# USSF - II

## UBL Special Saving Fund - II

**INVESTMENT OBJECTIVE**

The "UBL Special Savings Plan-II (USSP-II)" is an Allocation Plan under "UBL Special Savings Fund". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty six (36) Months from commencement of life of plan

| | |
|---|---|
| **Pension Fund Manager** | UBL Fund Managers Limited |
| **Trustee** | Central Depository Company of Pakistan Limited<br>99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal,<br>Karachi. Tel: (9221) 111-111-500 |
| **Distribution Company** | United Bank Limited<br>(for detail of others, please visit our website:<br>www.ublfunds.com.pk) |
| **Auditors** | BDO Ebrahim & Co. Chartered Accountant |
| **Bankers** | Soneri Bank Limited<br>Allied Bank Limited |
| **Management Co.Rating** | AMI (VIS) |

**Fund Manager's Report – UBL Special Saving Fund II**

**UBL Special Savings Plan - X (USSP-X)**

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

Capital protected Scheme / Open-end

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

The "UBL Special Savings Plan-X (USSP-X)" is an Allocation Plan under "UBL Special Savings Fund II". The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment in the plan for twenty-four (24) months & beyond from the commencement of life of the plan.

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

The fund achieved its stated objective

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

A combination to be used incorporating a mix of PKRV rates for the period corresponding to the maturity of CIS and the Equity Index based upon the percentage allocation..

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

| Monthly Yield* | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | FYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **USSP-X** | 11.41% | 10.81% | 6.20% | 8.18% | 11.11% | 16.72% | 8.69% | 6.54% | 1.12% | 10.54% | 7.72% | 12.21% | 9.68% |
| **Benchmark** | 10.76% | 10.84% | 10.86% | 11.00% | 11.03% | 10.72% | 10.10% | 10.40% | 11.13% | 11.45% | 12.18% | 12.07% | 11.05% |

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

The "UBL Special Savings Plan V (USSP-X)" is an Allocation Plan under "UBL Special Savings Fund II". The objective to earn competitive regular return with capital preservation for unit holders for twenty-four (24) months & beyond from commencement of life of the plan. USSP-X yielded return of 9.68%. The net assets of the Plan were PKR 929 million as at June 30, 2026. Major exposure was maintained in Cash (56.66%), in PIB Fixed (26.97%), and in PIB - Floater (14.60%) as at June 30, 2026.

**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-26 | Jun-25 |
|---|---|---|
| Placements with banks | 0% | 0% |
| PIBs | 42% | 93% |
| T-Bills | 0% | 1% |

| | | |
|---|---|---|
| Cash | 57% | 3% |
| Others | 2% | 3% |
| Leverage | Nil | Nil |

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

| | |
|---|---|
| FY'26 Return: | 9.68% |
| Standard Deviation (12m trailing): | 0.62% |
| Sharpe Ratio (12m trailing): | (2.02) |

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

| Net Asset Value | | | NAV per unit | | |
|---|---|---|---|---|---|
| 30-Jun-26 | 22-Jun-25 | Change | 30-Jun-26 | 22-Jun-25 | Change |
| Rupees (000) | | % | Rupees | | % |
| 928,791 | 975,585 | -4.80 | 102.4950 | 102.0455 | 0.44 |

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

Please refer to relevant section in director report

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

| Distribution | | | | Per unit | |
|---|---|---|---|---|---|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | Rupees (000) | | ---------- Rupees ---------- | | |
| 18-JUN-2026 | N/A | 79,461 | 9.3922 | 111.4377 | 102.0455 |

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

There were no significant changes in state of affairs of the scheme.

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

| Range of Units | Number of Investors |
|---|---|
| | USSF II |
| 0.0001 - 9,999.9999 | 3 |
| 10,000.0000 - 49,999.9999 | 2 |
| 50,000.0000 - 99,999.9999 | 4 |
| 100,000.0000 - 499,999.9999 | 3 |
| 500,000.0000 & Above | 5 |
| **Total** | **17** |

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

There were no unit splits during the period.

**xiii) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

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

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

## PERFORMANCE TABLE

### UBL Special Savings Fund II ( USSP X)

| | **2026** | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **NET ASSETS AS AT 30 JUNE - Rupees in '000** | **928,791** | 975,585 | 957,967 | 1,333,148 |
| **NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *** | | | | |
| Class C units - Offer * | **104.0324** | 103.5762 | 100.4807 | 101.685 |
| - Redemption | **102.4950** | 102.0455 | 101.9879 | 100.1823 |
| **RETURN OF THE FUND - %** | | | | |
| Total Return of the Fund | **9.68** | 18.48 | 21.96 | 21.96 |
| Capital Growth | **0.48** | 1.84 | 0.33 | - |
| Date of Income Distribution | **18-Jun-26** | 25-Jun-25 | 26-Jun-24 | 26-Jun-23 |
| Income Distribution (Per Unit) | **9.3922** | 16.9728 | 21.671 | 4.9935 |
| **AVERAGE ANNUAL RETURN - %** | | | | |
| One Year | **9.68** | 18.48 | 21.96 | 21.96 |
| Second Year | **14.08** | 20.22 | 21.96 | - |
| Third Year | **16.71** | 20.80 | - | - |
| **OFFER / REPURCHASE DURING THE YEAR- Rupees *** | | | | |
| Highest price per unit - Class C units - Offer | **113.1093** | 103.5762 | 123.541 | 106.5106 |
| Highest price per unit - Class C units - Redemption | **111.4377** | 102.0455 | 121.7153 | 104.9366 |
| Lowest price per unit - Class C units - Offer | **103.6051** | 102.0352 | 101.6850 | 101.497 |
| Lowest price per unit - Class C units - Redemption | **102.0740** | 100.5273 | 100.1823 | 99.997 |

* Front-end load @1% is applicable

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

| | | | | |
|---|---|---|---|---|
| **PORTFOLIO COMPOSITION BY CATEGORY - %** | | | | |
| Bank Balances | **56.66** | 2.77 | 34.32 | 8.83 |
| Government securities | **41.57** | 94.12 | 63.46 | 90.82 |
| Others | **1.77** | 3.11 | 2.22 | 0.35 |
| **PORTFOLIO COMPOSITION BY MARKET - %** | | | | |
| Debt market | **100.00** | 100.00 | 100.00 | 100.00 |

Note:
- The Launch date of Fund is 29 March 2023

**DISCLAIMER**

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

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

## UBL SPECIAL SAVINGS FUND-II

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of UBL Special Savings Fund-II (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

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

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

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

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

**Badiuddin Akber**
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 22, 2026

BDO

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Pakistan

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

### Report on the audit of the financial statements

### Opinion

We have audited the financial statements **UBL Special Savings Fund II ("the Fund")**, which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

### Basis for opinion

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

### Key Audit Matters

As per ISA- 701 "Communicating Key Audit Matters in the Independent Auditor's Report, 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. Our draft audit report on the draft financial statements includes key audit matter on "Existence of bank balances and Existence and valuation of investments" being the most significance component of the total assets.

Following is the key audit matter:

| S.NO | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| 1. | **Existence and valuation of investments and Bank Balances**<br><br>As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended June 30, 2026, the investment constitutes the most significant component of the Net Assets Value. Investments and Bank balances of the Fund as at June 30, 2026 amounted to Rs. 390.510 million and Rs. 532.879 million and these represents 98.24% of the total assets. | Our audit procedures amongst others included the following: |



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| S.NO | Key audit matter(s) | How the matter was addressed in our audit |
|---|---|---|
| | The existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2026.<br><br>We considered existence and valuation of investments as Key Audit matter due to its significance in relation to total assets. | • Obtained independent confirmations for verifying the existence of the investments portfolio and bank balances as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed;<br><br>• Re-performed valuation to assess that investments is carried as per the valuation methodology specified in the accounting policies;<br><br>• Obtained bank reconciliation statements and tested reconciling items on a sample basis;<br><br>• Assessed the Funds' compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard; and<br><br>• Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. |

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

The Management 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.




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

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

In preparing the financial statements, 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.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern.



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

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

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

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

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

**Report on other legal and regulatory requirements**

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

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

**KARACHI**

**DATED: 25 SEP 2026**

**UDIN: AR202610067p0dCDPUar**

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


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

**UBL SPECIAL SAVINGS FUND II**
**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2026**

| | | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | USSP-VIII | USSP-IX | USSP-X | USSP-XI | Total | USSP-VIII | USSP-IX | USSP-X | USSP-XI | Total |
| | Note | Rupees in '000 | | | | | Rupees in '000 | | | | |
| **ASSETS** | | | | | | | | | | | |
| Bank balances | 5 | 235 | 307 | 532,337 | - | 532,879 | 235 | 307 | 27,149 | - | 27,691 |
| Investments | 6 | - | - | 390,530 | - | 390,530 | - | - | 920,952 | - | 920,952 |
| Mark-up receivable | 7 | 7 | 2 | 16,578 | - | 16,587 | 7 | 2 | 30,397 | - | 30,406 |
| Prepayments and other receivables | | - | - | - | 941 | 941 | - | - | 8 | 941 | 949 |
| Advance income tax | 8 | 3,034 | 2,517 | 5 | - | 5,556 | 3,034 | 2,517 | - | - | 5,551 |
| **TOTAL ASSETS** | | 3,276 | 2,826 | 939,450 | 941 | 946,493 | 3,276 | 2,826 | 978,506 | 941 | 985,549 |
| **LIABILITIES** | | | | | - | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 9 | 3,034 | 2,152 | 1,804 | 223 | 7,213 | 3,034 | 2,152 | 1,611 | 223 | 7,020 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | - | 45 | 53 | 341 | 439 | - | 45 | 54 | 341 | 440 |
| Payable to the Securities and Exchange Commission of Pakistan | 11 | - | - | 60 | 1 | 61 | - | - | 62 | 1 | 63 |
| Accrued expenses and other liabilities | 12 | 242 | 629 | 8,741 | 376 | 9,988 | 242 | 629 | 1,194 | 376 | 2,441 |
| **TOTAL LIABILITIES** | | 3,276 | 2,826 | 10,659 | 941 | 17,701 | 3,276 | 2,826 | 2,921 | 941 | 9,964 |
| **NET ASSETS** | | - | - | 928,791 | - | 928,791 | - | - | 975,585 | - | 975,585 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | - | - | 928,791 | - | 928,791 | - | - | 975,585 | - | 975,585 |
| **CONTINGENCIES AND COMMITMENTS** | 13 | | | | | | | | | | |
| | | Number of units | | | | | Number of units | | | | |
| **NUMBER OF UNITS IN ISSUE** | 14 | - | - | 9,061,818 | - | | - | - | 9,560,298 | - | |
| | | Rupees | | | | | Rupees | | | | |
| **NET ASSET VALUE PER UNIT** | | - | - | 102.4950 | - | | - | - | 102.0455 | - | |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**INCOME STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | USSP - VIII | USSP - IX | USSP - X | USSP-XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP-XI | Total |
| | Note | Rupees in '000 | | | | | | | | | |
| **INCOME** | | | | | | | | | | | |
| Financial income | 15 | - | - | 118,360 | - | 118,360 | - | - | 156,437 | - | 156,437 |
| Gain on sale of investments - net | | - | - | 1,558 | - | 1,558 | - | - | 401 | - | 401 |
| Unrealized gain / (loss) on re-measurement of investment | | | | | | - | | | | | |
| classified as financial asset at fair value through profit or loss' - net | | - | - | (9,484) | - | (9,484) | - | - | 26,062 | - | 26,062 |
| | | - | - | 110,434 | - | 110,434 | - | - | 182,900 | - | 182,900 |
| **EXPENSES** | | | | | | | | | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 9.1 | - | - | 14,700 | - | 14,700 | - | - | 9,973 | - | 9,973 |
| Sindh Sales Tax on remuneration of the Management Company | 9.2 | - | - | 2,205 | - | 2,205 | - | - | 1,496 | - | 1,496 |
| Allocated expenses | 9.3 | - | - | - | - | - | - | - | 214 | - | 214 |
| Selling and marketing expenses | | - | - | - | - | - | - | - | 1 | - | 1 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | - | - | 543 | - | 543 | - | - | 549 | - | 549 |
| Sindh Sales Tax on remuneration of Central Depository | | | | | | | | | - | | |
| Company of Pakistan Limited - Trustee | | - | - | 82 | - | 82 | - | - | 83 | - | 83 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | - | - | 741 | - | 741 | - | - | 748 | - | 748 |
| Brokerage expenses | | - | - | 58 | - | 58 | - | - | 96 | - | 96 |
| Auditor's remuneration | | - | - | 448 | - | 448 | - | - | 499 | - | 499 |
| Listing and supervisory fee | | - | - | 62 | - | 62 | - | - | 28 | - | 28 |
| Legal and professional charges | | - | - | 329 | - | 329 | - | - | 300 | - | 300 |
| Bank charges | | - | - | - | - | - | - | - | 9 | - | 9 |
| | | - | - | 19,168 | - | 19,168 | - | - | 13,996 | - | 13,996 |
| **Net income before taxation** | | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |
| Taxation | 16 | - | - | - | - | - | - | - | - | - | - |
| **Net income for the year** | | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |
| **Allocation of net income:** | | | | | | | | | | | |
| Net income for the year | | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |
| Income already paid on units redeemed | | - | - | (8,710) | - | (8,710) | - | - | (16,307) | - | (16,307) |
| | | - | - | 82,556 | - | 82,556 | - | - | 152,597 | - | 152,597 |
| **Accounting income available for distribution** | | | | | | | | | | | |
| Relating to capital gains | | - | - | - | - | - | - | - | 401 | - | 401 |
| Excluding capital gains | | - | - | 82,556 | - | 82,556 | - | - | 152,196 | - | 152,196 |
| | | - | - | 82,556 | - | 82,556 | - | - | 152,597 | - | 152,597 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **USSP-VIII** | **USSP-IX** | **USSP-X** | **USSP-XI** | **Total** | **USSP-VIII** | **USSP-IX** | **USSP-X** | **USSP-XI** | **Total** |
| Net income for the year | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |

