

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

4.4 Provisions

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

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies 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 Issuance and redemption of units

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

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

4.7 Element of income / (loss) included in prices of units issued less those in units rede

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.

4.8 Net assets value per unit

The net assets value (NAV) per unit, as disclosed in the statement of assets and liabilities , is calculated by dividing the net assets of the Fund by the number of units of the Fund in circulation at the period end.

4.9 Taxation

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

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

4.10 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) distribution for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

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

4.11 Revenue recognition

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

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

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

- Mark-up / return on investments in government securities is recognised using effective yield method.

- Income on bank balances is recognised on time proportionate basis.

4.12 Expenses

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

5. BANK BALANCES

	Note	**2021**	2020
		------- (Rupees in '000) -------	
In local currency:			
- Profit and loss sharing accounts	5.1	**5,283,932**	1,679,874

5.1 Mark-up rates on these profit and loss sharing accounts range between 6.5% to 9% (6.75% to 9.54%) per annum.

6. INVESTMENTS

6.1 Investment in Government Securities - at fair value through profit or loss

Issue date	Tenor	Face value			Market Value as at June 30, 2021	Market value as a percentage of	
		Purchased during the year / period	Sold / Matured during the year / period	As at June 30, 2021		Total Investments	Net Assets
Treasury bills		(Rupees in '000)				%	
August 29, 2019	12 months	170,000	170,000	-	-	-	-
September 12, 2019	12 months	781,000	781,000	-	-	-	-
September 26, 2019	12 months	890,000	890,000	-	-	-	-
November 7, 2019	12 months	185,000	185,000	-	-	-	-
December 19, 2019	12 months	260,000	260,000	-	-	-	-
January 30, 2020	12 months	1,833,000	1,833,000	-	-	-	-
February 13, 2020	6 months	65,000	65,000	-	-	-	-
February 27, 2020	12 months	500,000	500,000	-	-	-	-
March 12, 2020	6 months	50,000	50,000	-	-	-	-
April 23, 2020	3 months	500,000	500,000	-	-	-	-
April 23, 2020	12 months	500,000	500,000	-	-	-	-
May 7, 2020	12 months	1,350,000	1,350,000	-	-	-	-
May 21, 2020	3 months	100,000	100,000	-	-	-	-
May 21, 2020	12 months	500,000	500,000	-	-	-	-
July 2, 2020	3 months	75,000	75,000	-	-	-	-
July 2, 2020	6 months	75,000	75,000	-	-	-	-
July 16, 2020	3 months	275,000	275,000	-	-	-	-
July 16, 2020	6 months	475,000	475,000	-	-	-	-
August 27, 2020	3 months	621,000	621,000	-	-	-	-
August 27, 2020	6 months	1,875,000	1,875,000	-	-	-	-
September 24, 2020	3 months	409,000	409,000	-	-	-	-
October 8, 2020	3 months	3,411,000	3,411,000	-	-	-	-
November 5, 2020	3 months	2,225,000	2,225,000	-	-	-	-
November 19, 2020	3 months	3,358,000	3,358,000	-	-	-	-
December 3, 2020	3 months	2,468,000	2,468,000	-	-	-	-
December 17, 2020	3 months	1,000,000	1,000,000	-	-	-	-
December 31, 2020	3 months	972,000	972,000	-	-	-	-
January 14, 2021	3 months	2,115,000	2,115,000	-	-	-	-
January 28, 2021	3 months	3,626,000	3,626,000	-	-	-	-
February 11, 2021	3 months	200,000	200,000	-	-	-	-
February 11, 2021	6 months	200,000	200,000	-	-	-	-
February 25, 2021	3 months	1,180,000	1,180,000	-	-	-	-
February 25, 2021	6 months	750,000	750,000	-	-	-	-
March 11, 2021	3 months	1,577,000	1,577,000	-	-	-	-
March 25, 2021	3 months	1,966,000	1,966,000	-	-	-	-
April 8, 2021	3 months	325,000	325,000	-	-	-	-
April 8, 2021	6 months	1,580,000	1,580,000	-	-	-	-
April 22, 2021	3 months	1,700,000	1,700,000	-	-	-	-
April 22, 2021	6 months	775,000	775,000	-	-	-	-
May 6, 2021	3 months	2,400,000	2,400,000	-	-	-	-
May 6, 2021	6 months	1,100,000	1,100,000	-	-	-	-
May 20, 2021	3 months	1,300,000	1,300,000	-	-	-	-
May 20, 2021	6 months	500,000	500,000	-	-	-	-
As at June 30, 2021		**46,217,000**	**46,217,000**	**-**	**-**	**-**	**-**
As at June 30, 2020		10,851,000	10,851,000	-	-	-	-

		Note	2021	2020
			------- (Rupees in '000) -------	

7. PLACEMENTS AND TERM DEPOSIT RECEIPTS

Financial assets at amortised cost

	Note	2021	2020
Term Deposits Receipts	7.1	**500,000**	-
Letter of placements	7.2	**-**	150,000
		500,000	150,000

7.1 Term Deposits Receipts - at Amortized Cost

Name of Company	Maturity Date	As at June 30, 2020	Purchased during the year / period	Matured during the year / period	As at June 30, 2021	Value as a percentage of net assets of the fund
		(Rupees in '000)				----------%---------
Allied Bank Limited	July 29, 2021	-	850,000	350,000	500,000	8.68
As at June 30, 2020		-	-	-	-	-

7.1.1 This Term Deposit Receipt carries interest at the rate of 9% per annum.

7.2 Letter of Placements - at Amortized Cost

Name of Company	Maturity Date	As at June 30, 2020	Placement made during the year / period	Placement matured during the year / period	As at June 30, 2021	Value as a percentage of net assets of the fund
		(Rupees in '000)				---------%---------
Allied Bank Limited	April 30, 2021	-	350,000	350,000	-	-
Pair Investment Company Limited	29-Jan-21	-	98,000	98,000	-	-
Pair Investment Company Limited	March 19, 2021	-	350,000	350,000	-	-
Pak Brunei Investment Company Limited	19-Feb-21	-	180,000	180,000	-	-
Pak Brunei Investment Company Limited	April 27, 2021	-	300,000	300,000	-	-
Pak Brunei Investment Company Limited	May 6, 2021	-	280,000	280,000	-	-
Pak Brunei Investment Company Limited	May 20, 2021	-	300,000	300,000	-	-
Pak Brunei Investment Company Limited	June 4, 2021	-	300,000	300,000	-	-
Pak Kuwait Inv Co Ltd	12-Feb-21	-	180,000	180,000	-	-
Pak Oman Investment Company Limited	July 27, 2020	150,000	-	150,000	-	-

Name of Company	Maturity Date	As at June 30, 2020	Placement made during the year / period	Placement matured during the year / period	As at June 30, 2021	Value as a percentage of net assets of the fund
		----------------------------- (Rupees in '000)			-----------------------------	---------%---------
Pak Oman Investment Company Limited	August 17, 2020	-	150,000	150,000	-	-
Pak Oman Investment Company Limited	August 18, 2020	-	50,000	50,000	-	-
Pak Oman Investment Company Limited	August 19, 2020	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	August 24, 2020	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	August 25, 2020	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	August 26, 2020	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	August 27, 2020	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	1-Sep-20	-	50,000	50,000	-	-
Pak Oman Investment Company Limited	2-Sep-20	-	50,000	50,000	-	-
Pak Oman Investment Company Limited	16-Sep-20	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	17-Sep-20	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	21-Sep-20	-	100,000	100,000	-	-
Pak Oman Investment Company Limited	22-Sep-20	-	200,000	200,000	-	-
Pak Oman Investment Company Limited	7-Dec-20	-	7,000	7,000	-	-
Pak Oman Investment Company Limited	15-Dec-20	-	250,000	250,000	-	-
Pak Oman Investment Company Limited	1-Feb-21	-	245,000	245,000	-	-
Pak Oman Investment Company Limited	March 5, 2021	-	390,000	390,000	-	-
Pak Oman Investment Company Limited	March 12, 2021	-	275,000	275,000	-	-
Pak Oman Investment Company Limited	May 19, 2021	-	300,000	300,000	-	-
Pak Oman Investment Company Limited	May 20, 2021	-	300,000	300,000	-	-
As at June 30, 2021		**150,000**	**5,735,000**	**5,885,000**	**-**	**-**
As at June 30, 2020		-	4,454,000	4,304,000	150,000	8.24%

8. MARK-UP RECEIVABLE

	2021	2020
	------- (Rupees in '000) -------	
Mark-up accrued on:		
- Profit and loss sharing accounts	**6,002**	7,551
- Placement	**-**	222
- Term Deposits Receipts	**265**	-
	6,267	7,773

9. ADVANCE INCOME TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular “C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R” dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the current year and previous year, prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001. Management is confident that the same shall be refunded after filing of Income Tax Return for Tax Year 2021.

10. OTHER RECEIVABLES

	Note	2021	2020
		------- (Rupees in '000) -------	
Receivable from UBL Fund Managers Limited	10.1	**1,300**	69

10.1 This includes Rs. 0.193 million receivable from the Management Company in lieu of Sindh Workers' Welfare Fund expense agreed to be borne by the Management Company from June 24, 2021 to June 30. 2021.

11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

	Note	2021	2020
		------- (Rupees in '000) -------	
Allocated expenses	11.2	**3,479**	876
Back end load payable		**834**	2,263
Other payable		**30**	30
		4,343	3,169

11.1 As per the third supplement to the offering document of the Fund dated September 19, 2020, the Management Company has decided to extend the temporary waiver of its Management Fee on the Fund fully for another twelve (12) months from September 19, 2020 to September 17, 2021 both days inclusive.

11.2 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 29) prescribed by the SECP vide SRO 639 (I) / 2019 dated June 20, 2019 is complied with. The charge for the year in respect of allocated expenses of Rs. 4.831 million is net of reimbursement of SWWF of Rs. 0.193 million (refer note 10).

The Management Company has charged allocated expenses based on its own discretion at below rates;

	Allocated expense as a % per annum of the daily net assets
Charged from July 01, 2020 upto December 14, 2020	**0.20%**
Charged from December 15, 2020 upto March 11, 2021	**0.15%**
Charged from from March 12, 2021 upto May 06, 2021	**0.24%**
Charged from from May 07, 2021 upto May 24, 2021	**0.29%**
Charged from from May 25, 2021 upto June 22, 2021	**0.19%**

		Note	2021	2020
			------- (Rupees in '000) -------	

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

	Note	2021	2020
Trustee's remuneration (including Sindh Sales tax there against)	12.1	**285**	152

12.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed and the Offering Document at 0.065% of the daily net asset value of the Fund. The remuneration is paid to the Trustee monthly in arrears.

13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2021	2020
		------- (Rupees in '000) -------	
Annual fee	13.1	**534**	188

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

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021	2020
		------- (Rupees in '000) -------	
Withholding tax payable		**12,071**	6,223
Provision for Sindh Workers' Welfare Fund	14.1	**5,972**	2,191
Capital gain tax payable		**6,933**	6,799
Listing fee		**30**	26
Brokerage payable		**231**	207
Other payable		**119**	291
		25,356	15,737

14.1 Provision for Sindh Workers Welfare Fund (SWWF) is being made on daily basis pursuant to Mutual Funds Association of Pakistan’s (MUFAP’s) recommendation to all its members on January 12, 2017 in view of a letter from Sindh Revenue Board (SRB) to certain mutual funds whereby SRB directed the mutual funds to register and pay SWWF for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 and hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / Mutual Funds excluded from the applicability of SWWF but as a matter of abundant caution the Management Company has recorded SWWF. Had the provision not been made, it would have resulted in an increase in the net assets value per unit by Re. 0.104 (2020: Re. 0.12) per unit.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

15. CONTINGENCIES AND COMMITMENTS

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

16. NUMBER OF UNITS IN ISSUE

	For the year ended June 30, 2021	For the period from September 23, 2019 to June 30, 2020
	------- (Number of units) -------	
Total units in issue at beginning of the year / period	**18,185,582**	-
Units issued	**195,836,566**	38,778,568
Units redeemed	**(156,459,162)**	(20,592,986)
Total units in issue at end of the year / period	**57,562,986**	18,185,582

	For the year ended June 30, 2021	For the period from September 23, 2019 to June 30, 2020
	------- (Rupees in '000) -------	

17. FINANCIAL INCOME

Markup / interest income on:

- Profit and loss sharing accounts	**87,152**	34,481
- Treasury bills	**98,612**	54,359
- Letter of placements	**12,949**	15,016
	198,713	103,856

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 as cash dividend. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year ended June 30, 2021, the Fund has distributed by way of cash dividend at minimum 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

19. EARNINGS PER UNIT

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

20. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2021	2020
	------- (Rupees in '000) -------	
Financial assets		
At amortized cost		
Bank balances	**5,283,932**	1,679,874
Placements and Term Deposit Receipts	**500,000**	150,000
Mark-up receivable	**6,267**	7,773
Other receivables	**1,300**	69
	5,791,499	1,837,716
Financial liabilities		
At amortized cost		
Payable to UBL Fund Managers Limited - Management Company	**4,343**	3,169
Payable to Central Depository Company of Pakistan Limited - Trustee	**285**	152
Accrued expenses and other liabilities	**380**	524
	5,008	3,845

21. FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of money market investments and government securities. The Fund's activities expose it to a variety of financial risks, i.e., market risk, credit risk and liquidity risk.

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

The Fund has no exposure to currency risk as at June 30, 2021 as there are no financial assets or financial liabilities denominated in foreign currencies.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2021, the Fund is exposed to such risk on bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's variable interest rate risk arises from bank balances, letter of placement and Term Deposit Receipts on which interest rate ranges from 6.5% to 9% (2020: 6.75% to 9.54%). The net income for the period would have increased / (decreased) by Rs. 57.642 million (2020: Rs. 18.30 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund does not hold any fixed rate instruments which are carried at fair value through profit or loss and is not exposed to fair value interest rate risk.

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

June 30, 2021						
Particulars	Effective yield / interest rate	Total	Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk
			Up to three months	More than three months and unto one year	More than one year	
	%	------------------------------------- (Rupees in '000)				--------------------------------------
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5- 9	5,283,932	5,283,932	-	-	-
Placements and term deposit receipts	9	500,000	500,000	-	-	-
Mark-up receivable		6,267	-	-	-	6,267
Other receivables		1,300	-	-	-	1,300
		5,791,499	5,783,932	-	-	7,567
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		4,343	-	-	-	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee		285	-	-	-	285
Accrued expenses and other liabilities		380				380
		5,008	-	-	-	5,008
On-balance sheet gap (a)		5,786,491	5,783,932	-	-	2,559
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			5,783,932	-	-	2,559
Cumulative interest rate sensitivity gap			5,783,932	-	-	2,559

Particulars	Effective yield / interest rate	Total	Exposed to Yield / Interest rate risk: Up to three months	More than three months and unto one year	More than one year	Not exposed to Yield / Interest rate risk
		June 30, 2020				
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.75 - 9.54	1,679,874	1,679,874	-	-	-
Placements and Term Deposit Receipts	9	150,000	150,000	-	-	-
Mark-up receivable		7,773	-	-	-	7,773
Other receivables		69	-	-	-	69
		1,837,716	1,829,874	-	-	7,842
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		3,169	-	-	-	3,169
Payable to Central Depository Company of Pakistan Limited - Trustee		152	-	-	-	152
Accrued expenses and other liabilities		524				524
		3,845	-	-	-	3,845
On-balance sheet gap (a)		1,833,871	1,829,874	-	-	3,997
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			1,829,874	-	-	3,997
Cumulative interest rate sensitivity gap			1,829,874	-	-	3,997

21.1.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2021, the Fund does not hold any security which exposes the Fund to other price risk.