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

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

| | | |
|---|---|---|
| _____SD_____ | _____SD_____ | _____SD_____ |
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | 2026 | | | 2026 | | | 2026 | | | 2026 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | USSP-VIII | | | USSP-IX | | | USSP-X | | | USSP-XI | | | Total | | |
| | Rupees in '000 | | | | | | | | | | | | | | |
| **Net assets at the beginning of the year** | - | - | - | - | - | - | 957,342 | 18,243 | 975,585 | - | - | | 957,342 | 18,243 | 975,585 |
| **Issuance of 601,512 units (2025: 1,357,800)** | | | | | | | | | | | | | | | |
| Capital value | - | - | - | - | - | - | 61,382 | - | 61,382 | - | - | - | 61,382 | - | 61,382 |
| Element of income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total amount received on issuance of units** | - | - | - | - | - | - | 61,382 | - | 61,382 | - | - | | 61,382 | - | 61,382 |
| **Redemption of 1,099,992 units (2025: 1,331,342)** | | | | | | | | | | | | | | | |
| Capital value | - | - | - | - | - | - | (112,250) | - | (112,250) | - | - | - | (112,250) | - | (112,250) |
| Element of Income | - | - | - | - | - | - | 979 | (8,710) | (7,731) | - | | - | 979 | (8,710) | (7,731) |
| **Total amount paid on redemption of units** | - | - | - | - | - | - | (111,271) | (8,710) | (119,981) | - | | | (111,271) | (8,710) | (119,981) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 91,266 | 91,266 | - | - | - | - | 91,266 | 91,266 |
| Distribution during the year | - | - | - | - | - | - | - | (79,461) | (79,461) | - | - | - | - | (79,461) | (79,461) |
| **Net income for the period less distribution** | - | - | - | - | - | - | - | 11,806 | 11,806 | - | - | - | - | 11,806 | 11,806 |
| **Net assets at the end of the year** | - | - | - | - | - | - | 907,452 | 21,339 | 928,791 | - | - | | 907,452 | 21,339 | 928,791 |
| **Undistributed income brought forward** | | | | | | | | | | | | | | | |
| - Realised | | - | | | - | | | (7,819) | | | | | | (7,819) | |
| - Unrealised | | - | | | - | | | 26,062 | | | | | | 26,062 | |
| | | - | | | - | | | 18,243 | | | | | | 18,243 | |
| **Accounting income available for distribution:** | | | | | | | | | | | | | | | |
| - Relating to capital gains | | - | | | - | | | - | | | | | | - | |
| - Excluding capital gains | | - | | | - | | | 82,556 | | | | | | 82,556 | |
| | | - | | | - | | | 82,556 | | | | | | 82,556 | |
| Distribution during the year | | - | | | - | | | (79,461) | | | | | | (79,461) | |
| **Undistributed income carried forward** | | - | | | - | | | 21,339 | | | | | | 21,339 | |
| **Undistributed income carried forward** | | | | | | | | | | | | | | | |
| - Realised | | - | | | - | | | 30,823 | | | | | | 30,823 | |
| - Unrealised | | - | | | - | | | (9,484) | | | | | | (9,484) | |
| | | | | | | | | | | | | | | - | |
| | | - | | | - | | | 21,339 | | | | | | 21,339 | |
| | | | -- Rupees -- | | | -- Rupees -- | | | -- Rupees -- | | | -- Rupees -- | | | |
| **Net asset value per unit at the beginning of the year** | | | - | | | - | | | 102.0455 | | | - | | | |
| **Net asset value per unit at the end of the year** | | | - | | | - | | | 102.4950 | | | - | | | |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**
**FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | | | 2025 | | | 2025 | | | 2025 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | USSP-VIII | | | USSP-IX | | | USSP-X | | | USSP-XI | | | Total | | |
| | Rupees in '000 | | | | | | | | | | | | | | |
| **Net assets at the beginning of the year** | - | - | - | - | - | - | 952,860 | 5,107 | 957,967 | - | - | - | 952,860 | 5,107 | 957,967 |
| **Issuance of 1,357,8000 units** | | | | | | | | | | | | | | | |
| Capital value | - | - | - | - | - | - | 136,433 | - | 136,433 | - | - | - | 136,433 | - | 136,433 |
| Element of income. | - | - | - | - | - | - | 3,297 | - | 3,297 | - | - | - | 3,297 | - | 3,297 |
| **Total amount received on issuance of units.** | - | - | - | - | - | - | 139,730 | - | 139,730 | - | - | - | 139,730 | - | 139,730 |
| **Redemption of 1,331,342 units** | | | | | | | | | | | | | | | |
| Capital value | - | - | - | - | - | - | (133,774) | - | (133,774) | - | - | - | (133,774) | - | (133,774) |
| Element of loss | - | - | - | - | - | - | (1) | (16,307) | (16,308) | - | - | - | (1) | (16,307) | (16,308) |
| **Total amount paid on redemption of units** | - | - | - | - | - | - | (133,775) | (16,307) | (150,082) | - | - | - | (133,775) | (16,307) | (150,082) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 168,904 | 168,904 | - | - | - | - | 168,904 | 168,904 |
| Distribution during the year | - | - | - | - | - | - | (1,473) | (139,461) | (140,934) | - | - | - | (1,473) | (139,461) | (140,934) |
| **Net assets at the end of the year** | - | - | - | - | - | - | 957,342 | 18,243 | 975,585 | - | - | - | 957,342 | 18,243 | 975,585 |
| **Undistributed income brought forward** | | | | | | | | | | | | | | | |
| - Realised | | - | | | - | | | 5,107 | | | - | | | 5,107 | |
| - Unrealised | | - | | | - | | | - | | | - | | | - | |
| | | - | | | - | | | 5,107 | | | - | | | 5,107 | |
| **Accounting income available for distribution** | | | | | | | | | | | | | | | |
| - Relating to capital gains | | - | | | - | | | 401 | | | - | | | 401 | |
| - Excluding capital gains | | - | | | - | | | 152,196 | | | - | | | 152,196 | |
| | | - | | | - | | | 152,597 | | | - | | | 152,597 | |
| Distribution during the year | | - | | | - | | | (139,461) | | | - | | | (139,461) | |
| **Undistributed income carried forward** | | - | | | - | | | 18,243 | | | - | | | 18,243 | |
| **Undistributed income carried forward** | | | | | | | | | | | | | | | |
| - Realised | | - | | | - | | | (7,819) | | | - | | | (7,819) | |
| - Unrealised | | - | | | - | | | 26,062 | | | - | | | 26,062 | |
| | | - | | | - | | | 18,243 | | | - | | | 18,243 | |
| | | | -- Rupees -- | | | -- Rupees -- | | | -- Rupees -- | | | -- Rupees -- | | | |
| **Net assets value per unit at the beginning of the year** | | | - | | | - | | | 100.4807 | | | - | | | |
| **Net assets value per unit at the end of the year** | | | - | | | - | | | 102.0455 | | | - | | | |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**CASH FLOW STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Note | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | | | | | | |
| Net income before taxation | | - | - | 91,266 | - | 91,266 | - | - | 168,904 | - | 168,904 |
| **Adjustments for:** | | | | | | | | | | | |
| Financial income | | - | - | (118,360) | - | (118,360) | - | - | (156,437) | - | (156,437) |
| Net unrealized Gain / Loss on re-measurement of investment classified as financial assets through profit or loss | | - | - | 9,484 | - | 9,484 | - | - | (26,062) | - | (26,062) |
| | | - | - | (108,876) | - | (108,876) | - | - | (182,499) | - | (182,499) |
| **Cash used in operations before working capital changes** | | - | - | (17,610) | - | (17,610) | - | - | (13,595) | - | (13,595) |
| **(Increase) / decrease in assets** | | | | | | | | | | | |
| Investments - net | | - | - | 520,938 | - | 520,938 | - | - | (285,385) | - | (285,385) |
| Prepayments and other receivables | | - | - | 8 | - | 8 | - | - | 1 | - | 1 |
| | | - | - | 520,946 | - | 520,946 | - | - | (285,384) | - | (285,384) |
| **Increase / (decrease) in liabilities** | | | | | | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | - | - | 193 | - | 193 | - | - | (207) | - | (207) |
| Payable to Central Depository Company of Pakistan | | - | - | (1) | - | (1) | - | - | (23) | - | (23) |
| Payable to the Securities and Exchange Commission of Pakistan | | - | - | (2) | - | (2) | - | - | (29) | - | (29) |
| Payable against purchase of investment | | | | - | - | | - | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 7,547 | - | 7,547 | - | - | 725 | - | 725 |
| | | - | - | 7,737 | - | 7,737 | - | - | 466 | - | 466 |
| Net Cash generated / (used in) from operations | | - | - | 511,073 | - | 511,073 | - | - | (298,513) | - | (298,513) |
| Mark-up received on bank balances | | - | - | 9,051 | - | 9,051 | - | - | 9,748 | - | 9,748 |
| Mark-up received on investments | | - | - | 123,128 | - | 123,128 | - | - | 137,540 | - | 137,540 |
| Income tax paid | | | | (5) | | | - | - | - | - | - |
| Net cash flows used in operating activities | | - | - | 643,247 | - | 643,252 | - | - | (151,225) | - | (151,225) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | | |
| Amount received on issuance of units | | - | - | 61,383 | - | 61,383 | - | - | 139,730 | - | 139,730 |
| Amount paid on redemption of units | | - | - | (119,981) | - | (119,981) | - | - | (150,082) | - | (150,082) |
| Dividend paid | | - | - | (79,461) | - | (79,461) | - | - | (140,934) | - | (140,934) |
| Net cash flows generated / (used in) in financing activities | | - | - | (138,059) | - | (138,059) | - | - | (151,286) | - | (151,286) |
| Net increase in cash and cash equivalents during the period | | - | - | 505,188 | - | 505,193 | - | - | (302,511) | - | (302,511) |
| Cash and cash equivalents at the beginning of the year | | - | - | 27,149 | - | 27,149 | - | - | 329,660 | - | 329,660 |
| Cash and cash equivalents at the end of the year | 5 | - | - | 532,337 | - | 532,337 | - | - | 27,149 | - | 27,149 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL SPECIAL SAVINGS FUND II**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2026**

## 1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund II was established under the Trust Deed executed, under the Trust Act, 1882, between UBL Fund Managers Limited (a subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 17, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) for registration on June 19, 2019 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Fund commenced its operations from February 10, 2020.

The Trust Act, 1882 was repealed during financial year 2021 due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020", as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Management Company after fulfilling the requirements for registration of the Trust Deed under the Sindh Trusts Act, 2020, has registered the Collective Investment Scheme's Trust Deed with the Registrar acting under Sindh Trusts Act, 2020 on August 16, 2021.

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

The Fund is an open-end mutual fund and has been categorized by the Management as Capital Protected Fund. As at June 30, 2026, the Fund consists of one (2025: one) plan namely, UBL Special Savings Plan-X (USSP-X). The Plan aim to not only provide their unit holders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the investors. The details of the plans are as follows:

**UBL Special Savings Plan-VIII (USSP-VIII)**

The allocation plan commenced its operations from February 10, 2020 and the subscription period of USSP-VIII initially was for 60 days until April 3, 2020 and subsequently extended until June 2, 2020. The Plan could invest its portfolio between Treasury Bills, Pakistan Investment Bonds (PIBs), Term Deposit Receipts (TDRs) and cash and cash equivalents as defined in the Offering Document. Units were subject to back end load as per the rates provided in the Offering Document. The duration of the Plan was perpetual, however, capital preservation was for the units held within Plan till thirty (30) months and beyond from commencement of Life of Plan. The plan has matured on November 15, 2023 and all the units were redeemed by the unit holders.

**UBL Special Savings Plan-IX (USSP-IX)**

The allocation plan commenced its operations from May 11, 2022 and could invest its portfolio between Treasury Bills, Pakistan Investment Bonds (PIBs), Term Deposit Receipts (TDRs) and cash and cash equivalents as defined in the Offering Document. Units were subject to back end load as per the rates provided in the Offering Document. The duration of the Plan is perpetual, however, capital preservation was for the units held within Plan till twelve (12) months and beyond from commencement of Life of Plan. The plan has matured on April 24, 2024 and all the units were redeemed by the unit holders.

**UBL Special Savings Plan-X (USSP-X)**

The allocation plan commenced its operations from March 29, 2023 and can invest its portfolio between Treasury Bills, Pakistan Investment Bonds (PIBs), Term Deposit Receipts (TDRs) and cash and cash equivalents as defined in the Offering Document (Capital preservation refers to the Fund's objective of protecting the principal amount invested by unit holders). Units are subject to back end load as per the rates provided in the Offering Document. The duration of the Plan is perpetual, however, capital preservation is for the units held within Plan till twenty four (24) months and beyond from commencement of Life of Plan. The Management Company may re-open the subscription of units from time to time under Trustee consent and SECP approval.

**UBL Special Savings Plan-XI (USSP-XI)**

The allocation plan commenced its operations from July 31, 2023 and could invest its portfolio between Treasury Bills, Pakistan Investment Bonds (PIBs), Term Deposit Receipts (TDRs) and cash and cash equivalents as defined in the Offering Document. Units were subject to back end load as per the rates provided in the Offering Document. The duration of the Plan is perpetual, however, capital preservation is for the units held within Plan till twenty four (24) months and beyond from commencement of Life of Plan. The plan has matured on March 27, 2024 and all the units were redeemed by the unit holders.

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

VIS Credit Rating Company has assigned management quality rating of AM1 to the Management Company.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN**

**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026**

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | **Effective date (annual periods beginning on or after)** |
|---|---|
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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

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

| | **Effective date (annual periods beginning on or after)** |
|---|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency | January 01, 2027 |
| Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures | January 01, 2027 |
| IFRS 17 Insurance Contracts | January 01, 2027 |
| IFRS 18 Presentation and Disclosures in Financial Statements | January 01, 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all periods presented.

### 4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances maintained with banks and short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

### 4.2 Financial instruments

#### 4.2.1 Initial recognition and measurement

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.

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

**Classification and subsequent measurement**

**4.2.2 Financial assets**

There are three principal classification categories for

- At amortised cost (AC);
- At fair value through other comprehensive income (FVOCI); and
- At fair value through profit or loss (FVPL).

**Financial assets at amortized cost**

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

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

Financial asset classified at amortised cost is subsequently carried at a mortised cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

**Financial asset at FVOCI**

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

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

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

**Financial asset at FVPL**

All other financial assets are classified as FVPL .

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

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

**Business model assessment**

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

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flows.

- Held-to-collect and sell business model: This includes Market Treasury Bills, Pakistan Investment Bonds, Term Finance Certificates and Sukuks (If any). These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Market Treasury Bills, Pakistan Investment Bonds, Term Finance Certificates and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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

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

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

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

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

#### 4.2.2.1 Impairment of financial assets

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

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

#### 4.2.2.2 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.

#### 4.2.2.4 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. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

#### 4.2.2.5 Financial liabilities

The Fund's financial liabilities are classified and measured at amortised cost using the effective interest method. Any gain or loss on derocgnition in in the income statement.

#### 4.2.2.6 Offsetting of financial assets and liabilities

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

## 4.3 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.

## 4.4 Collaterals

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

## 4.5 Taxation

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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 year, as reduced by capital gains, whether realised or unrealised, to its unit holders.

## 4.6 Distributions to units holders

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

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

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year/period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

**4.7 Issuance and redemption of units**

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

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

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

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

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

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

### 4.9 Net asset value per unit

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

### 4.10 Revenue recognition

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

### 4.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the income statement when incurred.

### 4.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchange and other expenses. These costs are amortised over a period of thirty months starting from the commencement of life of the Plan as per the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

### 4.13 Earnings Per Unit

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

## 4.14 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an 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 period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

| | **Notes** |
|---|---|
| Classification and measurement of financial assets | 4.2.2 |
| Provisions | 4.3 |

| | Note | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| | | Rupees in '000' | | | | | | | | | |
| **5. BANK BALANCES** | | | | | | | | | | | |
| **In local currency:** | | | | | | | | | | | |
| Savings accounts | 5.1 | 235 | 307 | 532,337 | - | 532,879 | 235 | 307 | 27,149 | - | 27,691 |

5.1 Mark-up rates on these savings accounts range between 9% to 12.5% per annum (2025: 8% to 21% per annum).

| | | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Rupees in '000' | | | | | | | | | |
| **6. INVESTMENTS** | | | | | | | | | | | |
| **At fair value through profit or loss** | | | | | | | | | | | |
| Government Securities | | | | | | | | | | | |
| - Market Treasury Bills | 6.1 | - | - | - | - | - | - | - | 11,420 | - | 11,420 |
| - Pakistan Investment Bonds | 6.2 | - | - | 390,530 | - | 390,530 | - | - | 909,532 | - | 909,532 |
| | | - | - | 390,530 | - | 390,530 | - | - | 920,952 | - | 920,952 |

**6.1 Market Treasury Bills**

**6.1.1 Held by USSP-X**

| Face value | | | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | UnRealized gain / (loss) as at June 30, 2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|
| Issue date | Tenure | July 01, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | | Total investments of the Plan | Net assets of the Plan |
| | | Rupees in '000' | | | | | | | % | |
| May 15, 2025 | 1 Year | 12,500 | - | 12,500 | - | - | - | - | 0.0% | 0.0% |
| May 7, 2026 | 3 Month | - | 70,000 | 70,000 | - | - | - | - | 0.0% | 0.0% |
| May 14, 2026 | 1 Month | - | 72,500 | 72,500 | - | - | - | - | 0.0% | 0.0% |
| June 16, 2026 | 1 Month | - | 426,100 | 426,100 | - | - | - | - | 0.0% | 0.0% |
| June 11, 2026 | 1 Month | - | 10,000 | 10,000 | - | - | - | - | 0.0% | 0.0% |
| June 24, 2026 | 1 Month | - | 72,500 | 72,500 | - | - | - | - | 0.0% | 0.0% |
| June 24, 2026 | 1 Month | - | 72,300 | 72,300 | - | - | - | - | 0.0% | 0.0% |
| June 24, 2026 | 1 Month | - | 72,300 | 72,300 | - | - | - | - | 0.0% | 0.0% |
| June 24, 2026 | 1 Month | - | 100,000 | 100,000 | - | - | - | - | 0.0% | 0.0% |
| June 24, 2026 | 1 Month | - | 50,000 | 50,000 | - | - | - | - | 0.0% | 0.0% |
| June 30, 2026 | | **12,500** | **945,700** | **958,200** | **-** | **-** | **-** | **-** | **0.00%** | **0.00%** |
| June 30, 2025 | | 115,000 | 875,300 | 977,800 | 12,500 | 10,696 | 11,420 | 724 | 1.24% | 1.17% |

This Market Treasury Bill carried effective yield of 11.40% (2025: 10.9%) per annum.

**6.2 Pakistan Investment Bonds**

**6.2.1 Held by USSP-X**

| Face value | | | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized gain / (loss) as at June 30, 2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|
| Issue date | Tenure | July 01, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | | Total investments of the Plan | Net assets of the Plan |
| | | Rupees in '000' | | | | | | | % | |
| October 19, 2023 | 4 Year | 100,000 | - | 100,000 | - | - | - | | 0.00% | 0.00% |
| October 19, 2023 | 4 Year | 99,000 | | 99,000 | - | - | - | | 0.00% | 0.00% |
| October 19, 2023 | 4 Year | 300,000 | | 300,000 | - | - | - | | 0.00% | 0.00% |
| September 8, 2022 | 3 Year | 20,000 | | 20,000 | - | - | - | | 0.00% | 0.00% |
| February 15, 2024 | 3 Year | 150,000 | | - | 150,000 | 158,234 | 152,035 | (6,199) | 39% | 16.37% |
| February 15, 2024 | 3 Year | 100,000 | | - | 100,000 | 105,496 | 101,357 | (4,139) | 25.95% | 10.91% |
| April 17, 2025 | 5 Year | 139,000 | | - | 139,000 | 136,284 | 137,137 | 854 | 35.12% | 14.77% |
| June 30, 2026 | | 908,000 | - | 519,000 | 389,000 | 400,014 | 390,530 | (9,484) | 100.00% | 42.05% |
| June 30, 2025 | | 519,000 | 389,000 | - | 908,000 | 883,470 | 909,532 | 26,062 | 98.76% | 93.23% |

These floating rate Pakistan Investment Bonds carry coupon interest ranging from 10.8 % to 11.94 % per annum (June 30, 2025: 11.13% to 17.41% per annum.)

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| | Rupees in '000' | | | | | | | | | |
| **7. MARK-UP RECEIVABLE** | | | | | | | | | | |
| Mark-up accrued on: | | | | | | | | | | |
| - Savings accounts | 7 | 2 | - | - | 9 | 7 | 2 | 1,562 | - | 1,571 |
| - Pakistan Investment Bonds | - | - | 16,578 | - | 16,578 | - | - | 28,835 | - | 28,835 |
| | 7 | 2 | 16,578 | - | 16,587 | 7 | 2 | 30,397 | - | 30,406 |

## 8. ADVANCE INCOME TAX

As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances and PIBs paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its Circular C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417 - R dated May 12, 2015, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdee. The tax withheld on profit on bank balances and PIBs amounts to Nil (2025: Rs. Nil).

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 and PIBs have been shown as advance tax under assets as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

## 9. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | Note | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ---------- Rupees in '000' ---------- | | | | | | | | | |
| Remuneration payable to the Management Company | 9.1 | 20 | - | 978 | - | 999 | 20 | - | 810 | - | 830 |
| Sindh Sales Tax on remuneration payable to the Management Company | 9.2 | 3 | - | 147 | - | 150 | 3 | - | 121 | - | 124 |
| Payable to Management Company | | - | - | 86 | - | 86 | - | - | 86 | - | 86 |
| Back end load payable | | 1 | - | - | - | 1 | 1 | - | - | - | 1 |
| Selling and marketing expenses payable | 9.3 | - | 81 | - | - | 81 | - | 81 | 2.00 | - | 83 |
| Allocated expenses payable | 9.3 | - | 64 | 593 | 213 | 870 | - | 64 | 592 | 213 | 869 |
| Conversion charges payable | | - | 5 | - | - | 5 | - | 5 | - | - | 5 |
| Payable against formation cost | | 3,010 | 2,002 | - | 10 | 5,022 | 3,010 | 2,002 | - | 10 | 5,022 |
| | | 3,034 | 2,152 | 1,804 | 223 | 7,213 | 3,034 | 2,152 | 1,611 | 223 | 7,020 |

9.1 The Management Company has charged its remuneration at the rate of 1.5% per annum of the average net assets of the Fund during the period, subject to a maximum of 1.5%, as prescribed under the NBFC Regulations. (2025: 10% of gross earnings, subject to a minimum of 1% and a maximum of 1.25% of the average annual 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 15% (2025: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

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

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

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

In view of above, the management company has restricted the allocation of expenses to the Fund with effect from April 11, 2025.

## 10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| | Rupees in '000' | | | | | | | | | |
| Central Depository Company - Trustee fee payable | - | 45 | 53 | 341 | 439 | - | 45 | 54 | 341 | 440 |

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.055% (2025: 0.055%) per annum of average daily net assets of the Funds during the year. The remuneration is payable on monthly basis in arrears. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) 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

In accordance with the NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.075% (2025: 0.075%) of the average annual net assets of the Fund as annual fee.

## 12. ACCRUED EXPENSES AND OTHER LIABILITIES

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| | Rupees in '000' | | | | | | | | | |
| Auditor's remuneration payable | 79 | 111 | 228 | 52 | 470 | 79 | 111 | 169 | 52 | 411 |
| Annual listing fee payable | 65 | 16 | - | 6 | 87 | 65 | 16 | 34 | 6 | 121 |
| Legal and professional charges payable | 98 | 52 | 170 | 65 | 385 | 98 | 52 | 334 | 65 | 549 |
| Brokerage payable | - | 13 | 107 | 253 | 373 | - | 13 | 321 | 253 | 587 |
| Capital gains tax payable | - | - | 1,864 | - | 1,864 | - | - | 336 | - | 336 |
| Zakat payable | - | 437 | - | - | 437 | - | 437 | - | - | 437 |
| Other payables | - | - | 6,372 | - | 6,372 | - | - | - | - | - |
| | 242 | 629 | 8,741 | 376 | 9,988 | 242 | 629 | 1,194 | 376 | 2,441 |

## 13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

## 14. NUMBER OF UNITS IN ISSUE

| | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | USSP - VIII | USSP - IX | USSP - X | USSP - XI |
| | Units | | | | | | | |
| Total units in issue at the beginning of the year | - | - | 9,560,298 | - | - | - | 9,533,841 | - |
| Units issued during the year | - | - | 601,512 | - | - | - | 1,357,800 | - |
| Units redeemed during the year | - | - | (1,099,992) | - | - | - | (1,331,343) | - |
| Total units in issue at the end of the year | - | - | 9,061,818 | - | - | - | 9,560,298 | - |

## 15. FINANCIAL INCOME

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| | Rupees in '000' | | | | | | | | | |
| Mark-up / interest income on: | | | | | | | | | | |
| - Saving accounts | - | - | 7,489 | - | 7,489 | - | - | 11,175 | - | 11,175 |
| - Market Treasury Bills | - | - | 3,232 | - | 3,232 | - | - | 28,241 | - | 28,241 |
| - Pakistan Investment Bonds | - | - | 107,639 | - | 107,639 | - | - | 117,021 | - | 117,021 |
| | - | - | 118,360 | - | 118,360 | - | - | 156,437 | - | 156,437 |