21.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from TDRs, placements, bank balances and mark-up receivable.

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, Fund's Trust Deed, the requirements of the NBFC Rules and the NBFC Regulations, and the guidelines / directives given by the SECP from time to time.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2021 and June 30, 2020 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2021 and June 30, 2020:

Name of Financial Institution	Balances held by the Fund as at June 30, 2021	Latest available published ratings at June 30, 2021	Rating Agency
	(Rupees in '000)		
Bank balances and Mark- up receivable			
Habib Bank Limited	3,676,710	AAA	VIS
Habib Metropolitan Bank Limited	40	AA+	PACRA
Samba Bank Limited	602	AA	VIS
Allied Bank Limited	1,604,585	AAA	PACRA
United Bank Limited	7,997	AAA	VIS
	5,289,934		
Placements and term deposit receipts and mark-up receivable			
Allied Bank Limited	**500,265**	AAA	PACRA

Name of Financial Institution	Balances held by the Fund as at June 30, 2020	Latest available published ratings at June 30, 2020	Rating Agency
	(Rupees in '000)		
Bank balances and Mark- up receivable			
Habib Bank Limited	1,672,014	AAA	VIS
Habib Metropolitan Bank Limited	1,253	AA+	PACRA
Samba Bank Limited	2,712	AA	VIS
Allied Bank Limited	129	AAA	PACRA
United Bank Limited	11,317	AAA	VIS
	1,687,425		
Placement and Mark- up receivable			
Pak Oman Investment Company Limited	**150,222**	AA+	VIS

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's transactions are entered into with credit worthy counterparties thereby mitigating any significant concentration of credit risk.

21.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances.

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

Particulars	----------------------- As at June 30, 2021 -----------------------			
	Total	Upto three months	Over three months and upto one year	Over one year
	---------------------------- (Rupees in '000) ---------------------------			
Financial liabilities at amortised cost				
Payable to UBL Fund Managers Limited - Management Company	**4,343**	**4,343**	**-**	**-**
Payable to Central Depository Company of Pakistan Limited - Trustee	**285**	**285**	**-**	**-**
Accrued expenses and other liabilities	**380**	**380**	**-**	**-**
	5,008	**5,008**	**-**	**-**
Unit holders' Fund	**5,762,459**	**-**	**-**	**-**

Particulars	----------------------- As at June 30, 2020 -----------------------			
	Total	Upto three months	Over three months and upto one year	Over one year
	---------------------------- (Rupees in '000) ---------------------------			
Financial liabilities at amortised cost				
Payable to UBL Fund Managers Limited - Management Company	**3,169**	**3,169**	**-**	**-**
Payable to Central Depository Company of Pakistan Limited - Trustee	**152**	**152**	**-**	**-**
Accrued expenses and other liabilities	**524**	**524**	**-**	**-**
	3,845	**3,845**	**-**	**-**
Unit holders' Fund	**1,819,304**	**-**	**-**	**-**

22. UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As at reporting date, the Fund does not hold any financial instruments which are measured at fair value. The estimated fair value of all financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

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

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

S.No.	Name	Designation	Qualification	Experience in years
1	Yasir Qadri	Chief Executive Officer	MBA	25
2	Syed Suleman Akhtar	Chief Investment Officer	CFA, MBA	20
3	Muhammad Imran	Head of Investment advisory	MBA	21
4	Hadi Hassan Muki	Head of Compliance	BCOM	21
5	Syed Sheeraz Ali	Fund Manager & Senior Analyst	MBA	11
6	Muhammad Waseem	Head Research	BBA, CFA	7

24.1 Syed Sheeraz Ali is Fund Manager of the Fund. He is also fund manager of UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Government Securities Fund, UBL Income Opportunity Fund, UBL Growth And Income Fund, UBL Asset Allocation Fund, UBL Active Principal Preservation Plan-III, UBL Special Savings Plan-I, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Special Savings Plan-II, Al - Ameen Islamic Financial Planning Fund - III, Al Ameen Islamic Aggressive Income Fund.

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

Top brokers during the period ended June 30, 2021

		2021 (Percentage)
1	Continental Exchange (Private) Limited	**25.40**
2	Bright Capital (Private) Limited	**21.52**
3	Magenta Capital (Private) Limited	**12.80**
4	Arif Habib Limited	**9.45**
5	Invest One Markets Limited	**7.97**
6	BIPL Securities Limited	**7.25**
7	Icon Securities (Private) Limited	**4.96**
8	Paramount Capital (Private) Limited	**3.87**
9	JS Global Capital Limited	**2.87**
10	Vector Capital (Private) Limited	**1.43**
		97.52

Top brokers during the period ended June 30, 2020

		2020 (Percentage)
1	Bright Capital (Private) Limited	15.03
2	Icon Securities (Private) Limited	14.33
3	Continental Exchange (Private) Limited	14.06
4	JS Global Capital Limited	12.91
5	Magenta Capital (Private) Limited	10.71
6	BIPL Securities Limited	7.68
7	Invest One Markets Limited	7.39
8	Currency Market Associates (Private) Limited	6.33
9	Summit Capital (Private) Limited	4.57
10	Paramount Capital (Pvt) Limited	3.87
		96.87

26. PATTERN OF UNIT HOLDING

---------------------------------- As at June 30, 2021 ---------------------------------------

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Individuals	**28**	**5,892,040**	**589,836**	**10.24%**
NBFC	**1**	**7,996,721**	**800,528**	**13.89%**
Others	**6**	**2,729,561**	**273,248**	**4.74%**
Public limited companies	**9**	**39,804,454**	**3,984,704**	**69.15%**
Retirement funds	**10**	**1,140,210**	**114,143**	**1.98%**
	54	**57,562,986**	**5,762,459**	**100.00%**

---------------------------------- As at June 30, 2020 ---------------------------------------

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Individuals	19	1,271,185	127,152	6.99%
Others	5	6,400,676	640,330	35.20%
Public limited companies	8	9,982,649	998,693	54.89%
Retirement funds	9	531,072	53,129	2.92%
	41	18,185,582	1,819,304	100.00%

27. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with the connected persons are at agreed / contracted rates.

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

27.1 Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties**
	For the period ended June 30, 2021					
	(Units in '000)					
Transactions during the year						
Units issued	**88,413**	-	-	-	-	**41,570**
Units redeemed	**80,417**	-	-	-	-	**13,703**
	(Rupees in '000)					
Markup on profit and loss sharing accounts	-	**622**	-	-	-	-
Value of units issued	**9,288,323**	-	-	-	-	**4,369,292**
Value of units redeemed	**8,443,213**	-	-	-	-	**1,444,499**
Purchase of T bills		**307,595**		**2,102,563**		
Sell of T-bills		**1,869,666**		**5,462,643**		
Dividend paid	**52,767**	-	-	-	-	**236,972**
Remuneration (including Sindh Sales Tax)	-	-	**1,958**	-	-	-
Allocated expenses	**4,831**	-	-	-	-	-
	As at June 30, 2021					
	(Units in '000)					
Balances held						
Units held	**7,996**	-	-	-	-	**27,867**
	(Rupees in '000)					
Value of units held	**800,456**	-	-	-	-	**2,789,682**
Bank balances	-	**7,957**	-	-	-	-
Other receivable	**1,300**	-	-	-	-	-
Remuneration payable	-	-	**285**	-	-	-
Profit receivable	-	**40**	-	-	-	-
Allocated expenses payable	**3,479**	-	-	-	-	-
Other payable	**30**	-	-	-	-	-
Sales load payable	**834**	-	-	-	-	-

Particulars	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties**
	--------------------------------For the period ended June 30, 2020 --------------------------------					
	-- (Units in '000) --					
Transactions during the period						
Units issued	2,004	-	-	-	-	24,851
Units redeemed	2,004	-	-	-	-	11,752
	-- (Rupees in '000) ---					
Markup on profit and loss sharing accounts	-	497	-	-	-	-
Value of units issued	200,424	-	-	-	-	2,642,749
Value of units redeemed	206,838	-	-	-	-	1,264,104
Dividend paid	423	-	-	-	-	117,964
Remuneration (including Sindh Sales Tax)	-	-	690	-	-	-
Allocated expenses	1,546	-	-	-	-	-
	-- As at June 30, 2020 --					
	-- (Units in '000) --					
Balances held						
Units held	-	-	-	-	-	13,099
	-- (Rupees in '000) ---					
Value of units held	-	-	-	-	-	1,310,437
Bank balances	-	11,302	-	-	-	-
Other receivable	57	-	-	-	-	-
Remuneration payable	-	-	152	-	-	-
Profit receivable	-	15	-	-	-	-
Allocated expenses payable	876	-	-	-	-	-
Other payable	30	-	-	-	-	-
Sales load payable	2,263	-	-	-	-	-

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

** These include transactions and balances in relation to the entities where common directorship exists as at period end.

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

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

	No. 126	No. 127	No. 128	No. 129	No. 130	No. 131	Total meetings attended
	August 10, 2020	September 24, 2020	October 29, 2020	December 07, 2020	February 25, 2021	April 28, 2021	
Directors:							
Mr. Arif Akmal Saifie	✓	✓	✓	-	-	✓	4
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	6
Mr. Imran Sarwar	✓	✓	✓	✓	✓	×	6
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	6
Ms. Huma Pasha *	N/A	✓	✓	✓	✓	✓	5
Ms. Sadia Saeed	✓	✓	✓	✓	✓	✓	6
Mr. Syed Furrukh Zaeem	✓	✓	✓	✓	✓	×	6
Key Executives:							
Mr. Bilal Javaid	✓	✓	✓	✓	✓	✓	6
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	6

* Ms. Huma Pasha appointed as Director with effect from September 04, 2020

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

29. TOTAL EXPENSE RATIO

On June 20, 2019, SECP wide SRO 639(I)/2019 has made certain amendments in NBFC Regulations. As per said amendments capping of expense ratio of the Fund is 2%.

The Total Expense Ratio of the Fund is 0.43% (2020: 0.4%) which includes 0.16% (2020: 0.2%) representing Government Levy, Sindh Workers' Welfare Fund, and the SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

30. GENERAL

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

30.2 The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on August 16, 2021.

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	A.F. Ferguson & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Sindh Bank Limited Habib Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA+(f) (VIS)

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

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

Money Market / Open-end

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

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

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

The Fund achieved its stated objective.

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

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

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

Monthly Yield*	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	FYTD
UMMF	5.25%	5.80%	6.29%	6.51%	6.10%	6.78%	6.38%	6.16%	6.47%	7.01%	6.36%	6.75%	6.32%
Benchmark	6.76%	6.71%	6.69%	6.64%	6.63%	6.62%	6.65%	6.67%	6.78%	6.77%	6.77%	6.76%	6.71%

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

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated return of 6.32% p.a. as compared to benchmark return of 6.71% thus underperforming the benchmark by 39bps. Its net assets were PKR 3,200 mn and weighted average time to maturity of the Fund was 4.9 day at the end of FY21. The fund manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents.

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

Asset Allocation (% of Total Assets)	Jun-20	Jun-21
Placements with Banks	0%	18.5%
T-Bills	0%	0%
Cash	99%	80.8%
Others	1%	0.7%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'21 Return:	6.32%
Standard Deviation (12m trailing):	0.08%
Sharpe Ratio (12m trailing):	(10.77)

ix) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes

Net Asset Value			NAV per unit		
30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
Rupees (000)		%	Rupees		%
3,199,552	5,049,781	-36.64	100.6810	100.7142	-0.03

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

During FY21, market expectation of further rate cut faded away. The market remained keen on investing in short term treasury bills. The market participation was ~PKR 27.5 trillion in treasury bills auctions and the government accepted ~PKR 16 trillion. A clear preference was observed in 3 months tenor which constituted ~55% of the total participation followed by 6 months and 12 months with the participation of 37% and 8% respectively. However, significant interest was seen in the 6M T-Bills in the later part of the fiscal year as the government offered noteworthy term premium. During 2HFY21, the market participated PKR 8.3 trillion in 6M T-Bills as compared to PKR 1.7 trillion in 1HFY21. Moreover, the cutoff rates of T-bills on-average remained 25bps, 42bps and 52 bps higher during the 2HFY21 compared to 1HFY21 for the 3M, 6M and 12M T-Bills respectively.

A strong participation was witnessed in fixed rate PIBs. The market participation was ~PKR 2.4 trillion where the government proactively accepted ~PKR 1 trillion. The participation in fixed rate PIBs more than doubled during the 2HFY21 as compared to the 1HFY21 mainly on the back of the accommodative stance in monetary policy by SBP. Despite the heavy participation, the market demanded relatively higher yields. Therefore, yields of 3Y, 5Y and 10 PIBs increased by 148 bps, 138 bps and 125 bps respectively during FY21. In contrast, participation in the floater rate PIBs remained on the lower side in 2HFY21 as compared to 1HFY21, participation was dropped to ~PKR 700 billion in 2HFY21 compared to ~PKR 2,300 billion in 1HFY21. Total acceptance was PKR 1,600 billion during FY21.

On Islamic front, the total participation was PKR 498 billion in six variable rate Ijara sukuk auctions and the government accepted PKR 321 billion. In contrast, only PKR 77.6 billion participation was witnessed in the fixed rate Ijara sukuk out of which, the government accepted PKR 53 billion. However, only one auction took place in 2HFY21. The government accepted PKR 67 billion in variable rental rate sukuk and PKR 8 billion in fixed rental rate sukuks.

Yield curve comparison is given below:

Tenors	PKRV as at June 30, 2021	PKRV as at June 30, 2020	Change
3 Months	7.28	7.09	0.19
6 Months	7.53	7.05	0.48
1 Year	7.81	7.05	0.76
3 Years	8.99	7.53	1.46
5 Years	9.49	8.11	1.38
10 Years	9.94	8.69	1.25

x)

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

Distribution				**Per unit**	
Declared on	**Bonus**	**Cash**	**Per Unit**	**Cum NAV**	**Ex NAV**
	Rupees (000)		**--------------- *Rupees* ---------------**		
June 21,2021	Nil	156,075	6.3877	106.8877	100.5000

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

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

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

Range of Units	Number of Investors
	UMMF
0.0001 - 9,999.9999	2,216
10,000.0000 - 49,999.9999	354
50,000.0000 - 99,999.9999	72
100,000.0000 - 499,999.9999	45
500,000.0000 & Above	9
Total	**2,696**

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 the0 Collective Investment Scheme.