## 16. 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.

## 17. TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit, applicable previously, has been replaced with the management fees cap which has been disclosed in note 9.1 of these audited financial statements. The TER for the period is as follows:

| | 2026 | | | |
|---|---|---|---|---|
| | USSP-VIII | USSP-IX | USSP-X | USSP-XI |
| Total TIER with Levies | - | - | 1.94 | - |
| Government levies | - | - | 0.31 | - |

| | 2025 | | | |
|---|---|---|---|---|
| | USSP-VIII | USSP-IX | USSP-X | USSP-XI |
| Total TIER with Levies | - | - | 1.40 | - |

## 18. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | | | | | 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total | USSP - VIII | USSP - IX | USSP - X | USSP - XI | Total |
| **Financial assets** | ---------- Rupees in '000' ---------- | | | | | | | | | |
| **At fair value through profit or loss** | | | | | | | | | | |
| Market Treasury Bills | - | - | - | - | - | - | - | 11,420 | - | 11,420 |
| Pakistan Investment Bonds | - | - | 390,530 | - | 390,530 | - | - | 909,532 | - | 909,532 |
| **At amortised cost** | | | | | | | | | | |
| Bank balances | 235 | 307 | 532,337 | - | 532,879 | 235 | 307 | 27,149 | - | 27,691 |
| Mark-up receivable | 7 | 2 | 16,578 | - | 16,587 | 7 | 2 | 30,397 | - | 30,406 |
| | 242 | 309 | 939,445 | - | 939,996 | 242 | 309 | 978,498 | - | 979,049 |
| **Financial liabilities** | | | | | | | | | | |
| **At amortised cost** | | | | | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 3,034 | 2,152 | 1,804 | 223 | 7,213 | 3,034 | 2,152 | 1,611 | 223 | 7,020 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 45 | 53 | 341 | 439 | - | 45 | 54 | 341 | 440 |
| Payable to the Securities and Exchange Commission of Pakistan | - | - | 60 | 1 | 61 | - | - | 62 | 1 | 63 |
| Accrued expenses and other liabilities | 242 | 192 | 8,741 | 376 | 9,551 | 242 | 192 | 858 | 376 | 1,668 |
| | 3,276 | 2,389 | 10,658 | 941 | 17,264 | 3,276 | 2,389 | 2,585 | 941 | 9,191 |

## 19. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, 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.

### 19.1 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.

#### 19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk.

#### 19.1.2 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, 2026, the Fund is exposed to such risk on bank balances, Pakistan Investment Bonds and Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**Sensitivity analysis for variable rate instruments**

The Fund's variable interest rate risk arises from bank balances in savings accounts, Pakistan investment bonds and market treasury bonds. The net income for the year would have increased / decreased by Rs. 6.70 million (2025: Rs. 6.85 million) had the interest rates on savings accounts with banks and floating rate PIBs increased / decreased by 100 basis points, with all other variables held constant.

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Effective yield / interest rate | Not exposed to interest rate risk | Exposed to interest rate risk | | | Total |
| | | | 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 | 9%-12.25% | - | 532,879 | - | - | 532,879 |
| Mark-up receivable | | 16,587 | - | - | - | 16,587 |
| Investments | | | | | | |
| - Pakistan Investment Bonds | 10.87% - 11.94% | - | - | - | 390,530 | 390,530 |
| | | 16,587 | 532,879 | - | 390,530 | 939,996 |
| **Financial liabilities** | | | | | | |
| Payable to UBL Fund Managers Limited Management Company | | 7,213 | - | - | - | 7,213 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 439 | - | - | - | 439 |
| Payable to the Securities and Exchange Commission of Pakistan | | 61 | | | | 61 |
| Accrued expenses and other liabilities | | 9,551 | - | - | - | 9,551 |
| | | 17,264 | - | - | - | 17,264 |
| **On-balance sheet gap (a)** | | (677) | 532,879 | - | 390,530 | 922,732 |
| Off-balance sheet financial instrument | | - | - | - | - | - |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total interest rate sensitivity gap (a) + (b)** | | | 532,879 | - | 390,530 | |
| **Cumulative interest rate sensitivity gap** | | | 532,879 | - | 390,530 | |

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Effective yield / interest rate | Not exposed to interest rate risk | Exposed to interest rate risk | | | Total |
| | | | Upto three months | More than three months and upto one year | More than one year | |
| | % | Rupees in '000 | | | | |
| Financial assets | | | | | | |
| Bank balances | 8%-21% | - | 27,691 | - | - | 27,691 |
| Mark-up receivable | | 30,406 | - | - | - | 30,406 |
| Investments | | | | | | |
| - Pakistan Investment Bonds | 11.13% - 17.41% | - | - | - | 909,532 | 909,532 |
| - Market Treasury Bills | 11% | - | - | 11,420 | - | 11,420 |
| | | 30,406 | 27,691 | 11,420 | 909,532 | 979,049 |
| Financial liabilities | | | | | | |
| Payable to UBL Fund Managers Limited | | | | | | |
| - Management Company | | 7,020 | - | - | - | 7,020 |
| Payable to Central Depository Company | | | | | | - |
| of Pakistan Limited - Trustee | | 440 | - | - | - | 440 |
| Accrued expenses and other liabilities | | | | | | - |
| Payable to the Securities and Exchange | | 63 | | | | 63 |
| Commission of Pakistan | | 1,668 | - | - | - | 1,668 |
| | | 9,191 | - | - | - | 9,191 |
| On-balance sheet gap (a) | | 21,215 | 27,691 | 11,420 | 909,532 | 969,858 |
| Off-balance sheet financial instrument | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a) + (b) | | | 27,691 | 11,420 | 909,532 | |
| Cumulative interest rate sensitivity gap | | | 27,691 | 39,111 | 948,643 | |

### 19.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund does not hold any security which exposes the Fund to other price risk.

## 19.2 Credit risk

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

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

The maximum exposure to credit risk before considering any related collateral as at June 30, 2026 and June 30, 2025 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities 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, 2026 and June 30, 2025:

**Bank balances and mark- up receivable on savings accounts**

| Name of financial institution | Rating agency | Rating | 2026 | | | | |
|---|---|---|---|---|---|---|---|
| | | | USSP-VIII | USSP-IX | USSP-X | USSP-XI | Total |
| | | | Rupees in '000 | | | | |
| Soneri Bank Limited | PACRA | AA- | 235 | 105 | 531,607 | - | 531,947 |
| United Bank Limited | VIS | AAA | - | 202 | - | - | 202 |
| Allied Bank Limited | PACRA | AAA | - | - | 730 | - | 730 |
| | | | 235 | 307 | 532,337 | - | 532,879 |

| Name of financial institution | Rating agency | Rating | 2025 | | | | |
|---|---|---|---|---|---|---|---|
| | | | USSP-VIII | USSP-IX | USSP-X | USSP-XI | Total |
| | | | Rupees in '000 | | | | |
| Soneri Bank Limited | PACRA | AA- | 235 | 105 | 26,306 | - | 26,646 |
| United Bank Limited | VIS | AAA | - | 202 | - | - | 202 |
| Allied Bank Limited | PACRA | AAA | - | - | 843 | - | 843 |
| | | | 235 | 307 | 27,149 | - | 27,691 |

### 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.

## 19.3 Liquidity risk

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

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

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

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

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

| | USSP-VIII | | | |
|---|---|---|---|---|
| | **Over one year** | **Upto three months** | **Over three months and upto one year** | **Total** |
| **June 30, 2026** | ---------- **Rupees in '000** ---------- | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 3,034 | - | 3,034 |
| Accrued expenses and other liabilities | - | 242 | - | 242 |
| | - | 3,276 | - | 3,276 |
| | - | - | - | - |

| | USSP-VIII | | | |
|---|---|---|---|---|
| | **Over one year** | **Upto three months** | **Over three months and upto one year** | **Total** |
| June 30, 2025 | ---------- **Rupees in '000** ---------- | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 3,034 | - | 3,034 |
| Accrued expenses and other liabilities | - | 242 | - | 242 |
| | - | 3,276 | - | 3,276 |
| | - | - | - | - |

| | USSP-IX | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| **June 30, 2026** | ---------- Rupees in '000 ---------- | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 2,152 | - | 2,152 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 45 | - | 45 |
| Accrued expenses and other liabilities | - | 629 | - | 629 |
| | - | 2,826 | - | 2,826 |
| | - | - | - | - |

| | USSP-IX | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| June 30, 2025 | ---------- Rupees in '000 ---------- | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 2,152 | - | 2,152 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 45 | - | 45 |
| Accrued expenses and other liabilities | - | 629 | - | 629 |
| | - | 2,826 | - | 2,826 |
| | - | - | - | - |

| | USSP-X | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| **June 30, 2026** | ---------- Rupees in '000 ---------- | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited Management Company | - | 1,804 | - | 1,804 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 53 | - | 53 |
| Payable to the Securities and Exchange Commission of Pakistan | | 60 | | 60 |
| Accrued expenses and other liabilities | - | 8,741 | - | 8,741 |
| | - | 10,658 | - | 10,659 |
| | - | 928,791 | - | 928,791 |

| | USSP-X | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| June 30, 2025 | ---------- Rupees in '000 ---------- | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 1,611 | - | 1,611 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 54 | - | 54 |
| Payable against purchase of investment | - | | - | - |
| Accrued expenses and other liabilities | - | 62 | - | 62 |
| Dividend payable | - | 1,194 | - | 1,194 |
| | - | 2,921 | - | 2,921 |
| | | 957,967 | - | 957,967 |

| June 30, 2026 | USSP-XI | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| | ---------- Rupees in '000 ---------- | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 223 | - | 223 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 341 | - | 341 |
| Payable to Securities and Exchange Commission of Pakistan | - | 1 | - | 1 |
| Payable against purchase of investment | - | - | - | - |
| Accrued expenses and other liabilities | - | 376 | - | 376 |
| | - | 941 | - | 941 |
| | - | - | - | - |

| June 30, 2025 | USSP-XI | | | |
|---|---|---|---|---|
| | Over one year | Upto three months | Over three months and upto one year | Total |
| | ---------- Rupees in '000 ---------- | | | |
| Financial liabilities | | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 223 | - | 223 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 341 | - | 341 |
| Payable to Securities and Exchange Commission of Pakistan | | 1 | | 1 |
| Payable against purchase of investment | - | - | - | - |
| Accrued expenses and other liabilities | - | 376 | - | 376 |
| | - | 941 | - | 941 |
| | - | - | - | - |

## 20 UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

## 21 FAIR VALUE MEASUREMENT

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

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

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

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

The estimated fair value of all other financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

| | USSP-X | | | |
|---|---|---|---|---|
| **June 30, 2026** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | ---------- Rupees in '000 ---------- | | | |
| **Financial assets measured at fair value** | | | | |
| Government securities | | | | |
| - Pakistan Investment Bonds | - | 390,530 | - | 390,530 |
| **June 30, 2025** | | | | |
| Financial assets measured at fair value | | | | |
| Government securities | | | | |
| - Pakistan Investment Bonds | - | 909,532 | - | 909,532 |
| - Market Treasury Bills | - | 11,420 | - | 11,420 |
| | - | 920,952 | - | 920,952 |

## 22 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

| S.No. | Name | Designation | Qualification | Experience in years |
|---|---|---|---|---|
| 1 | Asif Ali Qureshi | Chief Executive Officer | MBA, CFA | 30 |
| 2 | Muhammad Imran** | Chief Investment Officer | MBA | 20 |
| 3 | Mubeen Ashraf | Assurance and Company Secretary | FCA | 25 |
| 4 | Irfan Nepal | Unit Head Trading Desk | EMBA, MA | 33 |
| 5 | Syed Sheeraz Ali | Head of Fixed Income Funds | BS, CFA I | 17 |
| 6 | Muhammad Saad Imran** | Fund Manager - Equities | BBA, CFA I | 4 |
| 7 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | M.A | 21 |
| 8 | Muhammad Waseem* | Fund Manager - Fixed Islamic Funds | BBA, CFA | 12 |
| 9 | Karim Punjani*** | Fund Manager - Head of Equities | MBA, ACCA | 11 |

* Muhammad Waseem ceased to hold the office with effect from August 13, 2025.
** Muhammad Imran and Muhammad Saad Imran were appointed on November 06, 2025 and August 25, 2025
** Karim Punjani was appointed on August 01, 2025 and ceased to hold the office with effect from May 06, 2026.

22.1 Syed Sheeraz Ali is the Fund Manager of this Fund. Syed Sheeraz Ali is also the fund manager for Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Fixed Return Fund, Al-Ameen Islamic Income Fund, Al-Ameen Islamic Sovereign Fund, UBL Cash Fund, UBL Growth and Income Fund, UBL Government Securities Fund, UBL Income Opportunity Fund, UBL Liquidity Fund, UBL Money Market Fund, UBL Special Savings Fund, UBL Fixed Return Fund-II, UBL Fixed Return Fund-II, UBL Liquidity Plus Fund, UBL Fixed Return Fund, UBL Fixed Return Fund-IV, Al-Ameen Islamic Retirement Saving Fund – Debt Sub Fund, UBL Retirement Saving Fund – Debt Sub Fund, UBL Voluntary Pension Fund KPK – Money Market Sub Fund, Al-Ameen Voluntary Pension Fund KPK – Money Market Sub Fund, Al-Ameen Islamic Punjab Pension Fund – Money Market Sub Fund, UBL Punjab Pension Fund – Money Market Sub Fund, Al-Ameen Islamic Asset Allocation Fund, UBL Asset Allocation Fund, Al-Ameen Islamic Retirement Saving Fund – Money Market Sub Fund, and UBL Retirement Saving Fund – Money Market Sub Fund.

## 23 TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top brokers during the year ended June 30, 2026

| | | USSP-VIII | USSP-IX | USSP-X | USSP-XI |
|---|---|---|---|---|---|
| 1 | PARAMOUNT CAPITAL (PVT) LTD | - | - | 100 | - |
| | | - | - | 100 | - |

Top brokers during the year ended June 30, 2025

| | | USSP-VIII | USSP-IX | USSP-X | USSP-XI |
|---|---|---|---|---|---|
| 1 | Summit Capital (Private) Limited | - | - | 66.73 | - |
| 2 | Continental Exchange (Pvt) Limited | - | - | 12.41 | - |
| 3 | Optimus Capital Management (Pvt) Limited | - | - | 17.25 | - |
| 4 | Currency Market Associates (Pvt.) Ltd | - | - | 3.61 | - |
| | | - | - | 100.00 | - |

24 **PATTERN OF UNIT HOLDING**

**USSP-X**

| Category | Number of units holders | Number of units held | Unit holding or investment amount | Percentage of total |
|---|---|---|---|---|
| | | | Rupees in '000' | % |
| **June 30, 2026** | | | | |
| Trustee | 1 | 1,126,781 | 115,489 | 12.43% |
| Retirement Funds | 2 | 502,801 | 51,535 | 5.55% |
| Others | 1 | 80,056 | 8,205 | 0.88% |
| Public limited companies | 9 | 7,165,832 | 734,462 | 79.08% |
| NBFCs | - | - | - | 0.00% |
| Individuals | 4 | 186,348 | 19,100 | 2.06% |
| | 17 | 9,061,818 | 928,791 | 100% |
| **June 30, 2025** | | | | |
| Individuals | 3 | 174,315 | 17,788 | 1.98% |
| NBFC | - | - | - | - |
| Retirement Fund | 2 | 469,018 | 47,861 | 5.15% |
| Public limited companies | 1 | 45,583 | 4,651 | 1.18% |
| Trust | - | - | - | - |
| Others | 12 | 8,871,382 | 905,285 | 91.69% |
| | 18 | 9,560,298 | 975,585 | 100% |

## 25 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

25.1 Details of transactions with related parties / connected persons during the period and balances held with them at the year ended June 30, 2025 are as follows:

| | USSP-X | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Management Company** | **Associated companies and others*** | **Trustee** | **Funds under common management** | **Directors and key executives**** | **Other connected persons / related parties***** |
| | **For the year ended June 30, 2026** | | | | | |
| | **Units in '000** | | | | | |
| **Transactions during the year** | | | | | | |
| Units issued | - | - | - | - | - | 447 |
| Units redeemed | - | - | - | - | - | 649 |
| | **Rupees in '000** | | | | | |
| Value of units issued | - | - | - | - | - | 45,578 |
| Value of units redeemed | - | - | - | - | - | 70,287 |
| Remuneration (including Sindh Sales Tax) | 16,905 | - | 625 | - | - | - |
| | **As at June 30, 2026** | | | | | |
| | **Units in '000** | | | | | |
| **Balances held** | | | | | | |
| Units held | - | - | - | - | - | 6,275 |
| | **Rupees in '000** | | | | | |
| Value of units held | - | - | - | - | - | 643,129 |
| Remuneration payable (including SST) | 1,804 | - | 53 | - | - | - |

| Particulars | Management Company | Associated companies and others* | Trustee | Funds under common management | Directors and key executives** | Other connected persons / related parties*** |
|---|---|---|---|---|---|---|
| | For the year ended June 30, 2025 | | | | | |
| | Units in '000 | | | | | |
| Transactions during the year | | | | | | |
| Units issued | - | - | - | - | - | 871 |
| Units redeemed | - | - | - | - | - | 380 |
| | **Rupees in '000** | | | | | |
| Value of units issued | - | - | - | - | - | 88,776 |
| Value of units redeemed | - | - | - | - | - | 41,777 |
| Remuneration (including Sindh Sales Tax) | 11,469 | - | 632 | - | - | - |
| Selling and marketing expenses payable | 1 | - | - | - | - | - |
| Allocated expenses payable | 214 | - | - | - | - | - |
| | **As at June 30, 2025** | | | | | |
| | **Units in '000** | | | | | |
| Balances held | | | | | | |
| Units held | - | - | - | - | - | 6,477 |
| | **Rupees in '000** | | | | | |
| Value of units held | - | - | - | - | - | 660,963 |
| Other receivable | 8 | - | - | - | - | - |
| Remuneration payable (including SST) | 1,611 | - | 54 | - | - | - |

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

** These include transactions and balances in relation to those directors and key executives (including their close family members) that existed as at year end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the year.

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

## 26 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Meetings of the Board of Directors were held on August 22, 2025, October 20, 2025, January 14, 2026, February 18, 2026 and April 17, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

| Name of Directors | Aug 22, 2025 | October 20, 2025 | January 14, 2026 | Februray 18, 2026 | April 17, 2026 | Total meetings |
|---|---|---|---|---|---|---|
| Mr. Imran Sarwar | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Alee Khalid Ghaznavi | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Muhammad Rizwan Malik* | No | Yes | Yes | No | No | 2 |
| Mr. Rashid Ahmed Jafer | Yes | Yes | Yes | Yes | Yes | 5 |
| Ms. Huma Pasha | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Farukh Karim Khan | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Asif Ali Quershi | Yes | Yes | Yes | Yes | Yes | 5 |

Mr. Muhammad Rizwan Malik has resigned on June 29, 2026

## 27 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

## 28 GENERAL

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

## 29. 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 20, 2026.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

# ULPF

## UBL LIQUIDITY PLUS FUND

INVESTMENT OBJECTIVE

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

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

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

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

Money Market / Open-end

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

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

**iii)**

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

The Collective Investment Scheme achieved its stated objective.

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

90% three (3) months PKRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP

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

| Monthly Yield* | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | FYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ULPF | 10.03% | 9.78% | 9.69% | 9.86% | 9.78% | 10.24% | 8.69% | 8.58% | 7.59% | 9.52% | 10.07% | 10.34% | 9.94% |
| Benchmark | 10.68% | 10.65% | 10.66% | 10.78% | 10.73% | 10.48% | 9.95% | 10.09% | 10.61% | 10.91% | 11.59% | 11.64% | 10.73% |

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

UBL Liquidity Plus Fund (ULPF) is an open end Money Market Fund with investment objective to provide attractive daily returns while maintaining comparatively high liquidity. ULPF yielded return of 9.94% p.a. during FY26. Major exposure was maintained in Cash (~97.82%) as at June 30, 2026, thus maintaining high portfolio quality. The net assets of the Fund were PKR 3,873 million as at June 30, 2026. The asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 1 day at the end of FY26.

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

| Asset Allocation (% of Total Assets) | Jun-26 | Jun-25 |
|---|---|---|
| Placements with Banks | 0% | 0% |
| T-Bills | 0% | 79% |
| Cash | 98% | 20% |
| Others | 2% | 1% |
| Leverage | Nil | Nil |

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

| | |
|---|---|
| FY'26 Return: | 9.94% |
| Standard Deviation (12m trailing): | 0.15% |
| Sharpe Ratio (12m trailing): | (6.43) |

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

| Net Asset Value | | | NAV per unit | | |
|---|---|---|---|---|---|
| **30-Jun-26** | **30-Jun-25** | **Change** | **30-Jun-26** | **30-Jun-25** | **Change** |
| **Rupees (000)** | | **%** | **Rupees** | | **%** |
| 3,872,834 | 26,196,069 | (85.2) | 101.5768 | 101.5027 | 0.07 |

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

Please refer to relevant section in director report

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

| Distribution | | | | Per unit | |
|---|---|---|---|---|---|
| ***Declared on*** | **Bonus** | **Cash** | **Per Unit** | **Cum NAV** | **Ex NAV** |
| | ***Rupees (000)*** | | ***---------- Rupees ----------*** | | |
| JUNE 29, 2026 | - | 299,168 | 10.0124 | 111.5151 | 101.5027 |
| | | | | | |

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

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

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

| Range of Units | Number of Investors |
|---|---|
| | ULPF |
| 0.0001 - 9,999.9999 | 15893 |
| 10,000.0000 - 49,999.9999 | 216 |
| 50,000.0000 - 99,999.9999 | 43 |
| 100,000.0000 - 499,999.9999 | 42 |
| 500,000.0000 & Above | 15 |
| **Total** | **16209** |

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

## PERFORMANCE TABLE

## UBL Liquidity Plus Fund

| | **2026** | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **NET ASSETS AS AT 30 JUNE - Rupees in '000** | **3,872,834.00** | 26,196,068.75 | 37,064,624.82 | 25,845,816 | 48,583,230 |
| **NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees** | | | | | |
| Class C units - Offer | **110.402** | 101.5027 | 101.4127 | 101.2470 | 101.1324 |
| - Redemption | **110.402** | 101.5027 | 101.4127 | 101.2470 | 101.1324 |
| **RETURN OF THE FUND - %** | | | | | |
| Total Return of the Fund | 9.94 | 14.58 | 22.11 | 17.37 | 10.48 |
| Capital Growth (per unit) | **0.08** | 0.10 | 21.17 | 16.92 | 0.58 |
| Date of Income Distribution | | | | - | - |
| Income Distribution | | | | - | - |
| Date of Income Distribution | **29-Jun-26** | 26-Jun-25 | 27-Jun-24 | 28-Jun-23 | July 2021 - June 2022 |
| Income Distribution | **10.0124** | 14.6807 | 0.9521 | 0.4592 | 10.0016 |
| **AVERAGE ANNUAL RETURN - %** | | | | | |
| One Year | **9.94** | 14.58 | 22.11 | 17.37 | 10.48 |
| Second Year | **18.35** | 19.74 | 13.93 | 8.73 | 9.80 |
| Third Year | **18.02** | 16.65 | 11.61 | 10.03 | 9.42 |
| Forth Year | **16.14** | 14.23 | 11.86 | 9.69 | 8.44 |
| Fifth Year | **14.30** | 13.91 | 11.22 | 8.85 | 8.00 |
| **OFFER / REPURCHASE DURING THE YEAR- Rupees** | | | | | |
| Highest price per unit - Class C units - Offer | **111.4852** | 116.0881 | 102.1519 | 101.1684 | 101.3665 |
| Highest price per unit - Class C units - Redemption | **111.4852** | 116.0881 | 102.1519 | 101.1684 | 101.3665 |
| Lowest price per unit - Class C units - Offer | **101.5027** | 101.4127 | 101.247 | 101.7792 | 100.9783 |
| Lowest price per unit - Class C units - Redemption | **101.5027** | 101.4127 | 101.247 | 101.7792 | 100.9783 |
| **PORTFOLIO COMPOSITION - %** | | | | | |
| Percentage of Net Assets as at 30 June | | | | | |
| **PORTFOLIO COMPOSITION BY CATEGORY - %** | | | | | |
| Bank Balances | **98** | 20 | 80 | 13 | 89 |
| Placement with Banks/DFIs | **-** | 79 | - | - | 10 |
| Government securities | | | 19 | 86 | - |
| Other | **2** | 1 | 1 | 1 | 1 |
| **PORTFOLIO COMPOSITION BY MARKET - %** | | | | | |
| Debt market | **100** | 100 | 100 | 100 | 100 |

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

**DISCLAIMER**

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

BDO

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Pakistan

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

### Report on the audit of the financial statements

### Opinion

We have audited the financial statements UBL Liquidity Plus Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

### Basis for opinion

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

### Key Audit Matters

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

Following is the key audit matter:

| S.NO | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| 1. | Existence of bank balances<br><br>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended June 30, 2026, the bank balances constitutes the most significant component of the Net Assets Value. Bank balance of the Fund as at June 30, 2026 amounted to Rs. 3,936.047 million and these represents 97.82% of the total assets. | Our audit procedures amongst others included the following: |



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| S.NO | Key audit matter(s) | How the matter was addressed in our audit |
|---|---|---|
| | The existence of bank balances are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2026.<br><br>We considered existence of bank balances as Key audit matter due to its significance in relation to total assets. | • Obtained independent confirmations for verifying the existence of the bank balances as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed.<br><br>• Performed alternative audit procedures for any non-responses, including inspection of subsequent bank statements and other supporting documentation.<br><br>• Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

**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 Those Charged with Governance of the Management Company for the Financial Statements**

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

In preparing the financial statements, 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 either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.