PERFORMANCE TABLE

UBL Money Market Fund

	2021	2020	2019
NET ASSETS AS AT 30 JUNE - Rupees in '000	**3,199,552**	5,049,781	2,725,431
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer	**101.8187**	101.8523	101.8143
- Redemption	**100.6810**	100.7142	100.6767
RETURN OF THE FUND - %			
Total Return of the Fund	**6.32**	12.12	8.54
Capital Growth (per unit)	**(0.02)**	0.57	0.64
Date of Income Distribution	-	-	24-Jun-19
Income Distribution	-	-	8.344
Date of Income Distribution	**21-Jun-21**	28-Jun-20	2-Jul-18
Income Distribution	**6.3877**	12.20	5.14
AVERAGE ANNUAL RETURN - %			
One Year	**6.32**	12.12	8.54
Second Year	**9.22**	8.59	6.83
Third Year	**8.03**	7.80	6.36
Forth Year	**7.50**	7.27	6.06
Fifth Year	**7.11**	7.39	6.44
Sixth Year	**7.23**	7.39	6.67
Since inception	**8.35**	8.55	8.16
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	**108.0758**	114.1277	110.0008
Highest price per unit - Class C units - Redemption	**106.8682**	112.8525	108.7717
Lowest price per unit - Class C units - Offer	**101.6357**	101.8143	101.6014
Lowest price per unit - Class C units - Redemption	**100.5**	100.6767	100.4661

* Front-end load @ 1% is applicable

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

PORTFOLIO COMPOSITION BY CATEGORY - %	2021	2020	2019
Bank Balances	**80.80**	99	87
Placements and Term Deposit Receipts	**18.50**	0	12
Others	**0.70**	1	1

PORTFOLIO COMPOSITION BY MARKET - %	2021	2020	2019
Debt market	**100**	100	100

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

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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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, 2021 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 14, 2021

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

NAME OF FUND: UBL Money Market Fund

YEAR ENDED: **JUNE 30, 2021**

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

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
    a. Male: Five Directors; and
    b. Female: Two Directors.
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Huma Pasha*
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed** Mr. Arif Akmal Saifie Syed Furrukh Zaeem
Female Director	Ms. Huma Pasha* Ms. Sadia Saeed**

* Ms. Huma was appointed as a director with effect from September 04, 2020
** Ms. Sadia Saeed has resigned effective July 19, 2021

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
4. The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of its directors in accordance with the Act and these Regulations.

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

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

Directors

a. Mr. Imran Sarwar
b. Mr. Yasir Qadri
c. Ms. Huma Pasha
d. Ms. Sadia Saeed
e. Syed Furrukh Zaeem

Executives

a. Mr. Hadi Hassan Mukhi (Head of Compliance and Risk)
b. Mr. Umair Ahmed (Chief Financial Officer)
c. Mr. Zeeshan Quddus (Chief Business Development Officer)

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha*	Chairman	Independent Director
Mr. Arif Akmal Saifie	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed**	Member	Non-Executive Director

Board Human Resource and Compensation Committee

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

Board Risk and Compliance Committee

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

* Ms. Huma was appointed as a director with effect from September 04, 2020
** Ms. Sadia Saeed has resigned effective July 19, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

a. The Board Audit Committee: quarterly - four meetings held
b. The Board Human Resource and Compensation Committee: quarterly – four meetings held
c. The Board Risk and Compliance Committee: quarterly - four meetings held

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15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.

16. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or directors of the Management Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

S.no	Non-Mandatory Requirement	Reg. No.	Explanation
1.	**Independent Director** The independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher. When there are seven directors on the board of the company the fraction of independent director share comes at 2.33. The company may round up or provide reason for contrary.	6	The two independent directors have requisite education and extensive and suitable experience to carry out their responsibilities, therefore the Board has not appointed the third independent director.
2.	**Nomination Committee** The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the board has not constituted a separate NC and the functions are being performed by the BHRCC

AZHAR HAMID
Chairman

Karachi.
Dated: **August 17, 2021**

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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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UBL Fund Managers Limited (the Management Company) on behalf of UBL Money Market Fund (the Fund) for the year ended June 30, 2021. The Management Company of the Fund has opted to voluntarily comply with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2021.

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A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 23, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of UBL Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBL Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value** (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs. 600.489 million and banks balances aggregated to Rs. 2,633.635 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and reconciled balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Ensured that the investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Other Matter

The financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated September 29, 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

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Chartered Accountants

Karachi

Date: September 23, 2021

UBL MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		-------- (Rupees in '000) --------	
ASSETS			
Bank balances	4	2,633,635	5,111,677
Investments	5	600,489	-
Profit receivable	6	14,605	27,607
Deposits, prepayments and other receivables	7	199	198
Advance tax	8	1,713	1,650
Total assets		3,250,641	5,141,132
LIABILITIES			
Payable to UBL Fund Managers Limited - the Management Company	9	9,856	8,637
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	181	324
Payable to the Securities and Exchange Commission of Pakistan	11	624	897
Accrued expenses and other liabilities	12	40,428	81,493
Total liabilities		51,089	91,351
NET ASSETS		3,199,552	5,049,781
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,199,552	5,049,781
CONTINGENCIES AND COMMITMENTS	13		
		--------- (Number of units) ---------	
NUMBER OF UNITS IN ISSUE	14	31,779,115	50,139,708
		--------------- (Rupees) ---------------	
NET ASSET VALUE PER UNIT		100.6810	100.7142

The annexed notes 1 to 30 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 MONEY MARKET FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------(Rupees in '000)--------	
Income			
Profit on bank balances		80,093	233,360
Profit on term deposit receipts		2,769	61,770
Profit on letter of placements		11,804	-
Profit on market treasury bills		132,400	267,761
(Loss) / gain on sale of investments - net		(1,767)	13,863
Total income		225,299	576,754
Expenses			
Remuneration of UBL Fund Managers Limited - the Management Company	9.1	11,370	30,476
Sindh sales tax on remuneration of the Management Company	9.2	1,478	3,962
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	2,028	2,916
Sindh sales tax on remuneration of the Trustee	10.2	264	379
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	624	897
Allocated expenses	9.4	4,336	4,486
Annual rating fee		214	214
Annual listing fee		28	28
Auditors' remuneration	15	658	645
Legal and professional charges		709	213
Bank charges		146	309
Brokerage and settlement expenses		439	562
Selling and marketing expense	9.3	9,362	11,081
Other expenses		-	67
Total operating expenses		31,656	56,235
Net operating income for the year		193,643	520,519
Provision for Sindh Workers' Welfare Fund (SWWF)	12.2	(3,799)	(10,209)
Net profit for the year before taxation		189,844	510,310
Taxation	16	-	-
Net profit for the year after taxation		189,844	510,310
Allocation of net income for the year			
Net income for the year after taxation		189,844	510,310
Income already paid on units redeemed		(79,392)	(304,032)
		110,452	206,278
Accounting income available for distribution			
- Relating to capital gains		-	8,177
- Excluding capital gains		110,452	198,101
		110,452	206,278
Earnings per unit	17		

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

For UBL Fund Managers Limited
(Management Company)

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

UBL MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	---------- (Rupees in '000) ----------	
Net profit for the year after taxation	189,844	510,310
Other comprehensive income for the year	-	-
Total comprehensive income for the year	189,844	510,310

The annexed notes 1 to 30 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 MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----------(Rupees in '000)----------					
Net assets at the beginning of the year	5,037,666	12,115	5,049,781	2,714,135	11,296	2,725,431
Issuance of 70,445,088 (2020: 143,936,399) units						
- Capital value	7,094,821	-	7,094,821	14,491,042	-	14,491,042
- Element of income	198,513	-	198,513	796,096	-	796,096
Total amount received on issuance of units	7,293,334	-	7,293,334	15,287,138	-	15,287,138
Redemption of 88,805,681 (2020: 120,867,824) units						
- Capital value	(8,943,992)	-	(8,943,992)	(12,168,574)	-	(12,168,574)
- Element of loss	(153,948)	(79,392)	(233,340)	(464,706)	(304,032)	(768,738)
Total amount paid on redemption of units	(9,097,940)	(79,392)	(9,177,332)	(12,633,280)	(304,032)	(12,937,312)
Total comprehensive income for the year	-	189,844	189,844	-	510,310	510,310
Distribution for the year Rs. 6.3877 per unit declared on June 21, 2021 (2020: Rs. 12.1955 per unit declared on June 29, 2020)	(45,414)	(110,661)	(156,075)	(330,327)	(205,459)	(535,786)
Net assets at the end of the year	3,187,646	11,906	3,199,552	5,037,666	12,115	5,049,781
Undistributed income brought forward						
- Realised income		12,115			11,296	
- Unrealised income		-			-	
		12,115			11,296	
Accounting income available for distribution						
- Relating to capital gains		-			8,177	
- Excluding capital gains		110,452			198,101	
		110,452			206,278	
Distribution for the year Rs. 6.3877 per unit declared on June 21, 2021 (2020: Rs. 12.1955 per unit declared on June 29, 2020)		(110,661)			(205,459)	
Undistributed income carried forward		11,906			12,115	
Undistributed income carried forward						
- Realised income		11,906			12,115	
- Unrealised income		-			-	
		11,906			12,115	
			(Rupees)			**(Rupees)**
Net asset value per unit at the beginning of the year			100.7142			100.6767
Net asset value per unit at the end of the year			100.6810			100.7142

The annexed notes 1 to 30 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 MONEY MARKET FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year before taxation		189,844	510,310
Adjustments for:			
Profit on bank balances		(80,093)	(233,360)
Profit on term deposit receipts		(2,769)	(61,770)
Loss / (gain) on sale of investments - net		1,767	(13,863)
Provision for Sindh Workers' Welfare Fund		3,799	10,209
		(77,296)	(298,784)
Decrease / (increase) in assets			
Investments		(2,256)	203,863
Deposits, prepayments and other receivables		(1)	-
		(2,257)	203,863
Increase / (decrease) in liabilities			
Payable to UBL Fund Managers Limited - the Management Company		1,219	5,953
Payable to Central Depository Company of Pakistan Limited - the Trustee		(143)	102
Payable to the Securities and Exchange Commission of Pakistan		(273)	(517)
Accrued expenses and other liabilities		(43,474)	47,366
		(42,671)	52,904
Profit received		95,864	289,515
Advance tax paid		(63)	(61)
Net cash generated from operating activities		163,421	757,747
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units (excluding refund of capital)		7,247,920	14,957,986
Amount paid against redemption of units		(9,177,332)	(12,937,312)
Cash distribution to unit holders		(112,051)	(205,459)
Net cash (used in) / generated from financing activities		(2,041,463)	1,815,215
Net (decrease) / increase in cash and cash equivalents		(1,878,042)	2,572,962
Cash and cash equivalents at the beginning of the year		5,111,677	2,538,715
Cash and cash equivalents at the end of the year	19	3,233,635	5,111,677

The annexed notes 1 to 30 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 Money Market Fund (the Fund), was established under the Trust Deed executed between UBL Fund Managers Limited (wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 10, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from October 14, 2010. The investment objective of the Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

1.2 The Management Company of the Fund has been licensed to act as an asset management company by the SECP under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

1.3 The units are offered for subscription on a continuous basis to the general public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund has been categorised as an open ended 'Money Market Fund' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 dated March 6, 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited.

1.4 The Management Company and the Fund have been reaffirmed a quality rating of AM1 dated December 31, 2020 and AA+(f) dated January 7, 2021 by VIS Credit Rating Company respectively.

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

1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act “Sindh Trusts Act, 2020” as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act, 2020).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years of the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for taxation (notes 3.7 and 16) and provision for Sindh Workers' Welfare Fund (note 12.2).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost

- at fair value through other comprehensive income (FVOCI)

- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

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

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP in accordance with the provisioning policy duly approved by the Board of Directors. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required by the SECP's circular.

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.5 Derecognition

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

3.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.4 Offsetting of financial assets and liabilities

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

3.5 Derivatives

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

3.6 Provisions

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

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as at the close of the business day, less any back-end load and an amount that the Management Company may consider to be an appropriate provision of duties and charges.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.

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

- Profit on bank balances, term deposit receipts and government securities is recorded on an accrual basis using effective interest rate method.

3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.14 Expenses

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

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

	Note	2021	2020
4 BANK BALANCES		--------- (Rupees in '000) ---------	
- Savings accounts	4.1	2,633,580	5,111,668
- Current accounts		55	9
		2,633,635	5,111,677

4.1 The interest rates on these balances range from 4.5% to 7.85% (June 30, 2020: 6.5% to 13.57%) per annum. These include an amount held with a related party (United Bank Limited) amounting to Rs. 53.186 million (June 30, 2020: Rs. 26.265 million) on which return is earned at 5.5% per annum (June 30, 2020: 6.75% to 11.75%).