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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 communicates with those charged with governance of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**Report on other legal and regulatory requirements**

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

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

KARACHI

DATED: 25 SEP 2026

UDIN: AR202610067VJBzpuWEI

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CHARTERED ACCOUNTANTS


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**UBL LIQUIDITY PLUS FUND**
**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **ASSETS** | | | |
| Bank balances | 5 | 3,936,047 | 5,384,424 |
| Investments | 6 | - | 20,959,139 |
| Mark-up receivable | 7 | 49,511 | 22,045 |
| Receivable against units issued | | 4,225 | 110,518 |
| Deposit and other receivables | 8 | 7,790 | 7,791 |
| Advance tax | 9 | 26,150 | 15,918 |
| **TOTAL ASSETS** | | 4,023,723 | 26,499,835 |
| **LIABILITIES** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 | 8,468 | 40,058 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 480 | 310 |
| Payable to Securities and Exchange Commission of Pakistan | 12 | 596 | 1,820 |
| Payable against unit redeemed | | - | 9,598 |
| Dividend payable | | - | 34,673 |
| Accrued expenses and other liabilities | 13 | 141,345 | 217,309 |
| **TOTAL LIABILITIES** | | 150,889 | 303,766 |
| **NET ASSETS** | | 3,872,834 | 26,196,069 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | 3,872,834 | 26,196,069 |
| **CONTINGENCIES AND COMMITMENTS** | 14 | | |
| | | ----------(Number of units)---------- | |
| **NUMBER OF UNITS IN ISSUE** | 15 | 38,127,141 | 258,082,481 |
| | | ----------(Rupees)---------- | |
| **NET ASSET VALUE PER UNIT** | | 101.5768 | 101.5027 |

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_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL LIQUIDITY PLUS FUND**
**INCOME STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **INCOME** | | | |
| Financial income | 16 | 1,623,966 | 4,181,739 |
| (Loss) / Gain on sale of investments - net | | (5,209) | 76,325 |
| Unrealised gain on revaluation of investments classified as 'financial asset 'at fair value through profit or loss' - net | | - | 5,945 |
| **TOTAL INCOME** | | 1,618,757 | 4,264,009 |
| **EXPENSES** | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | | 137,309 | 319,215 |
| Sindh Sales tax on Management Company's remuneration | | 20,596 | 47,882 |
| Allocated expenses | 17 | - | 1,096 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 8,212 | 15,163 |
| Sindh Sales tax on Trustee's remuneration | | 1,232 | 2,274 |
| Annual fee of Securities and Exchange Commission of Pakistan | | 11,203 | 20,620 |
| Bank charges | | 291 | 157 |
| Auditors' remuneration | 18 | 1,088 | 1,084 |
| Brokerage and settlement expenses | | 982 | 2,934 |
| Selling and marketing expenses | | - | 5,149 |
| Listing fee | | 58 | 27 |
| Legal and professional charges | | 312 | 312 |
| Other Expense | | 239 | - |
| Fee and subscription charges | | - | 274 |
| | | 181,520 | 416,187 |
| **Net income before taxation** | | 1,437,237 | 3,847,822 |
| Taxation | 19 | - | - |
| **Net income for the year** | | 1,437,237 | 3,847,822 |
| **Allocation of net income for the period** | | | |
| Net income for the year | | 1,437,237 | 3,847,822 |
| Income already paid on redemption of units | | (1,260,770) | (2,534,628) |
| **Net income for the year** | | 176,467 | 1,313,194 |
| **Income available for distribution:** | | | |
| Relating to capital gains | | - | 76,325 |
| Excluding capital gains | | 176,467 | 1,236,869 |
| | | 176,467 | 1,313,194 |

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 |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL LIQUIDITY PLUS FUND**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | 2025 |
|---|---|---|
| | ------- (Rupees in '000) ------- | |
| Net income for the year | 1,437,237 | 3,847,822 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 1,437,237 | 3,847,822 |

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_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL LIQUIDITY PLUS FUND**
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| **Net assets at the beginning of the year** | 25,661,546 | 534,523 | 26,196,069 | 36,806,504 | 258,121 | 37,064,625 |
| Issuance of 596,944,768 units (2025:893,725,350 units) | | | | | | |
| Capital value | 60,591,506 | - | 60,591,506 | 90,635,101 | - | 90,635,101 |
| Element of income | 2,821,474 | - | 2,821,474 | 8,276,880 | - | 8,276,880 |
| **Total proceeds on issuance of units** | 63,412,980 | - | 63,412,980 | 98,911,981 | - | 98,911,981 |
| Redemption of 816,900,109 units (2025: 1,001,126,061 units) | | | | | | |
| Capital value | (82,917,567) | - | (82,917,567) | (101,526,897) | - | (101,526,897) |
| Element of loss | (2,695,947) | (1,260,770) | (3,956,717) | (6,621,546) | (2,534,628) | (9,156,174) |
| **Total payments on redemption of units** | (85,613,514) | (1,260,770) | (86,874,284) | (108,148,443) | (2,534,628) | (110,683,071) |
| Total comprehensive income for the year | - | 1,437,237 | 1,437,237 | - | 3,847,822 | 3,847,822 |
| Distributions during the year ended June 30, 2026 @ Rs.10.0124 (June 30, 2025 @ Rs.14.6807) | (120,316) | (178,852) | (299,168) | (1,908,496) | (1,036,792) | (2,945,288) |
| **Net income for the period less distribution** | (120,316) | 1,258,385 | 1,138,069 | (1,908,496) | 2,811,030 | 902,534 |
| **Net assets at the end of the year** | 3,340,696 | 532,138 | 3,872,834 | 25,661,546 | 534,523 | 26,196,069 |
| **Undistributed income brought forward comprises of:** | | | | | | |
| Realised gain | | 528,578 | | | 258,121 | |
| Unrealised loss | | 5,945 | | | - | |
| **Total undistributed income brought forward** | | 534,523 | | | 258,121 | |
| **Income available for distribution:** | | | | | | |
| Relating to capital gains | | - | | | 76,325 | |
| Excluding capital gains | | 176,467 | | | 1,236,869 | |
| | | 176,467 | | | 1,313,194 | |
| Distribution during the year | | (178,852) | | | (1,036,792) | |
| **Undistributed income carried forward** | | 532,138 | | | 534,523 | |
| **Undistributed income carried forward comprises of:** | | | | | | |
| Realised income | | 532,138 | | | 528,578 | |
| Unrealised income | | - | | | 5,945 | |
| **Total undistributed income carried forward** | | 532,138 | | | 534,523 | |
| | | | **(Rupees) Per unit** | | | **(Rupees) Per unit** |
| Net assets value per unit at the beginning of the period | | | 101.5027 | | | 101.2470 |
| Net assets value per unit at the end of the period | | | 101.5768 | | | 101.5027 |

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 |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL LIQUIDITY PLUS FUND**
**CASH FLOW STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income for the period | | 1,437,237 | 3,847,822 |
| Adjustments for: | | | |
| Financial income | | 1,623,966 | |
| Unrealised gain on revaluation of investments at fair value through profit or loss - net | | - | (5,945) |
| | | 3,061,203 | 3,841,877 |
| **(Increase) / decrease in assets** | | | |
| Investments - net | | 19,335,174 | (13,653,083) |
| Deposits and other receivables | | 1 | (8,678) |
| Mark-up receivable | | (37,697) | 75,083 |
| **Increase / (Decrease) in liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | | (31,590) | (25,677) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 170 | (1,416) |
| Annual fee payable to Securities and Exchange Commission of Pakistan | | (1,224) | (263) |
| Accrued expenses and other liabilities | | (75,965) | 143,489 |
| Net cash generated/ (used in) from operating activities | | 22,250,072 | (9,628,669) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Receipts from issuance of units | | 63,519,273 | 98,809,316 |
| Payments against redemption of units | | (86,883,882) | (111,731,394) |
| Dividend paid | | (333,841) | (3,052,444) |
| Net cash (used in) financing activities | 20 | (23,698,449) | (15,974,522) |
| Net (decrease) in cash and cash equivalents during the year | | (1,448,377) | (25,603,191) |
| Cash and cash equivalents at beginning of the year | | 5,384,424 | 30,987,615 |
| Cash and cash equivalents at end of the year | 5 | 3,936,047 | 5,384,424 |

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 |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL LIQUIDITY PLUS FUND**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2026**

## 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Liquidity Plus Fund (the "Fund") was established under the Trust Deed executed under the Trust Act, 1882, between UBL Fund Managers Limited (a subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2009 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). The Fund commenced its operations from June 21, 2009. The Trust Act, 1882 was repealed during financial year 2021 due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020", as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Management Company after fulfilling the requirements for registration of the Trust Deed under the Sindh Trusts Act, 2020, has registered the Collective Investment Scheme's Trust Deed with the Registrar acting under Sindh Trusts Act, 2020 on August 27, 2021.

1.2 The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

1.3 The Fund is an 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 categorized as an open-ended income scheme in accordance with Circular No.7 of 2009 issued by the SECP.

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

1.5 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company.

## 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::

- IFRS Accountng Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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)

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how funds can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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

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

| | |
|---|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency | January 01, 2027 |
| Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures | January 01, 2027 |
| IFRS 17 Insurance Contracts | January 01, 2027 |

| | Effective date (annual periods beginning on or after) |
|---|---|
| IFRS 18 Presentation and Disclosures in Financial Statements | January 01, 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 Cash and cash equivalent

Cash and cash equivalents comprise of balances with banks.

## 4.2 Financial instruments

### 4.2.1 Initial recognition and measurement

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

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

**Classification and subsequent measurement**

### 4.2.2 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost;
- At fair value through other comprehensive income (FVOCI); and
- At fair value through profit or loss (FVPL).

**Financial assets at amortised cost**

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses, gain / loss on derecognition and

**Financial asset at FVOCI**

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

Financial assets at FVOCI are measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

**Financial asset at FVPL**

All other financial assets are classified as FVPL (Debt securities not classified either as Amortised Cost or FVOCI).

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

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

**Business model assessment**

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

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.

- Held-to-collect and sell business model: This includes Market Treasury Bills, Pakistan Investment Bonds, Term Finance Certificates and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial asset

- Other business model: This includes Market Treasury Bills, Pakistan Investment Bonds, Term Finance Certificates and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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

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

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

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

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

### 4.2.3 Financial liabilities

The Fund's financial liabilities are classified and measured at amortised cost using the effective interest method. Any gain or loss on derocgnition in in the income statement.

### 4.2.4 Impairment of financial assets

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

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

### 4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

### 4.2.6 Fair value measurement principles and provision

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

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

The fair value of financial assets traded in active markets are based on the quoted market prices at the close of trading on the period end date. A market is regarded as ‘active’ if transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

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

### 4.2.7 Offsetting of financial assets and liabilities

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

### 4.3 Expenses

All expenses, including remuneration of management company, trustee and annual fees of SECP, are recognized in the income statement when incurred.

### 4.4 Preliminary expenses and flotation costs

Preliminary expenses and flotation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.

### 4.5 Provisions

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

### 4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

### 4.7 Issuance and redemption of units

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

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

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

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

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

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

### 4.9 Distributions

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

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

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year/period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

**4.10 Earnings per unit**

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

**4.11 Net asset value per unit**

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

**4.12 Revenue recognition**

- Realized 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 investments in debt securities and government securities is recognised using effective interest rate method on a time proportionate basis
- Mark-up on bank balances is recorded on accrual basis.

**4.13 Critical accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an 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 period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

| | Note |
|---|---|
| Classification and valuation of financial assets | 4.2.2 |
| Provisions | 4.5 |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **5 BANK BALANCES** | | | |
| In local currency | | | |
| Current accounts | | 499 | 11,070 |
| Savings accounts | 5.1 | 3,935,548 | 5,373,354 |
| | | 3,936,047 | 5,384,424 |

5.1 Profit rates on these savings accounts range from 8% to 11.6% per annum (2025: 8% to 20% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 3,933.124 Million (2025: Rs. 748,080 million) on which return is earned from 9.5% to 11.38% (2025: 9.5% to 19 %) per annum.

| | | Note |
|---|---|---|
| **6** | **INVESTMENTS** | |
| | **At fair value through profit or loss** | |
| | Government securities - Market Treasury Bills | 6.1 |

**6.1 Government securities - Market Treasury Bills**

| Issue Date | Tenor | Face value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised gain /(loss) |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | |
| | | ---------- Rupees in '000 ---------- | | | | | | |
| May 2, 2025 | 3 Months | 3,100,000 | - | 3,100,000 | - | - | - | |
| June 26, 2025 | 1 Month | 500,000 | - | 500,000 | - | - | - | |
| June 12, 2025 | 3 Months | 4,000,000 | - | 4,000,000 | - | - | - | |
| June 12, 2025 | 3 Months | 500,000 | - | 500,000 | - | - | - | |
| May 29, 2025 | 3 months | 500,000 | - | 500,000 | - | - | - | |
| May 2, 2025 | 3 Months | 4,775,000 | - | 4,775,000 | - | - | - | |
| June 25, 2025 | 3 Months | 225,000 | - | 225,000 | - | - | - | |
| May 13, 2025 | 6 Months | 2,093,800 | - | 2,093,800 | - | - | - | |
| May 29, 2025 | 6 months | 500,000 | - | 500,000 | - | - | - | |
| May 15, 2025 | 6 Months | 500,000 | - | 500,000 | - | - | - | |
| May 13, 2025 | 6 Months | 2,000,000 | - | 2,000,000 | - | - | - | |
| June 17, 2025 | 6 Months | 148,030 | - | 148,030 | - | - | - | |
| May 12, 2025 | 6 Months | 605 | - | 605 | - | - | - | |
| May 23, 2025 | 12 Months | 1,000,000 | - | 1,000,000 | - | - | - | |
| June 30, 2025 | 12 Months | 223,000 | - | 223,000 | - | - | - | |
| June 25, 2025 | 12 Months | 2,380,000 | - | 2,380,000 | - | - | - | |
| June 30, 2025 | 12 Months | 1,000,000 | - | 1,000,000 | - | - | - | |
| June 30, 2025 | 12 Months | 500,000 | - | 500,000 | - | - | - | |
| June 30, 2025 | 12 Months | 135,000 | - | 135,000 | - | - | - | |
| June 30, 2025 | 12 Months | 200,000 | - | 200,000 | - | - | - | |
| July 10, 2025 | 6-Months | | 500,000 | 500,000 | - | - | - | |
| July 10, 2025 | 6-Months | | 1,500,000 | 1,500,000 | - | - | - | |
| July 24, 2025 | 6-Months | | 250,000 | 250,000 | - | - | - | |
| January 9, 2025 | 12 -months | | 310,000 | 310,000 | - | - | - | |
| November 13, 2025 | 1 Month | | 500,000 | 500,000 | - | - | - | |
| November 27, 2025 | 1 Month | | 500,000 | 500,000 | - | - | - | |
| December 16, 2025 | 12 Months | | 1,000,000 | 1,000,000 | - | - | - | |
| June 26, 2025 | 12 Months | | 878,500 | 878,500 | - | - | - | |
| January 8, 2026 | 1-Month | | 500,000 | 500,000 | - | - | - | |
| January 8, 2026 | 3 Months | | 500,000 | 500,000 | - | - | - | |
| January 8, 2026 | 6 Months | | 500,000 | 500,000 | - | - | - | |
| January 8, 2026 | 6 Months | | 1,000,000 | 1,000,000 | - | - | - | |
| January 9, 2026 | 6 Months | | 500,000 | 500,000 | - | - | - | |
| January 22, 2026 | 6 Months | | 500,000 | 500,000 | - | - | - | |
| May 14, 2026 | 3-Months | | 1,000,000 | 1,000,000 | - | - | - | |
| June 26, 2025 | 12 Months | | 900,000 | 900,000 | - | - | - | |
| May 21, 2026 | 1-Month | | 6,000,000 | 6,000,000 | - | - | - | |
| May 21, 2026 | 1-Month | | 8,000,000 | 8,000,000 | - | - | - | |
| October 16, 2025 | 1-Month | | 3,000,000 | 3,000,000 | - | - | - | |
| September 4, 2025 | 1-Month | | 250,000 | 250,000 | - | - | - | |
| August 7, 2025 | 1-Month | | 500,000 | 500,000 | - | - | - | |
| July 10, 2025 | 1-Month | | 500,000 | 500,000 | - | - | - | |
| July 10, 2025 | 3 Months | | 500,000 | 500,000 | - | - | - | |
| July 24, 2025 | 1-Month | | 125,000 | 125,000 | - | - | - | |
| July 24, 2025 | 3 Months | | 250,000 | 250,000 | - | - | - | |
| | | | | | - | - | | |
| **Total as at June 30, 2026** | | **24,280,435** | **29,963,500** | **54,243,935** | **-** | **-** | **-** | |
| **Total as at June 30, 2025** | | 7,143,600 | 228,030,220 | 213,768,385 | 21,405,435 | 20,959,697 | 20,959,139 | |

| Issue Date | Tenor | Face value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised gain /(loss) |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | |
| | | ---------- Rupees in '000 ---------- | | | | | | |

6.1.1 These Market Treasury Bills carry effective yield ranging from 9.9% to 11.75% (2025: 10.91% to 20.58% ) per annum.

**6.2 Government securities - Pakistan Investment Bonds**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Floater** | | | | | | | | |
| **PIB** | | | | | | | | |
| January 26, 2026 | 5 Years | - | 1,000,000 | 1,000,000 | - | | - | |
| November 28, 2025 | 5 Years | - | 500,000 | 500,000 | - | | - | |
| November 28, 2025 | 5 Years | - | 1,500,000 | 1,500,000 | - | | - | |
| **Total as at June 30, 2026** | | **-** | **3,000,000** | **3,000,000** | **-** | **-** | **-** | |
| **Total as at June 30, 2025** | | - | 78,922,000 | 78,922,000 | - | - | - | |
| **GOP Ijara** | | | | | | | | |
| July 18, 2025 | 3 years | - | 1,750,000 | 1,750,000 | - | | - | |
| **Total as at June 30, 2026** | | **-** | **1,750,000** | **1,750,000** | **-** | **-** | **-** | |
| **Total as at June 30, 2025** | | - | - | - | - | - | - | |

**6.3 Reverse Repo**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| February 18, 2026 | 5 Days | - | 1,180,960 | 1,182,639 | | - | - | |
| | | - | | | - | - | - | |
| **Total as at June 30, 2026** | | - | **1,180,960** | **1,182,639** | **-** | **-** | **-** | |
| **Total as at June 30, 2025** | | - | 27,389,000 | 27,389,000 | - | - | - | |

**6.4 Letter of placement**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| January 16, 2026 | 14 Days | - | 1,200,000,000 | 1,200,000,000 | - | - | - | |
| January 8, 2026 | 21 Days | - | 1,250,000,000 | 1,250,000,000 | - | - | - | |
| January 8, 2026 | 8 Days | - | 1,300,000,000 | 1,300,000,000 | - | - | - | |
| January 2, 2026 | 14 Days | - | 1,000,000,000 | 1,000,000,000 | - | - | - | |
| December 19, 2025 | 7 Days | - | 1,250,000,000 | 1,250,000,000 | - | - | - | |
| December 12, 2025 | 7 Days | - | 1,450,000,000 | 1,450,000,000 | - | - | - | |
| December 5, 2025 | 7 Days | - | 1,450,000,000 | 1,450,000,000 | - | - | - | |
| December 2, 2025 | 1 Days | - | 800,000,000 | 800,000,000 | - | - | - | |
| December 2, 2025 | 1 Days | - | 800,000,000 | 800,000,000 | - | - | - | |
| November 28, 2025 | 7 Days | - | 1,300,000,000 | 1,300,000,000 | - | - | - | |
| November 6, 2025 | 1 Days | - | 1,500,000,000 | 1,500,000,000 | - | - | - | |
| October 31, 2025 | 7 Days | - | 1,800,000,000 | 1,800,000,000 | - | - | - | |
| October 30, 2025 | 70 Days | - | 1,800,000,000 | 1,800,000,000 | - | - | - | |
| October 24, 2025 | 14 Days | - | 1,000,000,000 | 1,000,000,000 | - | - | - | |
| August 20, 2025 | 71 Days | - | 2,000,000,000 | 2,000,000,000 | - | - | - | |
| **Total as at June 30, 2026** | | - | 25,900,000,000 | 25,900,000,000 | **-** | **-** | **-** | |
| **Total as at June 30, 2025** | | - | 87,300,000 | 87,300,000 | - | - | - | |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees in '000---------- | |

## 7 MARK-UP RECEIVABLE

| | | | |
|---|---|---|---|
| Mark-up accrued on: | | | |
| - Saving accounts | 7.1 | 49,511 | 22,045 |

7.1 This includes receivable from a related parties amounting to Rs. 49.302 million (2025: Rs. 0.12 million) on balance maintained with United Bank Limited.

## 8 DEPOSIT AND OTHER RECEIVABLES

| | | |
|---|---|---|
| Receivable from UBL Fund Managers Limited - Management Company | 1,065 | 1,065 |
| Other receivables | 6,725 | 6,726 |
| | 7,790 | 7,791 |

## 9 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, PIBs 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 mark-up on bank balances, term deposit receipts, PIBs and letters of placements amounts to Rs. 26.15 million (2025: Rs. 15.918 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, PIBs and letters of placements have been shown as advance tax under assets as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees in '000---------- | |

## 10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | | | |
|---|---|---|---|
| Remuneration payable | 10.1 | 7,191 | 23,413 |
| Sindh Sales Tax on remuneration payable | 10.2 | 1,079 | 3,512 |
| Conversion charges payable | | - | 191 |
| Allocated expenses payable | 17 | 7 | 12,751 |
| Selling and Marketing | 17 | 13 | 13 |
| Other payable | | 178 | 178 |
| | | 8,468 | 40,058 |

10.1 The Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the Fund, subject to a maximum of 1.5% as prescribed under the NBFC Regulations. (2025: daily earnings with a minimum of 1% and a maximum of 1.25% of average annual net assets). The remuneration is payable to the Management Company monthly in arrears.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

## 11 PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED OF PAKISTAN - TRUSTEE

| | | | |
|---|---|---|---|
| Trustee fee | 11.1 | 417 | 270 |
| Sindh Sales tax | 11.2 | 63 | 40 |
| | | 480 | 310 |

11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.055% (2025: 0.055%) per annum of average daily net assets of the Fund during the year. The remuneration is payable on monthly basis in arrears.

11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees in '000---------- | |

## 12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

| | | | |
|---|---|---|---|
| Annual fee payable | | 596 | 1,820 |

12.1 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 0.075% (2025: 0.075%) of the average annual net assets of the Fund as annual fee. The fee is payable on monthly basis in arrears.

## 13 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | |
|---|---|---|---|
| Provision for Federal Excise Duty (FED) | 13.1 | 55,390 | 55,390 |
| Zakat deducted at source payable | | 117 | 2,145 |
| Capital gains tax payable | | 67,829 | 148,811 |
| Auditors' remuneration payable | | 554 | 618 |
| Brokerage expense payable | | 7,666 | 9,845 |
| CDS fee payable to CDC | | - | 80 |
| Legal and professional chargers payable | | 181 | 357 |
| Withholding tax payable | | 0 | - |
| Other payable | | 9,609 | 63 |
| | | 141,345 | 217,310 |

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

On June 30, 2016, the SHC passed a Judgment that after the 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication.

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

The Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 55.390 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Rs. 1.453 per unit (2025: Rs. 0.2125 per unit).

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 CONTINGENCIES

The Deputy Commissioner Inland Revenue (DCIR) initiated monitoring proceedings for the tax year 2018 and 2020 vide notice dated October 26, 2021 under section 276 of the Income Tax Ordinance, 2001 (the Ordinance) read with rule 44 (4) of the Income Tax Rules, 2002 and notice dated November 19, 2021 issued under section 161 (1A) read with section 205 of the Ordinance. Monitoring proceedings for the tax year 2018 were finalized (see below) by tax authorities whereas proceedings for the tax year 2020 are pending.

On June 30, 2024, the DCIR passed monitoring order for tax year 2018 under section 161 and 205 of the Ordinance, whereby a default of tax amounting to Rs. 48,170,925 was created without considering the provided reconciliations and supporting documents from the Management Company. This order was challenged in appeal before the Appellate Tribunal Inland Revenue (ATIR) on July 13, 2024. The said appeal is listed for hearing on August 26, 2024.

During the pendency of the appeal before ATIR, the DCIR issued a recovery notice dated August 02, 2024, under section 138(1) of the Ordinance. The Management Company filed an application for stay of demand with the ATIR against the said notice, which was allowed by the ATIR on August 08, 2024, and the impugned demand was stayed for a period of 30 days.

Subsequently, the Management Company sought further relief, and another stay order was granted. The last stay order was received on June 30, 2026, for a period of 30 days. No further correspondence has been received to date.

### 14.2 COMMITMENTS

There were no commitments as at June 30, 2026 (June 30, 2025: Nil).

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees in '000---------- | |

## 15 NUMBER OF UNITS IN ISSUE

| | | |
|---|---|---|
| Total units in issue at the beginning of the year | 258,082,481 | 365,483,192 |
| Units issued during the year | 596,944,768 | 893,725,350 |
| Units redeemed during the year | (816,900,108) | (1,001,126,061) |
| Total units in issue at end of the year | 38,127,141 | 258,082,481 |

## 16 FINANCIAL INCOME

Mark-up / interest income on:

| | | |
|---|---|---|
| - Savings accounts | 559,933 | 431,991 |
| - Placements and term deposit receipts | 128,825 | 210,805 |
| - Government securities | 840,882 | 3,428,334 |
| - Sukuks | 94,326 | 110,609 |
| | 1,623,966 | 4,181,739 |

## 17 ALLOCATED EXPENSES

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

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

(a) Printing costs and related expenses for issuing the quarterly, half-yearly, and annual reports of the CIS;

(b) Fees and expenses related to registrar services, accounting, operations, and valuation services of the CIS;

(c) Selling and marketing expenses for the purpose of opening and maintenance of branches;

(d) Payment of salaries/commission to the sales team and distributors;

(e) Advertising and publicity expenses, and development of alternate delivery/distribution channels for the CIS.