	Note	2021	2020
5 INVESTMENTS		--------- (Rupees in '000) ---------	
Financial assets 'at fair value through profit or loss'			
Government securities - Market Treasury Bills	5.1	489	-
Term deposit receipts	5.2	600,000	-
		600,489	-

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

Issue date	Tenor	Face value				Market value as at June 30, 2021	Market value as a percentage of	
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021		total investments	net assets
		---------- (Rupees in '000) ----------					---------- (%) ----------	
July 2, 2020	3 months	-	75,000	(75,000)	-	-	-	-
July 2, 2020	6 months	-	75,000	(75,000)	-	-	-	-
July 6, 2020	12 months	-	1,000,000	(1,000,000)	-	-	-	-
July 8, 2020	3 months	-	500,000	(500,000)	-	-	-	-
July 8, 2020	6 months	-	2,000,000	(2,000,000)	-	-	-	-
July 8, 2020	12 months	-	1,000,000	(1,000,000)	-	-	-	-
July 10, 2020	12 months	-	500,000	(500,000)	-	-	-	-
July 16, 2020	3 months	-	525,000	(525,000)	-	-	-	-
July 16, 2020	6 months	-	475,000	(475,000)	-	-	-	-
July 22, 2020	12 months	-	100,000	(100,000)	-	-	-	-
August 19, 2020	12 months	-	100,000	(100,000)	-	-	-	-
August 20, 2020	12 months	-	460,000	(460,000)	-	-	-	-
August 27, 2020	3 months	-	375,000	(375,000)	-	-	-	-
August 27, 2020	6 months	-	300,000	(300,000)	-	-	-	-
August 31, 2020	3 months	-	500,000	(500,000)	-	-	-	-
August 31, 2020	6 months	-	375,000	(375,000)	-	-	-	-
September 1, 2020	12 months	-	150,000	(150,000)	-	-	-	-
September 3, 2020	12 months	-	250,000	(250,000)	-	-	-	-
September 10, 2020	12 months	-	360,000	(360,000)	-	-	-	-
September 17, 2020	12 months	-	215,000	(215,000)	-	-	-	-
October 9, 2020	3 months	-	500,000	(500,000)	-	-	-	-
October 22, 2020	3 months	-	2,175,000	(2,175,000)	-	-	-	-
October 22, 2020	12 months	-	450,000	(450,000)	-	-	-	-
October 23, 2020	6 months	-	40,000	(40,000)	-	-	-	-
November 5, 2020	3 months	-	250,000	(250,000)	-	-	-	-
November 9, 2020	3 months	-	175,000	(175,000)	-	-	-	-
November 12, 2020	3 months	-	245,000	(245,000)	-	-	-	-
November 19, 2020	3 months	-	500,000	(500,000)	-	-	-	-
December 3, 2020	3 months	-	312,500	(312,500)	-	-	-	-
December 11, 2020	3 months	-	150,000	(150,000)	-	-	-	-
January 14, 2021	3 months	-	650,000	(650,000)	-	-	-	-
January 14, 2021	12 months	-	1,500,000	(1,500,000)	-	-	-	-
January 15, 2021	3 months	-	100,000	(100,000)	-	-	-	-
January 18, 2021	3 months	-	194,000	(194,000)	-	-	-	-
January 18, 2021	6 months	-	168,000	(168,000)	-	-	-	-
January 18, 2021	12 months	-	10,000	(10,000)	-	-	-	-
January 19, 2021	3 months	-	65,000	(65,000)	-	-	-	-
January 26, 2021	3 months	-	2,012,000	(2,012,000)	-	-	-	-
January 28, 2021	3 months	-	1,850,000	(1,850,000)	-	-	-	-
January 29, 2021	3 months	-	500,000	(500,000)	-	-	-	-
February 1, 2021	3 months	-	550,000	(550,000)	-	-	-	-
February 9, 2021	3 months	-	500,000	(500,000)	-	-	-	-
February 11, 2021	12 months	-	500,000	(500,000)	-	-	-	-
February 15, 2021	3 months	-	220,000	(220,000)	-	-	-	-
February 19, 2021	3 months	-	220,000	(220,000)	-	-	-	-
February 25, 2021	3 months	-	700,000	(700,000)	-	-	-	-
February 25, 2021	6 months	-	500,000	(500,000)	-	-	-	-
March 4, 2021	3 months	-	199,000	(199,000)	-	-	-	-
April 2, 2021	3 months	-	653,000	(653,000)	-	-	-	-
April 2, 2021	6 months	-	400,000	(400,000)	-	-	-	-
April 2, 2021	12 months	-	500,000	(500,000)	-	-	-	-
April 9, 2021	3 months	-	1,502,000	(1,502,000)	-	-	-	-
April 12, 2021	3 months	-	300,000	(300,000)	-	-	-	-
April 13, 2021	12 months	-	313,000	(313,000)	-	-	-	-
April 15, 2021	6 months	-	250,000	(250,000)	-	-	-	-
April 16, 2021	6 months	-	250,000	(250,000)	-	-	-	-
April 22, 2021	3 months	-	800,000	(800,000)	-	-	-	-
April 22, 2021	6 months	-	500,000	(500,000)	-	-	-	-
April 26, 2021	6 months	-	75,000	(75,000)	-	-	-	-

Issue date	Tenor	Face value				Market value as at June 30, 2021	Market value as a percentage of	
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021		total investments	net assets
		---------- (Rupees in '000) ----------					---------- (%) ----------	
April 27, 2021	3 months	-	430,000	(430,000)	-	-	-	-
June 3, 2021	3 months	-	696,000	(696,000)	-	-	-	-
April 29, 2021	3 months	-	250,000	(250,000)	-	-	-	-
April 30, 2021	12 months	-	251,000	(251,000)	-	-	-	-
May 6, 2021	3 months	-	500,000	(500,000)	-	-	-	-
May 6, 2021	6 months	-	1,000,000	(1,000,000)	-	-	-	-
May 7, 2021	3 months	-	230,000	(230,000)	-	-	-	-
May 20, 2021	3 months	-	775,000	(775,000)	-	-	-	-
May 20, 2021	6 months	-	500,000	(500,000)	-	-	-	-
May 24, 2021	6 months	-	325,000	(325,000)	-	-	-	-
May 25, 2021	3 months	-	696,000	(696,000)	-	-	-	-
April 22, 2021	6 months	-	101,500	(101,000)	500	489	0.08%	0.02%
Total		-	35,868,000	(35,867,500)	500	489	0.08%	0.02%

5.1.1 These carry purchase yield of 7.5% (2020: Nil) and are due to mature latest on October 21, 2021.

5.2 Term deposit receipts

Name of the bank	Issue date	Maturity date	Profit rate (%) / Tenor	As at July 01, 2020	Placements made during the year	Sold / matured during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of	
										total investments	Net assets
				---------- (Rupees in '000) ----------						---------- (%) ----------	
Allied Bank Limited	31-Mar-21	30-Apr-21	7.70% / 1 month	-	250,000	250,000	-	-	-	-	-
Bank Alfalah Limited	15-Jun-21	15-Jul-21	7.90% / 1 month	-	300,000	-	300,000	300,000	300,000	50.00%	9.38%
Allied Bank Limited	29-Jun-21	29-Jul-21	9.00% / 1 month	-	300,000	-	300,000	300,000	300,000	50.00%	9.38%
As at June 30, 2021				**-**	**850,000**	**250,000**	**600,000**	**600,000**	**600,000**	**100.00%**	**18.76%**
As at June 30, 2020								-	-	-	-

6 PROFIT RECEIVABLE

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Profit receivable on:			
Bank balances	6.1	13,418	27,607
Term deposit receipts		1,187	-
		14,605	27,607

6.1 Profit receivable on bank balances include an amount due from a related party (United Bank Limited) amounting to Rs. 0.173 million (June 30, 2020: Rs. 0.215 million).

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
	--------- (Rupees in '000) ---------	
Prepaid fees	98	98
CDS deposit	100	100
Other receivables	1	-
	199	198

8 ADVANCE TAX

As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances, term deposit receipts, market treasury bills and letters of placement paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its Circular C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdee. The tax withheld on profit on bank balances, term deposit receipts, market treasury bills and letters of placement amounting to Rs. 1.713 million (June 30, 2020: Rs. 1.650 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank balances, term deposit receipts, market treasury bills and letters of placement have been shown as advance tax under assets as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2021	2020
9 PAYABLE TO UBL FUND MANAGERS LIMITED - THE MANAGEMENT COMPANY		--------- (Rupees in '000)	---------
Remuneration payable to the Management Company	9.1	910	1,826
Sindh sales tax on remuneration payable to the Management Company	9.2	118	237
Sales load and other payables		1,917	1,996
Selling and marketing expenses payable	9.3	4,272	3,722
Allocated expenses payable	9.4	2,639	856
		9,856	8,637

9.1 During the current year, the Management Company charged its remuneration at the rate of 5% of gross earnings, subject to floor and capping of 0.15% and 1% per annum of the average daily net assets.

The remuneration is payable to the Management Company monthly in arrears.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at 0.3% (2020: 0.3%) per annum of the average daily net assets keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

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

2021				2020
Rate applicable from July 1, 2020 to March 10, 2021	**Rate applicable from March 11, 2021 to May 6, 2021**	**Rate applicable from May 7, 2021 to May 24, 2021**	**Rate applicable from May 25, 2021 to June 30, 2021**	**Rate applicable from July 1, 2019 to June 30, 2020**
0.1% per annum of average daily net assets	0.25% per annum of average daily net assets	0.35% per annum of average daily net assets	0.15% per annum of average daily net assets	0.1% per annum of average daily net assets

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	2021	2020
			--------- (Rupees in '000) ---------	
	Remuneration payable to the Trustee	10.1	160	287
	Sindh sales tax on Trustee remuneration	10.2	21	37
			181	324

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.065% (June 30, 2020: 0.065%) per annum of the average daily net assets.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2021	2020
			--------- (Rupees in '000) ---------	
	Annual fee payable	11.1	624	897

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2020: 0.02%) per annum of the average daily net assets of the Fund.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
			--------- (Rupees in '000) ---------	
	Auditors' remuneration payable		469	677
	Withholding tax payable		335	32,729
	Capital gain tax payable		2,980	14,412
	Legal and professional charges payable		95	101
	Sales load payable		4,706	439
	Brokerage payable		411	469
	Dividend payable		1,185	2,575
	Zakat deducted at source		1,099	563
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load		387	387
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	12.1	9,112	9,112
	Provision for Sindh Workers' Welfare Fund	12.2	19,634	15,836
	Other payables		15	4,193
			40,428	81,493

12.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan (SCP) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 30, 2013 till June 30, 2016 amounting to Rs. 9.112 million (June 30, 2020: Rs. 9.112 million) is being retained in these financial statements of the Fund as the matter is pending before the SCP. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2021 would have been higher by Re. 0.2867 per unit (June 30, 2020: Re. 0.3916 per unit).

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision for SWWF not been recorded in these financial statements of the Fund for the period from May 21, 2015 to June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.6178 per unit (June 30, 2020: Re. 0.3158 per unit).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14 NUMBER OF UNITS IN ISSUE

	2021	2020
	--------- Number of units ---------	
Total units in issue at the beginning of the year	50,139,708	27,071,133
Add: Units issued during the year	70,445,088	143,936,399
Less: Units redeemed during the year	(88,805,681)	(120,867,824)
Total units in issue at the end of the year	31,779,115	50,139,708

15 AUDITORS' REMUNERATION

	2021	2020
	--------- (Rupees in '000) ---------	
Annual audit fee	313	313
Fee for half yearly review	154	154
Fee for review of compliance with the requirements of the Code of Corporate Governance	54	54
Fee for other certifications / services	61	61
Out of pocket expenses and sales tax	76	63
	658	645

16 TAXATION

The income of the Fund is exempt from tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manners as explained above, no provision for taxation has been made in these financial statements.

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

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the Management Company, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based for the year ended June 30, 2021 is 1.14% (June 30, 2020: 1.48%) which includes 0.20% (June 30, 2020: 0.35%) representing government levies on the Fund such as sales tax, Sindh Worker's Welfare Fund and annual fee payable to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

19 CASH AND CASH EQUIVALENTS

	Note	2021	2020
		-----------(Rupees in '000)---------	
Bank balances	4	2,633,635	5,111,677
Term deposit receipts	5.2	600,000	-
		3,233,635	5,111,677

20 FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the Statement of Assets and Liabilities are categorised as follows:

Particulars	As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total
	------------------------- Rupees in '000 -------------------------		
Financial assets			
Bank balances	2,633,635	-	2,633,635
Investments	-	600,489	600,489
Profit receivable	14,605	-	14,605
Deposits and other receivables	101	-	101
	2,648,341	600,489	3,248,830
Financial liabilities			
Payable to UBL Fund Managers Limited - the Management Company	9,856	-	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee	181	-	181
Accrued expenses and other liabilities	6,881	-	6,881
	16,918	-	16,918

Particulars	As at June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total
	------------------------- Rupees in '000 -------------------------		
Financial assets			
Bank balances	5,111,677	-	5,111,677
Investments	-	-	-
Profit receivable	27,607	-	27,607
Deposit	100	-	100
	5,139,384	-	5,139,384
Financial liabilities			
Payable to UBL Fund Managers Limited - the Management Company	8,637	-	8,637
Payable to Central Depository Company of Pakistan Limited - the Trustee	324	-	324
Accrued expenses and other liabilities	8,454	-	8,454
	17,415	-	17,415

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of the members of the investment committee of the Fund as at June 30, 2021 are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Mr. Yasir Qadri	Chief Executive Officer	25	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20	CFA, MBA
3	Mr. Muhammad Imran	Head of Investment Advisory	21	MBA
4	Mr. Hadi Hassan Muki	Head of Compliance	21	BCOM
5	Syed Sheeraz Ali	Fund Manager and Senior Analy	11	MBA
6	Mr. Muhammad Waseem	Head of Research	7	BBA, CFA

21.1 The name of the Fund Manager is Syed Sheeraz Ali. Other funds being managed by the Fund Manager are as follows:

- Al - Ameen Islamic Cash Fund
- Al - Ameen Islamic Aggressive Income Fund
- Al - Ameen Islamic Special Savings Fund
- Al - Ameen Islamic Sovereign Fund
- Al - Ameen Islamic Financial Planning Fund - III
- UBL Income Opportunity Fund
- UBL Financial Planning Fund
- UBL Liquidity Plus Fund
- UBL Cash Fund
- UBL Government Securities Fund
- UBL Growth and Income Fund
- UBL Asset Allocation Fund
- UBL Special Savings Fund
- UBL Special Savings Fund - II

22 UNIT HOLDING PATTERN OF THE FUND

Category	-------------------------June 30, 2021-----------------		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	2,645	2,451,820	76.63%
Associated company and key executives	7	6,730	0.21%
Insurance companies	1	5,541	0.17%
NBFCs	2	57,793	1.81%
Retirement funds	20	237,514	7.42%
Public limited companies	3	4	0.0001%
Others	18	440,150	13.76%
	2,696	3,199,552	100.00%

Category	-------------------------June 30, 2020-----------------		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	2,475	3,906,601	77.36%
Associated company and key executives	7	59,481	1.18%
Insurance companies	1	6,211	0.12%
NBFCs	3	405,018	8.02%
Retirement funds	25	521,091	10.32%
Public limited companies	6	22,706	0.45%
Others	22	128,673	2.55%
	2,539	5,049,781	100.00%

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

23.1 Connected persons include United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the Management Company) and funds under its management, Al-Ameen Islamic Financial Services (Private) Limited (subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee), directors and officers of the Management Company and unit holders owning 10% or more of the net assets of the Fund.

23.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

23.3 Remuneration of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

23.4 Remuneration of the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

23.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	For the year ended June 30, 2021					
	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
Transactions during the year	(Units in '000)					
Units issued	7,594	16	-	601	3,844	-
Units redeemed	7,594	112	-	4,048	4,249	-
	(Rupees in '000)					
Profit on savings accounts	-	943	-	-	-	-
Bank charges	-	55	-	-	-	-
Value of units issued	802,122	1,600	-	63,938	403,846	-
Value of units redeemed	802,558	11,343	-	420,457	444,601	-
Purchase of securities	-	1,271,132	-	908,343	-	-
Sale of securities	-	894,608	-	2,253,914	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	11,370	-	-	-	-	-
Sindh sales tax on remuneration of the Management Company	1,478	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	-	2,028	-	-	-
Sindh sales tax on remuneration of the Trustee	-	-	264	-	-	-
Selling and marketing expenses	9,362	-	-	-	-	-
Allocated expenses	4,336	-	-	-	-	-
CDS expense	-	-	14	-	-	-
Dividend paid	-	-	-	3,607	550	-

	For the year ended June 30, 2020					
	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
Transactions during the year	(Rupees in '000)					
Profit on savings accounts	-	1,543	-	-	-	-
Bank charges	-	78	-	-	-	-
Value of units issued	1,301,530	14,547	-	1,044,674	123,116	-
Value of units redeemed	1,310,401	3,913	-	1,013,684	86,551	-
Purchase of securities	-	362,825	-	2,816,913	-	-
Sale of securities	-	2,764,771	-	2,088,162	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	30,476	-	-	-	-	-
Sindh sales tax on remuneration of the Management Company	3,962	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	-	2,916	-	-	-
Sindh sales tax on remuneration of the Trustee	-	-	379	-	-	-
Selling and marketing expenses	11,081	-	-	-	-	-
Allocated expenses	4,486	-	-	-	-	-
CDS expense	-	-	3	-	-	-
Dividend paid	-	1,047	-	43,745	5,329	-

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

** These include transactions in relation to the entities w here common directorship exist as at the reporting date.

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

	As at June 30, 2021					
	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
Balances held	(Units in '000)					
Units held	-	-	-	574	87	-
	(Rupees in '000)					
Value of units held	-	-	-	57,793	8,724	-
Bank balances	-	53,186	-	-	-	-
Profit receivable on bank balances	-	173	-	-	-	-
CDS Deposit	-	-	100	-	-	-
Remuneration payable to the Management Company	910	-	-	-	-	-
Sindh sales tax on remuneration payable to the Management Company	118	-	-	-	-	-
Remuneration payable to the Trustee	-	-	160	-	-	-
Sindh sales tax on Trustee remuneration	-	-	21	-	-	-
Sales load payable	1,917	4,706	-	-	-	-
Selling and marketing expenses payable	4,272	-	-	-	-	-
Allocated expenses payable	2,639	-	-	-	-	-

	As at June 30, 2020					
	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***
	(Units in '000)					
Balances held						
Units held	-	96	-	4,021	494	-
	(Rupees in '000)					
Value of units held	-	9,694	-	404,948	49,776	-
Bank balances	-	26,265	-	-	-	-
Deposits	-	-	-	-	-	-
Profit receivable on bank balances	-	215	-	-	-	-
CDS Deposit	-	-	100	-	-	-
Remuneration payable to the Management Company	1,826	-	-	-	-	-
Sindh sales tax on remuneration payable to the Management Company	237	-	-	-	-	-
Remuneration payable to the Trustee	-	-	287	-	-	-
Sindh sales tax on Trustee remuneration	-	-	37	-	-	-
Sales load payable	1,996	439	-	-	-	-
Allocated expenses payable	856	-	-	-	-	-
Selling and marketing expenses payable	3,722	-	-	-	-	-

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

** These include balances in relation to the entities w here common directorship exist as at the reporting date.

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

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and profit rate risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations, and the directives issued by the SECP.

24.1 Market risk

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

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

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

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

24.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2021, the Fund is exposed to such risk on its balances held with banks and investments in term deposit receipts and Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in savings accounts on which interest rate range between 4.5% to 7.85% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2021, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 26.336 million (2020: Rs. 51.117 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in term deposit receipts. As of June 30, 2021, in case of 100 basis points increase / decrease in interest rates, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 6 million (2020: Nil).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

Particulars	2021					
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		(Rupees in '000)				
Financial assets						
Bank balances	4.5% - 7.85%	2,633,580	-	-	55	2,633,635
Investments	7.5% - 9.00%	600,000	489	-	-	600,489
Profit receivable		-	-	-	14,605	14,605
Deposit and other receivables		-	-	-	101	101
Sub total		3,233,580	489	-	14,761	3,248,830
Financial liabilities						
Payable to UBL Fund Managers Limited - the Management Company		-	-	-	9,856	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	181	181
Accrued expenses and other liabilities		-	-	-	6,881	6,881
Sub total		-	-	-	16,918	16,918
On-balance sheet gap (a)		3,233,580	489	-	(2,157)	3,231,912
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		3,233,580	489	-		
Cumulative profit rate sensitivity gap		3,233,580	3,234,069	3,234,069		

Particulars	2020					
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		(Rupees in '000)				
Financial assets						
Bank balances	6.50% - 13.57%	5,111,668	-	-	9	5,111,677
Investments		-	-	-	-	-
Profit receivable		-	-	-	27,607	27,607
Deposit and other receivables		-	-	-	100	100
Sub total		5,111,668	-	-	27,716	5,139,384
Financial liabilities						
Payable to UBL Fund Managers Limited - the Management Company		-	-	-	8,637	8,637
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	324	324
Accrued expenses and other liabilities		-	-	-	8,454	8,454
Sub total		-	-	-	17,415	17,415
On-balance sheet gap (a)		5,111,668	-	-	10,301	5,121,969
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		5,111,668	-	-		
Cumulative profit rate sensitivity gap		5,111,668	5,111,668	5,111,668		

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Fund does not have any financial instruments which are subject to price risk.

24.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

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

Management of liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed to the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances. The Fund can also borrow, with prior approval of the Trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total net assets at the time of borrowing with repayment within 90 days of such borrowings. Further, the Fund did not withhold any redemption requests during the year.

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

	2021						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	(Rupees in '000)						
Financial liabilities							
Payable to UBL Fund Managers Limited - the Management Company	9,856	-	-	-	-	-	9,856
Payable to Central Depository Company of Pakistan Limited - the Trustee	181	-	-	-	-	-	181
Accrued expenses and other liabilities	6,881	-	-	-	-	-	6,881
	16,918	**-**	**-**	**-**	**-**	**-**	**16,918**

	2020						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	(Rupees in '000)						
Financial liabilities							
Payable to UBL Fund Managers Limited - the Management Company	8,637	-	-	-	-	-	8,637
Payable to Central Depository Company of Pakistan Limited - the Trustee	324	-	-	-	-	-	324
Accrued expenses and other liabilities	8,454	-	-	-	-	-	8,454
	17,415	**-**	**-**	**-**	**-**	**-**	**17,415**

24.3 Credit risk

24.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The table below analyses the Fund's maximum exposure to credit risk:

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Bank balances	2,633,635	2,633,635	5,111,677	5,111,677
Investments	600,489	600,000	-	-
Profit receivable	14,605	14,605	27,607	27,607
Deposits and other receivables	101	101	100	100
	3,248,830	3,248,341	5,139,384	5,139,384

The maximum exposure to credit risk before any enhancement as at June 30, 2021 is the carrying amount of the financial assets. Investment in government securities, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

24.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its balances with banks, investment in term deposit receipts and profit accrued on bank balances.

The credit rating profile of balances with banks and investment in term deposit receipts are as follows:

Rating	% of financial assets exposed to credit risk	
	2021	**2020**
Bank balances and accrued profit		
AAA	80.02%	98.40%
AA+	0.93%	0.77%
AA	0.11%	0.28%
Term deposit receipts		
AAA	9.23%	0.00%
AA+	9.23%	0.00%

24.3.3 Concentration on credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

25 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund’s objectives when managing unit holders' fund are to safeguard the Fund’s ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund’s policy is to monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders and to redeem and issue units in accordance with the constitutive documents of the Fund which includes the Fund's ability to restrict redemptions.

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

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

26 FAIR VALUE MEASUREMENT

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

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

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

26.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	**2021**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets 'at fair value through profit or loss'	--- (Rupees in '000) ---			
Market Treasury Bills	-	489	-	489
Term deposit receipts*	-	600,000	-	600,000
	-	600,489	-	600,489

As at June 30, 2020, the Fund held no financial instruments measured at fair value.

*The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

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

Name of Broker:	**June 30, 2021 Percentage**
Invest One Markets Limited	21.38
Bright Capital (Private) Limited	19.62
Continental Exchange (Private) Limited	15.11
Vector Capital (Private) Limited	8.62
ICON Securities (Private) Limited	8.43
BIPL Securities Limited (Formerly KASB SEC)	7.87
Magenta Capital (Private) Limited	6.03
Arif Habib Limited	4.58
Paramount Capital (Private) Limited	4.26
Currency Market Associates (Private) Limited	2.75

Name of Broker:	**June 30, 2020 Percentage**
Continental Exchange (Private) Limited	14.06
Vector Capital (Private) Limited	12.68
Bright Capital (Private) Limited	12.61
Magenta Capital (Private) Limited	11.03
Invest One Markets Limited	10.89
BIPL Securities Limited (Formerly KASB SEC)	8.02
ICON Securities (Private) Limited	8.00
Currency Market Associates (Private) Limited	5.42
Paramount Capital (Private) Limited	5.02
Pearl Securities Limited	4.96

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

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Particulars	August 10, 2020	September 24, 2020	October 29, 2020	December 7, 2020	February 25, 2021	April 28, 2021	Total meetings attended
Name of Director:							
Mr. Arif Akmal Saifie	Yes	Yes	Yes	No	No	Yes	4
Mr. Azhar Hamid	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Imran Sarwar	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Yasir Qadri	Yes	Yes	Yes	Yes	Yes	Yes	6
Ms. Huma Pasha *	-	Yes	Yes	Yes	Yes	Yes	5
Ms. Sadia Saeed	Yes	Yes	Yes	Yes	Yes	Yes	6
Syed Furrukh Zaeem	Yes	Yes	Yes	Yes	Yes	Yes	6
Name of Key Executives:							
Mr. Bilal Javaid	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Umair Ahmed	Yes	Yes	Yes	Yes	Yes	Yes	6

* Ms. Huma Pasha appointed as Director with effect from September 04, 2020

29 GENERAL

29.1 Figures have been rounded off to the thousand of Rupees unless otherwise stated.

29.2 COVID – 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

29.3 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the year, except as follows:

Reclassification from the statement of assets and liabilities	Reclassification to the statement of assets and liabilities	As at June 30, 2020
		Rupees in '000
Deposits, prepayments and other receivables	Bank balances	428

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 16, 2021 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited
(Management Company)

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

UGSF

UBL Government Securities Fund

INVESTMENT OBJECTIVE

The objective of the fund is to generate a competitive return with minimum risk, by investing primarly 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 (VIS)
Fund Rating	AA(f) (VIS)

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

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

Income / Open-end

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

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

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

The Fund achieved its stated objective.

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

Average of 6M PKRV rates.

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

Monthly Yield*	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	FYTD
UGSF	3.62%	3.32%	6.04%	3.33%	6.67%	4.52%	5.84%	6.16%	5.87%	7.63%	6.98%	7.56%	5.60%
Benchmark	6.61%	7.10%	7.16%	7.21%	7.19%	7.18%	7.25%	7.43%	7.66%	7.60%	7.51%	7.54%	7.28%

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

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted return of 5.60% p.a as compared to benchmark return of 7.28% thus underperforming the benchmark by 168bps. Its net assets were PKR 2,035 mn and weighted average maturity of the Fund was decreased to 2.68 years by the end of FY21. The Fund's exposure was invested in PIB Floater at the end of FY21.

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-20	Jun-21
Placements with banks	0%	4.1%
PIB – Floater	37%	49.6%
PIB – Fixed	0%	1.3%
GOP Ijarah Sukuk	0%	0%
T-Bills	3%	0%
Cash	15%	44.5%
Others	44%	0.5%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance

FY'21 Return:	5.60%
Standard Deviation (12m trailing):	0.51%
Sharpe Ratio (12m trailing):	(3.01)

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-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
Rupees (000)		%	Rupees		%
2,035,248	3,156,763	-35.53%	105.7783	105.6231	0.15

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

During FY21, market expectation of further rate cut faded away. The market remained keen on investing in short term treasury bills. The market participation was ~PKR 27.5 trillion in treasury bills auctions and the government accepted ~PKR 16 trillion. A clear preference was observed in 3 months tenor which constituted ~55% of the total participation followed by 6 months and 12 months with the participation of 37% and 8% respectively. However, significant interest was seen in the 6M T-Bills in the later part of the fiscal year as the government offered noteworthy term premium. During 2HFY21, the market participated PKR 8.3 trillion in 6M T-Bills as compared to PKR 1.7 trillion in 1HFY21. Moreover, the cutoff rates of T-bills on-average remained 25bps, 42bps and 52 bps higher during the 2HFY21 compared to 1HFY21 for the 3M, 6M and 12M T-Bills respectively.

A strong participation was witnessed in fixed rate PIBs. The market participation was ~PKR 2.4 trillion where the government proactively accepted ~PKR 1 trillion. The participation in fixed rate PIBs more than doubled during the 2HFY21 as compared to the 1HFY21 mainly on the back of the accommodative stance in monetary policy by SBP. Despite the heavy participation, the market demanded relatively higher yields. Therefore, yields of 3Y, 5Y and 10 PIBs increased by 148 bps, 138 bps and 125 bps respectively during FY21. In contrast, participation in the floater rate PIBs remained on the lower side in 2HFY21 as compared to 1HFY21, participation was dropped to ~PKR 700 billion in 2HFY21 compared to ~PKR 2,300 billion in 1HFY21. Total acceptance was PKR 1,600 billion during FY21.

On Islamic front, the total participation was PKR 498 billion in six variable rate Ijara sukuk auctions and the government accepted PKR 321 billion. In contrast, only PKR 77.6 billion participation was witnessed in the fixed rate Ijara sukuk out of which, the government accepted PKR 53 billion. However, only one auction took place in 2HFY21. The government accepted PKR 67 billion in variable rental rate sukuk and PKR 8 billion in fixed rental rate sukuks.

Yield curve comparison is given below:

Tenors	PKRV as at June 30, 2021	PKRV as at June 30, 2020	Change
3 Months	7.28	7.09	0.19
6 Months	7.53	7.05	0.48
1 Year	7.81	7.05	0.76
3 Years	8.99	7.53	1.46
5 Years	9.49	8.11	1.38
10 Years	9.94	8.69	1.25

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

Distribution				**Per unit**	
Declared on	**Bonus**	**Cash**	**Per Unit**	**Cum NAV**	**Ex NAV**
	Rupees (000)		**--------------- *Rupees* ---------------**		
Period Ended June-2021	Nil	218,634	5.6117	111.2348	105.6231

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

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

xii) Breakdown of unit holdings by size

Range of Units	**Number of Investors**
	UGSF
0.0001 - 9,999.9999	2,716
10,000.0000 - 49,999.9999	189
50,000.0000 - 99,999.9999	29
100,000.0000 - 499,999.9999	31
500,000.0000 & Above	6
Total	**2,971**

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Government Securities Fund

	2021	2020	2019
NET ASSETS AS AT 30 JUNE - Rupees in '000	**2,035,248**	3,156,763	1,533,514
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *			
Class C units - Offer *	**106.9736**	106.8166	106.9805
- Redemption	**105.7783**	105.6231	105.7851
RETURN OF THE FUND - %			
Total Return of the Fund	**5.60**	14.82	7.55
Capital Growth (per unit)	**0.29**	0.50	0.52
Date of Income Distribution	**-**	-	2-Jul-18
Income Distribution	**-**	-	4.97
Date of Income Distribution	**Period Ended 30-June-2021**	26-Jun-20	24-Jun-19
Income Distribution	**5.6117**	15.84	7.77
AVERAGE ANNUAL RETURN - %			
One Year	**5.60**	14.82	7.55
Second Year	**10.21**	9.03	6.13
Third Year	**9.32**	7.97	5.69
Fourth Year	**8.17**	8.17	6.51
Since inception	**7.69**	7.92	7.06
OFFER / REPURCHASE DURING THE YEAR- Rupees *			
Highest price per unit - Class C units - Offer	**107.5397**	122.6172	114.6096
Highest price per unit - Class C units - Redemption	**106.3381**	121.2471	113.3290
Lowest price per unit - Class C units - Offer	**106.7858**	106.8166	106.7877
Lowest price per unit - Class C units - Redemption	**105.5926**	105.6231	105.5945

* Front-end load @1% is applicable

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

PORTFOLIO COMPOSITION BY CATEGORY - %	2021	2020	2019
Bank Balances	**45**	15	67
Placements and Term Deposit Receipts	**4**	-	-
Government securities	**51**	40	31
Others	**1**	45	2

PORTFOLIO COMPOSITION BY MARKET - %	2021	2020	2019
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
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GOVERNMENT SECURITIES FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 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, 2021 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 14, 2021

UBL FUNDS

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

NAME OF FUND: UBL Government Securities Fund

YEAR ENDED: JUNE 30, 2021

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

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
   a. Male: Five Directors; and
   b. Female: Two Directors.
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Huma Pasha*
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed** Mr. Arif Akmal Saifie Syed Furrukh Zaeem
Female Director	Ms. Huma Pasha* Ms. Sadia Saeed**

* Ms. Huma was appointed as a director with effect from September 04, 2020
** Ms. Sadia Saeed has resigned effective July 19, 2021

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
4. The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of its directors in accordance with the Act and these Regulations.

UBL FUNDS

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

Directors

a. Mr. Imran Sarwar
b. Mr. Yasir Qadri
c. Ms. Huma Pasha
d. Ms. Sadia Saeed
e. Syed Furrukh Zaeem

Executives

a. Mr. Hadi Hassan Mukhi (Head of Compliance and Risk)
b. Mr. Umair Ahmed (Chief Financial Officer)
c. Mr. Zeeshan Quddus (Chief Business Development Officer)

10. The Board has approved appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Board Audit Committee

Name	Designation	Type of Directorship
Ms. Huma Pasha*	Chairman	Independent Director
Mr. Arif Akmal Saifie	Member	Non-Executive Director
Mr. Imran Sarwar	Member	Non-Executive Director
Ms. Sadia Saeed**	Member	Non-Executive Director

Board Human Resource and Compensation Committee

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

Board Risk and Compliance Committee

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

* Ms. Huma was appointed as a director with effect from September 04, 2020
** Ms. Sadia Saeed has resigned effective July 19, 2021

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

a. The Board Audit Committee: quarterly - four meetings held
b. The Board Human Resource and Compensation Committee: quarterly – four meetings held
c. The Board Risk and Compliance Committee: quarterly - four meetings held

UBL FUNDS

15. The Board has set up an effective internal audit function. The function has suitably qualified and experienced staff for the purpose and they are conversant with the policies and procedures of the Management Company.

16. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or directors of the Management Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

S.no	Non-Mandatory Requirement	Reg. No.	Explanation
1.	**Independent Director** The independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher. When there are seven directors on the board of the company the fraction of independent director share comes at 2.33. The company may round up or provide reason for contrary.	6	The two independent directors have requisite education and extensive and suitable experience to carry out their responsibilities, therefore the Board has not appointed the third independent director.
2.	**Nomination Committee** The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the board has not constituted a separate NC and the functions are being performed by the BHRCC

AZHAR HAMID
Chairman

Karachi.
Dated: **August 17, 2021**

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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, 2019 AS ADOPTED BY THE BOARD OF DIRECTORS OF UBL FUND MANAGERS LIMITED

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) as adopted by the Board of Directors (the Board) of UBL Fund Managers Limited, the Management Company of UBL Government Securities Fund (the Fund) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Fund for the year ended June 30, 2021.

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

"The Securities and Exchange Commission of Pakistan (SECP) through its letter dated April 18, 2018 to Mutual Funds Association of Pakistan (MUFAP) has exempted the open-end collective investment schemes from the requirements of the Code of Corporate Governance. However, the Board of Directors of UBL Fund Managers Limited, the Management Company of the Fund, for the purpose of establishing a framework of good governance whereby a Fund is managed by best practice of corporate governance, has voluntarily opted to comply with the relevant provisions of the Listed Companies (Code of Corporate Governance) Regulations 2019 (The Code)."

KARACHI

DATED: SEPTEMBER 23, 2021

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, 2021, 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2021, the investments held by the Fund comprised of debt instruments amounting to Rs. 1.877 billion which represent 51% of the total assets of the Fund as at the year end.	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 at the Mutual Fund Association of Pakistan (MUFAP).

S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and documented and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the NBFC Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.
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.	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 and bifurcation of amount paid on redemption of units into "capital value" and "income already paid on units redeemed". • 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.

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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	The Fund has to distribute not less than 90 percent of its accounting income for the year (excluding capital gains whether realized or unrealized). 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.	• We also 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 Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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: 23 SEP 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	5	1,642,718	549,489
Investments	6	1,876,992	1,442,862
Term deposit receipts	7	150,000	-
Mark up / interest receivable	8	12,649	97,399
Prepayments and other receivables	9	715	1,458,044
Advance tax	10	5,180	5,176
TOTAL ASSETS		3,688,254	3,552,970
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	11	4,558	4,808
Payable to Central Depository Company of Pakistan Limited - Trustee	12	158	203
Payable to Securities and Exchange Commission of Pakistan	13	860	504
Accrued expenses and other liabilities	14	1,647,430	390,692
TOTAL LIABILITIES		1,653,006	396,207
NET ASSETS		2,035,248	3,156,763
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,035,248	3,156,763
CONTINGENCIES AND COMMITMENTS	15		
		-----------(Number of units)-----------	
NUMBER OF UNITS IN ISSUE	16	19,240,687	29,887,045
		-----------------(Rupees)-----------------	
NET ASSETS VALUE PER UNIT		105.7783	105.6231

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, 2021

	Note	2021	2020
		------- (Rupees in '000) -------	
Income			
Financial income	17	344,510	308,910
Capital (loss) / gain on sale of investments - net		(55,503)	95,023
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	6.5	(961)	(229)
Other income		1,539	347
Total income		289,585	404,051
Expenses			
Remuneration of UBL Fund Managers Limited - Management Company	11.1	43,735	29,138
Sindh Sales tax on Management Company's remuneration	11.2	5,686	3,788
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	3,160	1,852
Annual fee of Securities and Exchange Commission of Pakistan	13.1	860	504
Allocated expenses	19	4,302	2,521
Bank charges		130	126
Auditors' remuneration	18	354	283
Brokerage and settlement expenses		1,474	2,818
Legal and professional charges		581	212
Fee and subscription charges		310	310
Total operating expenses		60,592	41,552
Net income from operating activities		228,993	362,499
Provision for Sindh Workers' Welfare Fund	14.2	(4,493)	(7,110)
Net income for the year before taxation		224,500	355,389
Taxation	20	-	-
Net income for the year after taxation		224,500	355,389
Allocation of net income for the year			
Net income for the year after taxation		224,500	355,389
Income already paid on units redeemed		(114,543)	(196,515)
Net income for the year available for distribution		109,957	158,874
Accounting income available for distribution:			
Relating to capital gains		-	45,264
Excluding capital gains		109,957	113,610
		109,957	158,874
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
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	------- (Rupees in '000) -------	
Net income for the year	224,500	355,389
Other comprehensive income	-	-
Total comprehensive income for the year	224,500	355,389

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, 2021

	2021	2020
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	224,500	355,389
Adjustments for:		
Financial income	(344,510)	(308,910)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	961	229
Capital loss / (gain) on sale of investments - net	55,503	(95,023)
Provision for Sindh Workers' Welfare Fund	4,493	7,110
	(283,553)	(396,594)
Cash used in operations before working capital changes	(59,053)	(41,205)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(490,593)	(822,497)
Prepayments and other receivables	1,457,330	(1,456,719)
Advance tax	(4)	(1)
	966,733	(2,279,217)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(250)	2,543
Payable to Central Depository Company of Pakistan Limited - Trustee	(45)	13
Annual fee payable to Securities and Exchange Commission of Pakistan	356	(766)
Accrued expenses and other liabilities	1,252,245	253,766
	1,252,306	255,556
Profit received on bank balances and investments	429,259	236,747
Net cash generated from / (used in) operating activities	2,589,245	(1,828,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	28,453,603	5,503,223
Payments against redemption of units	(29,580,984)	(3,816,257)
Dividend paid	(218,634)	(419,106)
Net cash (used in) / generated from financing activities	(1,346,015)	1,267,860
Net cash generated from / (used in) financing activities	1,243,230	(560,259)
Cash and cash equivalents at the beginning of the year	549,489	1,109,748
Cash and cash equivalents at the end of the year	1,792,718	549,489
CASH AND CASH EQUIVALENTS		
Bank balances	1,642,718	549,489
Term deposit receipts	150,000	-
	1,792,718	549,489

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, 2021

	2021			2020		
	Capital value	**Undistributed income**	**Total**	**Capital value**	**Undistributed income**	**Total**
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	2,952,966	203,797	3,156,763	1,324,250	209,264	1,533,514
Issuance of 268,263,549 units (2020: 47,803,588 units)						
Capital value	28,334,830	-	28,334,830	5,056,907	-	5,056,907
Element of income	118,773	-	118,773	446,316	-	446,316
Total proceeds on issuance of units	28,453,603		28,453,603	5,503,223		5,503,223
Redemption of 278,909,907 units (2020: 32,413,040 units)						
Capital value	(29,459,331)	-	(29,459,331)	(3,428,817)	-	(3,428,817)
Element of loss	(7,110)	(114,543)	(121,653)	(190,925)	(196,515)	(387,440)
Total payments on redemption of units	(29,466,441)	(114,543)	(29,580,984)	(3,619,742)	(196,515)	(3,816,257)
Total comprehensive income for the year	-	224,500	224,500	-	355,389	355,389
Distributions during the year:						
Re. 0.6689 per unit declared on Sep 04, 2020 as cash dividend	(21,661)	(17,700)	(39,361)	-	-	-
Re. 0.3844 per unit declared on Sep 25, 2020 as cash dividend	(12,564)	(9,442)	(22,006)	-	-	-
Re. 0.2667 per unit declared on Oct 23, 2020 as cash dividend	(5,192)	(9,031)	(14,223)	-	-	-
Re. 0.5813 per unit declared on Nov 27, 2020 as cash dividend	(14,139)	(15,570)	(29,709)	-	-	-
Re. 0.4555 per unit declared on Dec 24, 2020 as cash dividend	(9,905)	(11,971)	(21,876)	-	-	-
Re. 0.4933 per unit declared on Jan 29, 2021 as cash dividend	(10,024)	(10,501)	(20,525)	-	-	-
Re. 0.4680 per unit declared on Feb 26, 2021 as cash dividend	(8,623)	(8,791)	(17,414)	-	-	-
Re. 0.4744 per unit declared on Mar 26, 2021 as cash dividend	(6,031)	(5,851)	(11,882)	-	-	-
Re. 0.7150 per unit declared on Apr 30, 2021 as cash dividend	(8,774)	(8,770)	(17,544)	-	-	-
Re. 0.5488 per unit declared on May 28, 2021 as cash dividend	(6,776)	(6,598)	(13,374)	-	-	-
Re. 0.5554 per unit declared on Jun 25, 2021 as cash dividend	(4,888)	(5,833)	(10,721)	-	-	-
Rs. 15.8363 per unit declared on June 26, 2020 as cash dividend	-	-	-	(254,765)	(164,341)	(419,106)
	(108,577)	114,443	5,866	(254,765)	191,048	(63,717)
Net assets at the end of the year	1,831,551	203,697	2,035,248	2,952,966	203,797	3,156,763
Undistributed income brought forward comprises of:						
Realised gain		204,026	204,026		212,437	212,437
Unrealised loss		(229)	(229)		(3,173)	(3,173)
Total undistributed income brought forward		203,797	203,797		209,264	209,264
Income available for distribution:						
Relating to capital gains		-	-		45,264	45,264
Excluding capital gains		109,957	109,957		113,610	113,610
		109,957	109,957		158,874	158,874
Distributions during the year:						
Re. 0.6689 per unit declared on Sep 04, 2020 as cash dividend		(17,700)	(17,700)		-	-
Re. 0.3844 per unit declared on Sep 25, 2020 as cash dividend		(9,442)	(9,442)		-	-
Re. 0.2667 per unit declared on Oct 23, 2020 as cash dividend		(9,031)	(9,031)		-	-
Re. 0.5813 per unit declared on Nov 27, 2020 as cash dividend		(15,570)	(15,570)		-	-
Re. 0.4555 per unit declared on Dec 24, 2020 as cash dividend		(11,971)	(11,971)		-	-
Re. 0.4933 per unit declared on Jan 29, 2021 as cash dividend		(10,501)	(10,501)		-	-
Re. 0.4680 per unit declared on Feb 26, 2021 as cash dividend		(8,791)	(8,791)		-	-
Re. 0.4744 per unit declared on Mar 26, 2021 as cash dividend		(5,851)	(5,851)		-	-
Re. 0.7150 per unit declared on Apr 30, 2021 as cash dividend		(8,770)	(8,770)		-	-
Re. 0.5488 per unit declared on May 28, 2021 as cash dividend		(6,598)	(6,598)		-	-
Re. 0.5554 per unit declared on Jun 25, 2021 as cash dividend		(5,833)	(5,833)		-	-
Rs. 15.8363 per unit declared on June 26, 2020 as cash dividend		-	-		(164,341)	(164,341)
Undistributed income carried forward		203,697	203,697		203,797	203,797
Undistributed income carried forward comprises of:						
Realised gain		204,658	204,658		204,026	204,026
Unrealised loss		(961)	(961)		(229)	(229)
Total undistributed income carried forward		203,697	203,697		203,797	203,797
			(Rupees)			**(Rupees)**
Net assets value per unit at the beginning of the year			105.6231			105.7851
Net assets value per unit at the end of the year			105.7783			105.6231

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
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 31, 2020 and a stability rating of "AA(f)" to the Fund as at January 07, 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

Where 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 unless stated otherwise. These financial statements have been prepared by following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of these 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 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 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING & REPORTING STANDARDS

3.1 Standards / amendments that are effective in current year and relevant to the Fund

The Fund has adopted the standards / amendments to the following approved accounting and reporting 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)
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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020
Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions	June 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020

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

3.2 New Accounting Standards, Amendments & Interpretations that are effective in current year and not relevant to the Fund

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

Interest Rate Benchmarch Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021
Amendments to IAS 1'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit and loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

- it is held within a business model whose objective is 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 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
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.

4.2.1.2 Impairment of financial assets

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

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, deposits, loans, other receivables and bank balances.

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.

4.2.1.3 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.

4.2.1.4 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

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 Taxation

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

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.8 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.

4.9 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.

4.10 Net assets value per unit

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

4.11 Revenue recognition

- Realised capital 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.

- 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 proportionate basis.

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

4.12 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	2021	2020
		------- (Rupees in '000) -------	
5 BANK BALANCES			
Cash at bank			
In current accounts		8	10
In savings accounts	5.1	1,642,710	549,479
		1,642,718	549,489

5.1 Profit rates on these savings accounts range from 5.50% to 7.85% per annum (June 30, 2020: 6.40% to 13.65% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 5.644 million (June 30, 2020: Rs. 24.101 million) on which return is earned at 5.5% (June 30, 2020: 7.5%) per annum.

6 INVESTMENTS

	Note	2021	2020
Pakistan Investment Bonds	6.1, 6.2 & 6.3	1,876,992	1,325,798
Market Treasury Bills	6.1 & 6.4	-	117,064
		1,876,992	1,442,862

6.1 Details of Government securities are as follows:

Name of security	Note	Issue Date	At the beginning of the year	Acquired during the year	Sold / matured during year	At the end of the year	Market value as at June 30, 2021	Market value as at June 30, 2020	Percentage of investment
			---- No. of holdings ----				---- (Rupees in '000) ----		
Pakistan Investment Bonds									
PIB-3 Years	6.3 & 6.4	18-Jun-20	2,475	152,836	142,735	12,576	1,259,109	255,164	67.08%
PIB-5 Years	6.3 & 6.4	15-Oct-20	-	64,470	60,960	3,510	348,090	-	18.55%
PIB- 10 Years	6.3 & 6.4	9-Aug-18 & 22-Aug-20	10,510	15	7,835	2,690	269,794	1,070,634	14.37%
Market Treasury Bills									
T-bill 3 months	6.5		-	123,775	123,775	-	-	-	0.00%
T-bill 6 months	6.5		-	27,950	27,950	-	-	-	0.00%
T-bill 1 year	6.5		1,250	20,000	21,250	-	-	117,064	0.00%
			14,235	389,046	384,505	18,776	1,876,992	1,442,862	100.00%

6.2 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 50.000 million and Rs. 1,827.600 million respectively (June 30, 2020: Rs. 805.000 million and Rs. 493.500 million respectively) and carry interest rates ranging from 8.021% to 8.215% and 7.50% respectively (June 30, 2020: 8.75% to 10.00% and 13.94% to 14.05% respectively).

6.3 These PIBs have nominal value of Rs.100,000 each.

6.4 As at June 30, 2021, face value of Market Treasury Bills (T-bills) was Rs.Nil (June 30, 2020: Rs. 125 million).

	Note	2021	2020
		------- (Rupees in '000) -------	
6.5 Unrealised loss on revaluation of investment classified as 'at fair value through profit or loss' - net			
Market value of investments		1,876,992	1,442,862
less: Carrying value of investments		(1,877,953)	(1,443,091)
Unrealised loss		(961)	(229)

7 TERM DEPOSIT RECEIPTS

	Note	2021	2020
Opening balance		-	-
Acquired during the year	7.1	150,000	130,000
Matured during the year		-	(130,000)
Closing balance		150,000	-

7.1 This term deposit receipt carried interest at the rate of 9% per annum (2020: 13.75% per annum) and matured on July 29, 2021.

8 MARK UP / INTEREST RECEIVABLE

	2021	2020
Markup / interest receivable on:		
Savings accounts	3,352	2,577
Pakistan Investment Bonds	9,223	94,822
Term Deposit Receipts	74	-
	12,649	97,399

	Note	2021	2020
		------- (Rupees in '000) -------	

9 PREPAYMENTS AND OTHER RECEIVABLES

		2021	2020
Prepaid credit rating fees		66	64
Receivable against issuance of units		649	4,331
Other receivable		-	250,763
Receivable against sale of investment		-	1,202,886
		715	1,458,044

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

11 PAYABLE TO UBL FUND MANAGERS LIMITED- MANAGEMENT COMPANY

	Note	2021	2020
Remuneration payable (including Sindh Sales tax)	11.1 & 11.2	2,392	3,270
Conversion charges payable		175	163
Allocated expenses payable	19	1,634	594
Sales load payable		340	764
Other payable		17	17
		4,558	4,808

11.1 As per the regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund calculated on a daily basis with a floor and cap of 1% and 1.25% on average daily net assets, respectively.

11.2 Sindh Sales Tax has been levied at 13% on the management fee charged during the year.

	Note	2021	2020
		------- (Rupees in '000) -------	

12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee fee payable	12.1	158	203

12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

Earlier, the tariff structure applicable to the Fund was as follows:

Up to Rs. 1,000 million	0.15% p.a. of net assets
Rs. 1,000 million to Rs. 10,000 million	Rs. 1.5 million plus 0.075% p.a. of net assets exceeding Rs. 1 billion
Over Rs. 10,000 million	Rs. 8.25 million plus 0.06% p.a. of net assets exceeding Rs. 10 billion

CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.065% of the average annual net assets of the Fund.

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.

	Note	2021	2020
		------- (Rupees in '000) -------	

13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	13.1	860	504

13.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorised as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the scheme. The fee is payable annually in arrears.

	Note	2021	2020
		------- (Rupees in '000) -------	

14 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021	2020
Payable against purchase of investments		1,559,809	-
Federal Exercise Duty payable	14.1	52,558	52,558
Provision for Sindh Workers' Welfare	14.2	31,057	26,565
Dividend payable as capital Repayment - non taxable		-	254,765
Zakat deducted at source payable		210	139
Capital gains tax payable		824	28,539
Auditors' remuneration payable		252	307
Brokerage expense payable		380	2,197
Sales load payable	14.3	1,570	202
Payable against legal expenses and professional fees		99	97
Withholding tax payable		603	21,271
Other payables		68	4,052
		1,647,430	390,692

14.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 2.511 per unit (June 30, 2020: Rs. 1.758 per unit).

14.2 Provision For Workers' Welfare Fund

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

As at June 30, 2021, the provision in relation to SWWF amounted to Rs. 31.057 million (2020: Rs. 26.565 million). Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 1.614 per unit (June 2020: Re 0.888 per unit).

14.3 This includes sales load payable to United Bank Limited and Al-Ameen Islamic Financial Services (Private) Limited amounting to Rs. 1.506 million (June 30, 2020: Rs. 0.049 million) and Rs. 0.064 million (June 30, 2020: Rs. 0.153 million).

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 and June 30, 2020.

16 NUMBER OF UNITS IN ISSUE

	2021	2020
	-------------(Number of units)-------------	
Total units in issue at the beginning of the year	29,887,045	14,496,497
Add: Units issued	268,263,549	47,803,588
Less: Units redeemed	(278,909,907)	(32,413,040)
Total units in issue at the end of the year	19,240,687	29,887,045

17 FINANCIAL INCOME

	2021	2020
Markup / interest income on:		
Bank balances	34,375	49,851
Term deposit receipts	74	1,567
Pakistan Investment Bonds	285,915	97,735
Market Treasury Bills	24,146	145,794
GOP Ijarah Sukuks	-	13,963
	344,510	308,910

18 AUDITORS' REMUNERATION

	2021	2020
Annual audit fee	127	120
Fee for half yearly review	68	64
Fee for review of compliance with the requirements	36	32
Fee for other certifications / services	33	27
Out of pocket expense and sales tax	91	40
	354	283

19 ALLOCATED EXPENSES

As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, the fee is being charged at the rate of 0.1% of the average annual net assets.

20 TAXATION

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

21 EARNINGS PER UNIT

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

22 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.51% as on June 30, 2021 and this includes 0.27% representing Government levy, Sindh Workers Welfare Fund and SECP fee.

23 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, the financial assets carried on the statement of assets and liabilities are categorised either as at 'amortized cost' or 'at fair value through profit or loss'. The financial liabilities carried on the statement of assets and liabilities are categorised as at amortised cost i.e. liabilities other than 'at fair value through profit or loss'.

Particulars	As at June 30, 2021		
	Amortized cost	Financial assets 'at fair value through profit or loss'	Total
	---------- Rupees in '000 ----------		
Financial assets			
Bank balances	1,642,718	-	1,642,718
Investments	-	1,876,992	1,876,992
Term deposit receipts	150,000	-	150,000
Other receivables	649	-	649
Mark up / interest receivable	12,649	-	12,649
	1,806,016	1,876,992	3,683,008

Particulars	As at June 30, 2021		
	Financial liabilities 'at fair value through profit or loss'	Amortised cost	Total
	------------------------- Rupees in '000 -------------------------		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	4,206	4,206
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	140	140
Accrued expenses and other liabilities	-	1,562,178	1,562,178
	-	1,566,524	1,566,524

Particulars	As at June 30, 2020		
	Amortized cost	Financial assets 'at fair value through profit or loss'	Total
Financial assets			
Bank balances	549,489	-	549,489
Investments	-	1,442,862	1,442,862
Other receivables	1,457,980	-	1,457,980
Mark up / interest receivable	97,399	-	97,399
	2,104,868	1,442,862	3,547,730

Particulars	As at June 30, 2020		
	Financial liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
	------------------------- Rupees in '000 -------------------------		
Financial liabilities			
Payable to UBL Fund Managers Limited - Management Company	-	4,344	4,344
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	180	180
Accrued expenses and other liabilities	-	261,620	261,620
	-	266,144	266,144

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

		June 30, 2021 (Percentage)
1	Magenta Capital (Private) Limited	11.85%
2	Currency Market Associates (Private) Limited	10.39%
3	Optimius Markets (Private) Limited	2.31%
4	Continental Exchange (Private) Limited	17.57%
5	Paramount Capital (Private) Limited	4.61%
6	Icon Securities (Private) Limited	1.78%
7	JS Global Capital Limited	4.15%
8	Bright Capital (Private) Limited	14.01%
9	Invest One Markets Limited	25.58%
10	BIPL Securities Limited (Formerly Kasb Sec)	6.08%
		98.33%

		June 30, 2020 (Percentage)
1	Magenta Capital (Private) Limited	29.17%
2	Pearl Securities Limited	14.59%
3	Summit Capital (Private) Limited	12.51%
4	Continental Exchange (Private) Limited	11.92%
5	Direct	7.30%
6	Icon Securities (Private) Ltd.	6.01%
7	BMA Capital Management Limited	3.11%
8	Bright Capital (Private) Limited	2.67%
9	Invest One Markets Limited	2.41%
10	BIPL Securities Limited (Formerly Kasb Sec)	2.26%
		91.95%

25 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND

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	25	MBA
2	Syed Suleman Akhtar	Chief Investment Officer	20	CFA, MBA
3	Muhammad Imran	Head of Investment advisory	21	MBA
4	Hadi Hassan Muki	Head of Compliance	21	BCOM
5	Syed Sheeraz Ali	Fund Manager & Senior Analyst	11	MBA
6	Muhammad Waseem	Head Research	7	BBA, CFA

Syed Sheeraz Ali is the Fund Manager of the Fund. He is also the Fund Manager of UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Cash Fund, UBL Income Opportunity Fund, UBL Growth And Income Fund, UBL Asset Allocation Fund, UBL Financial Planning Fund, UBL Special Savings Fund, UBL Retirement Savings Fund, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Sovereign Fund, Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Special Savings Fund-II, Al-Ameen Islamic Financial Planning Fund-III.

26 PATTERN OF UNIT HOLDING

Category	-----------------------June 30, 2021-----------------------		
	Number of unit holders	Number of units held	Percentage of units held
Associated Company, Director and key executive	3	10,847	0.06%
Individuals	2,936	15,163,857	78.81%
Retirement funds	18	1,696,450	8.82%
Others	14	2,369,533	12.32%
	2,971	19,240,687	100%

Category	------------------------June 30, 2020------------------------		
	Number of unit holders	Number of units held	Percentage of units held
Director and key executive	3	20,497	0.43%
Individuals	2,949	15,432,184	74.49%
Public limited companies	6	1,287,865	0.03%
Retirement funds	22	2,271,429.00	11.38%
Others	14	10,875,070	13.67%
	2,994	29,887,045	100%

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), the Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	------------------	------------------	------------------	(Rupees in '000)	------------------	------------------
Transactions during the year ended June 30, 2021						
Profit on savings accounts	-	535	-	-	-	-
Bank charges	-	10	-	-	-	-
Units issued (Units)	250,805	-	-	-	227,767	-
Units redeemed (Units)	251,129	-	-	-	229,746	-
Units issued	2,367				2,148	
Units redeemed	2,367				2,167	
Sales load paid	1,849	-	-	-	-	-
Dividend paid	942	-	-	-	986	-
Purchase of securities	-	11,834	-	499,339	-	-
Sale of securities	-	250,162	-	438,990	-	-
Remuneration (including Sindh sales tax)	49,420	-	3,160	-	-	-
Allocated expenses	4,302	-	-	-	-	-
CDS expense	-	-	5	-	-	-
Transactions during the year ended June 30, 2020						
Profit on savings accounts	-	1,214	-	-	-	-
Bank charges	-	38	-	-	-	-
Units issued	-	-	-	-	20	20,639
Units redeemed	-	-	-	-	62	11,581
Sales load paid	614	579	-	-	-	-
Dividend paid	-	-	-	-	284	179,981
Purchase of securities	-	214,297	-	361,437	-	-
Sale of securities	-	348,339	-	3,414,831	-	-
Remuneration (including Sindh sales tax)	32,926	-	1,852	-	-	-
Allocated expenses	2,521	-	-	-	-	-
Listing fee	-	25	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	----------	----------	----------	(Rupees in '000)	----------	----------
Balances held as at June 30, 2021						
Units held (in Units '000)	-	-	-	-	105	-
Units held (in Rupees '000)	-	-	-	-	11	-
Bank balances	-	5,644	-	-	-	-
Remuneration payable	2,392	-	158	-	-	-
Sales load payable	340	1,570	-	-	-	-
Conversion charges payable	175	-	-	-	-	-
Allocated expenses payable	1,634	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	12	-	-	-	-
Balances held as at June 30, 2020						
Units held (in Units '000)	-	-	-	-	20	13,045
Units held (in Rupees '000)	-	-	-	-	2,112	1,377,854
Bank balances	-	24,101	-	-	-	-
Remuneration payable	3,270	-	203	-	-	-
Sales load payable	764	202	-	-	-	-
Conversion charges payable	163	-	-	-	-	-
Allocated expenses payable	594	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	38	-	-	-	-

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

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

Particulars	August 10, 2020	September 24, 2020	October 29, 2020	December 07, 2020	February 25, 2021	April 28, 2021	Total meetings attended
Name of Directors:							
Mr. Arif Akmal Saifie	✓	✓	✓	N/A	N/A	✓	4
Mr. Azhar Hamid	✓	✓	✓	✓	✓	✓	6
Mr. Imran Sarwar	✓	✓	✓	✓	✓	✓	6
Mr. Yasir Qadri	✓	✓	✓	✓	✓	✓	6
Ms. Huma Pasha *	N/A	✓	✓	✓	✓	✓	5
Ms. Sadia Saeed	✓	✓	✓	✓	✓	✓	6
Syed Furrukh Zaeem	✓	✓	✓	✓	✓	✓	6
Name of Key Executives							
Mr. Bilal Javaid	✓	✓	✓	✓	✓	✓	6
Mr. Umair Ahmed	✓	✓	✓	✓	✓	✓	6

* Ms. Huma Pasha appointed as Director with effect from September 04, 2020

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, 2021, the Fund is exposed to such risk on its balances held with banks 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 savings accounts, the interest rates on which range between 5.5% to 7.85% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2021, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 18.28 million (2020: Rs. 5.49 million).

b) Sensitivity analysis for fixed rate instruments

Fixed rate instruments held as at June 30, 2021 include Pakistan Investment Bonds. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in respective fair values.

In case of 100 basis points increase in rates announced by the Financial Market Association on June 30, 2021, with all other variables held constant, the net income for the year and the net assets would be lower/higher by Rs. 0.50 million (2020: Rs. 14.43 million).

The composition of the aforementioned Fund's investment portfolio and rates announced by the Financial Market Association are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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 , 2021					
	Effective yield / interest rate	Total	Exposed to interest rate risk			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5 - 7.85	1,642,718	1,642,718	-	-	-
Investments	4 - 14.704	1,876,992	-	-	1,876,992	-
Mark-up / interest receivable		12,649	-	-	-	12,649
Other receivables		649	-	-	-	649
Sub total		3,533,008	1,642,718	-	1,876,992	13,298
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		4,206	-	-	-	4,206
Payable to Central Depository Company of Pakistan Limited - Trustee		140	-	-	-	140
Accrued expenses and other liabilities		1,562,178	-	-	-	1,562,178
Sub total		1,566,524	-	-	-	1,566,524
On-balance sheet gap (a)		1,966,484	1,642,718	-	1,876,992	(1,553,227)
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			1,642,718	-	1,876,992	
Cumulative interest rate sensitivity gap			1,642,718	-	1,876,992	

Particulars	June 30 , 2020					
	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	6.40 - 13.65	549,489	549,489	-	-	-
Investments	8.75 - 14.05	1,442,862	-	117,064	1,325,798	-
Mark-up / interest receivable		97,399	-	-	-	97,399
Other receivables		1,457,980	-	-	-	1,457,980
Sub total		3,547,730	549,489	117,064	1,325,798	1,555,379
Financial liabilities						
Payable to UBL Fund Managers Limited - Management Company		4,344	-	-	-	4,344
Payable to Central Depository Company of Pakistan Limited - Trustee		180	-	-	-	180
Accrued expenses and other liabilities		261,620	-	-	-	261,620
Sub total		266,144	-	-	-	266,144
On-balance sheet gap (a)		3,281,586	549,489	117,064	1,325,798	1,289,235
Off-balance sheet financial instrument		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)			549,489	117,064	1,325,798	
Cumulative interest rate sensitivity gap			549,489	-	1,325,798	

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, 2021			
	Upto three months	More than three months and upto one year	Over one year	Total
	Rupees in '000			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	4,206	-	-	4,206
Payable to Central Depository Company of Pakistan Limited - Trustee	140	-	-	140
Accrued expenses and other liabilities	1,562,178	-	-	1,562,178
Total liabilities	1,566,524	-	-	1,566,524

Particulars	June 30, 2020			
	Upto three months	More than three months and upto one year	Over one year	Total
	Rupees in '000			
Financial liabilities				
Payable to UBL Fund Managers Limited - Management Company	4,344	-	-	4,344
Payable to Central Depository Company of Pakistan Limited - Trustee	180	-	-	180
Accrued expenses and other liabilities	261,620	-	-	261,620
Total liabilities	266,144	-	-	266,144

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, 2021 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, 2021:

Name of the bank	Rating agency	Balances held by the Fund as at June 30, 2021	Latest available published rating as at June 30, 2021
		Rupees in '000	
Allied Bank Limited	PACRA	1,564,392	AAA
Bank Alfalah Limited	PACRA	6,971	AA+
Habib Metropolitan Bank Limited	PACRA	91	AA+
JS Bank Limited	PACRA	31	AA-
United Bank Limited	VIS	5,644	AAA
Habib Bank Limited	VIS	57,945	AAA
Faysal Bank Limited	VIS	22	AA
MCB Bank Limited	PACRA	1,368	AAA
Samba Bank Limited	VIS	660	AA
Sindh Bank Limited	VIS	12	A+
Zarai Taraqiati Bank Limited	VIS	7	AAA
National Bank of Pakistan	VIS	302	AAA
Soneri Bank Limited	PACRA	5,253	AA-
Askari Bank Limited	PACRA	6	AA+
Meezan Bank Limited	VIS	7	AAA
Allied Bank Limited	PACRA	8	AAA
		1,642,718	

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

	2021	2020
	---------- (Percentage) ----------	
Rating by rating category		
AAA	99.21%	5.20%
AA+	0.43%	0.39%
AA-	0.32%	94.33%
AA	0.04%	0.08%
A+	0.00%	0.00%
	100%	100%

Concentration on credit risk

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

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

30 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

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

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Particulars	Note	June 30, 2021						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Pakistan Investment Bonds		1,876,992	-	1,876,992	-	1,876,992	-	1,876,992
		1,876,992	-	1,876,992	-	1,876,992	-	1,876,992
Financial assets not measured at fair value	31.3							
Bank balances		-	1,642,718	1,642,718				
Mark-up / interest receivable		-	12,649	12,649				
Other receivables		-	649	649				
		-	1,656,016	1,656,016				
Financial liabilities not measured at fair value	31.3							
Payable to UBL Fund Managers Limited - Management Company		-	4,206	4,206				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	140	140				
Accrued expenses and other liabilities		-	1,562,178	1,562,178				
		-	1,566,524	1,566,524				

Particulars	Note	June 30, 2020						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Pakistan Investment Bonds		1,442,862	-	1,442,862	-	1,442,862	-	1,442,862
		1,442,862	-	1,442,862	-	1,442,862	-	1,442,862
Financial assets not measured at fair value	31.3							
Bank balances		-	549,489	549,489				
Mark-up / interest receivable		-	97,399	97,399				
Other receivables		-	1,457,980	1,457,980				
		-	2,104,868	2,104,868				
Financial liabilities not measured at fair value	31.3							
Payable to UBL Fund Managers Limited - Management Company		-	4,344	4,344				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	180	180				
Accrued expenses and other liabilities		-	261,620	261,620				
		-	266,144	266,144				

31.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Pakistan Investment Bonds, Fund uses the rates which are derived from PKRV and PKFRV rates at reporting date per certificate multiplied by the number of certificates held as at year end Fund uses the rates prescribed by MUFAP.

31.2 During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurements.

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

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company on August 16,2021.

33 GENERAL

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

33.2 On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the Government, Central Banks including financial institutions affiliated to those banks, and regulators have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.

The Management Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the financial performance of the Fund as well as the going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on its financial performance due to COVID-19 pandemic situation.

For UBL Fund Managers Limited
(Management Company)

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

UAAF

UBL Asset Allocation Fund

INVESTMENT OBJECTIVE

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

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

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

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

ii) **Statement of Collective Investment Scheme's investment objective.**
The investment objective of the Fund is to earn competitive return by investing in various asset classes/instruments based on the market outlook.

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

iv) **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Weighted Avg. of (3M PKRV rates + 3M avg. deposit rate of 3 AA rated banks as selected by MUFAP), 6M KIBOR and KSE-100 Index based on actual proportion of the scheme in money market, fixed income and equity securities

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

Monthly Yield*	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	FYTD
UAAF	5.60%	2.44%	-0.30%	-0.03%	1.64%	2.26%	2.48%	0.03%	-1.64%	0.03%	3.43%	-0.39%	16.46%
Benchmark	5.78%	2.24%	-0.15%	-0.17%	1.72%	3.00%	2.75%	-0.07%	-0.59%	0.14%	3.58%	-0.09%	19.48%

vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the fund posted a return of 16.46% as compared to the benchmark return of 19.48%. The fund manager maintained the exposure in local equity market of around 32.4% while exposure in cash stood at 32.7% at the end of June'21. The net assets of the fund were PKR 872mn as at June 30th 2021.

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-20	Jun-21
Equities	38%	32%
T-bills	5%	0%
PIBs	10%	20%
Term Finance Certificates/ Sukuks	11%	11%
Cash	15%	33%
Others	21%	4%
Placements with banks	0%	0%

vii) Analysis of the Collective Investment Scheme's performance

FY'21 Return:	16.46%
Standard Deviation (12m trailing):	5.87%
Sharpe Ratio (12m trailing):	1.59

viii) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)

Net Asset Value			NAV per unit		
30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
Rupees (000)		%	Rupees		%
872,321	926,274	(5.82)	148.7998	136.2837	9.18

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

Debt Market Review for FY21

During FY21, market expectation of further rate cut faded away. The market remained keen on investing in short term treasury bills. The market participation was ~PKR 27.5 trillion in treasury bills auctions and the government accepted ~PKR 16 trillion. A clear preference was observed in 3 months tenor which constituted ~55% of the total participation followed by 6 months and 12 months with the participation of 37% and 8% respectively. However, significant interest was seen in the 6M T-Bills in the later part of the fiscal year as the government offered noteworthy term premium. During 2HFY21, the market participated PKR 8.3 trillion in 6M T-Bills as compared to PKR 1.7 trillion in 1HFY21. Moreover, the cutoff rates of T-bills on-average remained 25bps, 42bps and 52 bps higher during the 2HFY21 compared to 1HFY21 for the 3M, 6M and 12M T-Bills respectively.

A strong participation was witnessed in fixed rate PIBs. The market participation was ~PKR 2.4 trillion where the government proactively accepted ~PKR 1 trillion. The participation in fixed rate PIBs more than doubled during the 2HFY21 as compared to the 1HFY21 mainly on the back of the accommodative stance in monetary policy by SBP. Despite the heavy participation, the market demanded relatively higher yields. Therefore, yields of 3Y, 5Y and 10 PIBs increased by 148 bps, 138 bps and 125 bps respectively during FY21. In contrast, participation in the floater rate PIBs remained on the lower side in 2HFY21 as compared to 1HFY21, participation was dropped to ~PKR 700 billion in 2HFY21 compared to ~PKR 2,300 billion in 1HFY21. Total acceptance was PKR 1,600 billion during FY21.

On Islamic front, the total participation was PKR 498 billion in six variable rate Ijara sukuk auctions and the government accepted PKR 321 billion. In contrast, only PKR 77.6 billion participation was witnessed in the fixed rate Ijara sukuk out of which, the government accepted PKR 53 billion. However, only one auction took place in 2HFY21. The government accepted PKR 67 billion in variable rental rate sukuk and PKR 8 billion in fixed rental rate sukuks.

Yield curve comparison is given below:

Tenors	PKRV as at June 30, 2021	PKRV as at June 30, 2020	Change
3 Months	7.28	7.09	0.19
6 Months	7.53	7.05	0.48
1 Year	7.81	7.05	0.76
3 Years	8.99	7.53	1.46
5 Years	9.49	8.11	1.38
10 Years	9.94	8.69	1.25

Stock Market Review for FY21

After the muted performance (+1.5% YoY) in the previous year, the benchmark KSE - 100 index came with a strong recovery during the year under review with the benchmark index increased by 37.5% YoY. The robust performance of local equity market was mainly driven by:

1) Ease in lock down restriction;

2) Improving macroeconomic indicators (above-expected GDP growth, higher remittances flows and benign current account);

3) Noticeable decline in COVID-19 cases from peak of 6,000 to below 2,000 cases;

4) Accommodative policy measures by the authorities to boost the economic activity and aggregate demand; and

5) Improving political situation (cracks in PDM opposition alliance and peaceful end to TLP protests).

Encouraging volumes were seen in the market with average traded value and volume increasing by 115% / 93% YoY, respectively. Foreigners remained net sellers offloading shares amounting to USD 387 million during the year. Among domestic investors, individuals and companies remained net buyers, mopping up shares worth USD 332 million and USD 137 million, respectively.

x) Disclosure on distribution (if any), comprising:-
- particulars of income distribution or other forms of distribution made and proposed during the period; and

- statement of effects on the NAV before and after distribution is made

Distribution				**Per unit**	
Declared on	**Bonus**	**Cash**	**Per Unit**	**Cum NAV**	**Ex NAV**
	Rupees (000)		**-------------- *Rupees* ---------------**		
30 June,2021	Nil	55.392	10	159.4287	149.4287

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

There were no significant changes in the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

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

Range of Units	**Number of Investors**
	UAAF
0.0001 - 9,999.9999	751
10,000.0000 - 49,999.9999	78
50,000.0000 - 99,999.9999	9
100,000.0000 - 499,999.9999	5
500,000.0000 & Above	3
Total	

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

PERFORMANCE TABLE

UBL Asset Allocation Fund

	2021	2020	2019
NET ASSETS AS AT 30 JUNE - Rupees in '000	**872,321**	926,274	1,373,816
NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees			
Class A units - Offer *	**151.3294**	138.6005	134.4846
- Redemption	**148.7998**	136.2837	132.2366
RETURN OF THE FUND - %			
Total Return of the Fund	**16.46**	11.27	(1.74)
Capital Growth (per unit)	**9.12**	3.10	(1.74)
Date of Income Distribution	30-Jun-21	29-Jun-20	-
Income Distribution	**10.00**	10.81	-
AVERAGE ANNUAL RETURN - %			
Since Launch/ One Year	**16.46**	11.27	(1.74)
OFFER / REPURCHASE DURING THE YEAR- Rupees			
Highest price per unit - Class A units - Offer	**163.3179**	154.8570	142.0558
Highest price per unit - Class A units - Redemption	**160.5879**	152.2684	139.6812
Lowest price per unit - Class A units - Offer	**138.9614**	125.8880	132.4553
Lowest price per unit - Class A units - Redemption	**136.6385**	123.7837	130.2412

* Front-end load @1.5% is applicable

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

PORTFOLIO COMPOSITION BY CATEGORY - %			
Bank Balances	**32.70**	15.00	30.00
Placements with bank	**0.00**	0.00	11.00
Government Securities	**19.70**	15.00	7.00
TFCs/Sukuks	**11.40**	11.00	11.00
Equity	**32.40**	38.00	39.00
Others	**3.80**	21.00	3.00

PORTFOLIO COMPOSITION BY MARKET - %			
Equity	**32.40**	38.00	39.00
Debt	**67.60**	62.00	61.00

Note:
- The Launch date of Fund is 19 August 2013.

DISCLAIMER

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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

UBL ASSET ALLOCATION FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Asset Allocation Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 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 14, 2021

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

NAME OF FUND: UBL Asset Allocation Fund

YEAR ENDED: JUNE 30, 2021

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

The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
   a. Male: Five Directors; and
   b. Female: Two Directors.
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Azhar Hamid Ms. Huma Pasha*
Executive Directors	Mr. Yasir Qadri
Non-Executive Directors	Mr. Imran Sarwar Ms. Sadia Saeed** Mr. Arif Akmal Saifie Syed Furrukh Zaeem
Female Director	Ms. Huma Pasha* Ms. Sadia Saeed**

* Ms. Huma was appointed as a director with effect from September 04, 2020
** Ms. Sadia Saeed has resigned effective July 19, 2021

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
4. The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of its directors in accordance with the Act and these Regulations.