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees in '000---------- | |

## 18 AUDITOR'S REMUNERATION

| | | |
|---|---|---|
| Annual audit fee | 450 | 600 |
| Fee for half yearly review | 450 | 280 |
| Fee for review of compliance with the requirements of the Code of Corporate Governance | - | 60 |
| Fee for other certifications / services | - | 60 |
| Out of pocket expenses and Sindh Sales Tax | 188 | 84 |
| | 1,088 | 1,084 |

## 19 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders.

Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company has distributed required minimum percentage of income earned by the Fund for the year ended June 30, 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 20 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

| | Receivable against issuance of units | Payable against redemption of units | Dividend payable | Total |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| Opening balance as at July 1, 2025 | 110,518 | 9,598 | 34,673 | 154,789 |
| Receivable against issuance of units | 63,412,980 | - | - | 63,412,980 |
| Payable against redemption of units | - | 86,874,284 | - | 86,874,284 |
| Payable against dividends | - | - | 299,168 | 299,168 |
| | 63,412,980 | 86,874,284 | 299,168 | 150,586,432 |
| Amount received on issuance of units | (63,519,273) | - | - | (63,519,273) |
| Amount paid on redemption of units | - | (86,883,882) | - | (86,883,882) |
| Dividend paid | - | - | (333,841) | (333,841) |
| | (63,519,273) | (86,883,882) | (333,841) | (150,736,996) |
| Closing balance as at June 30, 2026 | 4,225 | - | - | 4,225 |

## 21 TOTAL EXPENSE

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit, applicable previously, has been replaced with the management fees cap which has been disclosed in note 10.1 of these audited financial statements. The TER for the period is as follows:

| | 2026 | 2025 |
|---|---|---|
| Total TER with levies | 1.22% | 1.50% |
| Govt Levies | 0.22% | 0.26% |
| Total TER without levies | 1.00% | 1.24% |

## 22 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees in '000---------- | |
| **Financial assets** | | |
| **At fair value through profit or loss** | | |
| Investment | - | 20,959,139 |
| **At amortised cost** | | |
| Bank balances | 3,936,047 | 5,384,424 |
| Mark-up receivable | 49,511 | 22,045 |
| Receivable against units issued | 4,225 | 110,518 |
| Deposits and other receivable | 7,790 | 7,791 |
| Advance tax | 26,150 | 15,918 |
| | 4,023,721 | 5,540,698 |
| **Financial liabilities** | | |
| **At amortised cost** | | |
| Payable to UBL Fund Managers Limited - Management Company | 8,468 | 40,058 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 480 | 270 |
| Payable to Securities and Exchange Commission of Pakistan | 596 | 1,820 |
| Payable against units redeemed | - | 9,598 |
| Dividend payable | - | 34,673 |
| Accrued expenses and other liabilities | 141,345 | 217,309 |
| | 150,890 | 303,726 |

## 23 FINANCIAL RISK MANAGEMENT

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

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

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

### 23.1 Market risk

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

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

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

#### 23.1.1 Currency risk

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

The Fund has no exposure to currency risk, as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2026.

#### 23.1.2 Interest rate

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, 2026, the Fund is exposed to such risk on bank balances with savings accounts, government securities and Sukuk. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**Sensitivity analysis for variable rate instruments**

The Fund's variable interest rate risk arises from bank balances in savings accounts and Sukuk. The net income for the year would have increased / decreased by Rs. 39.36 million (2025: Rs. 53.844 million) had the interest rates on savings accounts with banks and Sukuk increased / decreased by 100 basis points, with all other variables held constant.

**Sensitivity analysis for fixed rate instruments**

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

In case of 100 basis points increase in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been lower/higher by Rs.Nil (2025:Rs. 34.283 million).

### 23.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund does not hold any security which exposes the Fund to other price risk.

## 23.2 Credit risk

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

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

The maximum exposure to credit risk before considering any collateral as at June 30, 2026 and June 30, 2025 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2026 and June 30, 2025.

| Name of financial institution | Rupees in "000" June 30,2026 | | | |
|---|---|---|---|---|
| **Bank balances** | **Amount** | **Rating** | **Agency** | **Percentage of Total** |
| Allied Bank Limited | 9 | AAA | PACRA | 0.00% |
| Bank Alfalah Limited | 1,005 | AAA | PACRA | 0.03% |
| Faysal Bank Limited | 19 | AA+ | PACRA | 0.00% |
| United Bank Limited | 3,987,797 | AAA | VIS | 99.91% |
| Habib Bank Limited | 1,217 | AAA | VIS | 0.03% |
| Meezan Bank Limited | 149 | AAA | VIS | 0.00% |
| MCB Limited | 508 | AAA | PACRA | 0.01% |
| Samba Bank Limited | 129 | AA | PACRA | 0.00% |
| National Bank of Pakistan | 516 | AAA | PACRA | 0.01% |
| | 3,991,349 | | | 100% |

| Name of financial institution | Rupees in "000" June 30,2025 | | | |
|---|---|---|---|---|
| **Bank balances** | **Amount** | **Rating** | **Agency** | **Percentage of Total** |
| Allied Bank Limited | 3 | AAA | PACRA | 0.01% |
| Bank Alfalah Limited | 8,914 | AAA | PACRA | 40.44% |
| Faysal Bank Limited | 11 | AA | PACRA | 0.05% |
| United Bank Limited | 11,109 | AAA | VIS | 50.40% |
| Habib Bank Limited | 1,014 | AAA | VIS | 4.60% |
| Meezan Bank limited | 5 | AAA | PACRA | 0.02% |
| MCB Bank Limited | 307 | AAA | PACRA | 1.39% |
| Samba Bank limited | 163 | AA | PACRA | 0.74% |
| National Bank Of Pakistan | 516 | AAA | PACRA | 2.34% |
| | 22,041 | | | 100% |

### Concentration of credit risk

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

## 23.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable. The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to 10% of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% 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 10% of the units then in issue. The Fund did not withhold any redemptions during the year.

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

| | Total | Up to three months | Over three months and upto one year | Over one year |
|---|---|---|---|---|
| | ——— Rupees in 000 ——— | | | |
| **June 30, 2026** | | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 8,468 | 8,468 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 480 | 480 | - | - |
| Payable to Securities and Exchange Commission of Pakistan | 596 | 596 | | |
| Accrued expenses and other liabilities | 141,345 | 141,345 | - | - |
| | 150,889 | 150,889 | - | - |

| | Total | Up to three months | Over three months and upto one year | Over one year |
|---|---|---|---|---|
| | --------- Rupees in 000 -------- | | | |
| **June 30, 2025** | | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 40,058 | 40,058 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 310 | 310 | - | - |
| Payable to Securities and Exchange Commission of Pakistan | 1,820 | 1,820 | | |
| Payable against units redeemed | 9,598 | 9,598 | - | - |
| Dividend payable | 34,673 | 34,673 | - | - |
| Accrued expenses and other liabilities | 217,309 | 217,309 | - | - |
| | 303,766 | 303,766 | - | - |

## 24 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

## 25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying value and the fair value estimates. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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.

| June 30, 2026 | Fair Value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | -------- Rs in 000 -------- | | | |
| **Financial assets measured at fair value through profit or loss** | | | | |
| - Market Treasury Bills | | - | | - |
| - Pakistan Investment Bonds | | - | | - |
| - Sukuk | | - | | - |
| | - | - | - | - |

| June 30, 2025 | Fair Value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | -------- Rs in 000 -------- | | | |
| **Financial assets measured at fair value through profit or loss** | | | | |
| - Market Treasury Bills | | 20,959,139 | | 20,959,139 |
| - Pakistan Investment Bonds | | - | | - |
| - Sukuk | | - | | - |
| | - | 20,959,139 | - | 20,959,139 |

## 25.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investments in Market Treasury Bills and Pakistan Investment Bonds, the Fund uses rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date.

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

## 25.2 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the reporting period.

## 26 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION

| | | 2026 % | 2025 % |
|---|---|---|---|
| 1 | Paramount Capital (Pvt) Ltd | 16.49 | 0.00 |
| 2 | Arif Habib Limited | 1.58 | 15.37 |
| 3 | Bright Capital (Private) Limited | 8.82 | 11.03 |
| 4 | Pearl Securities Limited | 0.12 | - |
| 5 | Summit Capital (Pvt) Ltd | 1.54 | - |

| | | 2026 % | 2025 % |
|---|---|---|---|
| 6 | Alfalah CLSA Securities (Private ) Limited | - | 23.69 |
| 7 | C&M Management (Private) Limited | - | 7.74 |
| 8 | Invest One Markets Limited | - | 7.79 |
| 9 | Icon Securities (Private) Ltd | 2.27 | 6.70 |
| 10 | Currency Market Associates (Pvt.) Ltd | 63.86 | 4.73 |
| 11 | Continental Exchange (Private) Limited | 1.34 | 4.67 |
| 12 | KTrade Securities | 3.98 | 3.74 |
| 13 | AKD Securities Limited | - | 6.24 |
| | | 2126.00 | 2116.70 |

## 27 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

| S.no | Name | Designation | Qualification | Experience in years |
|---|---|---|---|---|
| 1 | Asif Ali Qureshi | Chief Executive Officer | MBA, CFA | 30 |
| 2 | Muhammad Imran** | Chief Investment Officer | MBA | 20 |
| 3 | Mubeen Ashraf | Assurance and Company Secretary | FCA | 25 |
| 4 | Irfan Nepal | Unit Head Trading Desk | EMBA, MA | 33 |
| 5 | Syed Sheeraz Ali | Head of Fixed Income Funds | BS, CFA I | 17 |
| 6 | Muhammad Saad Imran** | Fund Manager - Equities | BBA, CFA I | 4 |
| 7 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | M.A | 21 |
| 8 | Muhammad Waseem* | Fund Manager - Fixed Islamic Funds | BBA, CFA | 12 |
| 9 | Karim Punjani*** | Fund Manager - Head of Equities | MBA, ACCA | 11 |

* Muhammad Waseem ceased to hold the office with effect from August 13, 2025.
** Muhammad Imran and Muhammad Saad Imran were appointed on November 06, 2025 and August 25, 2025
** Karim Punjani was appointed on August 01, 2025 and ceased to hold the office with effect from May 06, 2026.

27.1 The name of the Fund Manager is Syed Sheeraz Ali. Syed Sheeraz Ali is also the fund manager for Al-Ameen Islamic Aggressive Income Fund, Al-Ameen Islamic Cash Fund, Al-Ameen Islamic Fixed Return Fund, Al-Ameen Islamic Income Fund, Al-Ameen Islamic Sovereign Fund, UBL Cash Fund, UBL Growth and Income Fund, UBL Government Securities Fund, UBL Income Opportunity Fund, UBL Liquidity Fund, UBL Money Market Fund, UBL Special Savings Fund, UBL Special Savings Fund-II, UBL Fixed Return Fund-II, UBL Fixed Return Fund-III, UBL Fixed Return Fund, UBL Fixed Return Fund-IV, Al-Ameen Islamic Retirement Saving Fund – Debt Sub Fund, UBL Retirement Saving Fund – Debt Sub Fund, UBL Voluntary Pension Fund KPK – Money Market Sub Fund, Al-Ameen Voluntary Pension Fund KPK – Money Market Sub Fund, Al-Ameen Islamic Punjab Pension Fund – Money Market Sub Fund, UBL Punjab Pension Fund – Money Market Sub Fund, Al-Ameen Islamic Asset Allocation Fund, UBL Asset Allocation Fund, Al-Ameen Islamic Retirement Saving Fund – Money Market Sub Fund, and UBL Retirement Saving Fund – Money Market Sub Fund.

## 28 PATTERN OF UNIT HOLDING

| Category | Number of units holders | Number of units held | Unit holding or investment amount | Percentage of total |
|---|---|---|---|---|
| | ---------- Rs in 000 ---------- | | | |
| June 30, 2026 | | | | |
| | | | | |
| Individuals | 15,998 | 19,755,936 | 2,006,745 | 51.82% |
| Insurance Companies | 3 | 161,194 | 16,374 | 0.42% |
| NBFC | - | - | - | 0.00% |
| Retirement funds | 18 | 7,780,425 | 790,311 | 20.41% |
| Associated Company and Key Executives | - | - | - | 0.00% |
| Public limited companies | 86 | 8,835,425 | 897,474 | 23.17% |
| Banks and DFIs | - | - | - | 0.00% |
| Others | 104 | 1,594,161 | 161,930 | 4.18% |
| | 16,209 | 38,127,140 | 3,872,834 | 100% |

| **Category** | **Number of units holders** | **Number of units held** | **Unit holding or investment amount** | **Percentage of total** |
|---|---|---|---|---|
| | **---------- Rs in 000 ----------** | | | |
| June 30, 2025 | | | | |
| | | | | |
| Individuals | 11,194 | 15,040,733 | 1,526,675 | 5.83% |
| Insurance Companies | - | - | - | 0.00% |
| NBFC | 3 | 43,672 | 4,433 | 0.02% |
| Retirement funds | 36 | 17,204,846 | 1,746,338 | 6.67% |
| Associated Company and Key Executives | 6 | 108,130 | 10,976 | 0.04% |
| Public limited companies | 37 | 179,942,152 | 18,264,614 | 69.72% |
| Banks and DFIs | - | - | - | 0.00% |
| Others | 84 | 45,742,948 | 4,643,033 | 17.72% |
| | 11,360 | 258,082,482 | 26,196,069 | 100% |

## 29 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended D
follows:

| | Management Company | Associated companies * | Trustee | Funds under common management | Directo key exec ** |
|---|---|---|---|---|---|
| **Transactions for the period** | | | **2026** | | |
| | ---------- **Units in '000** ---------- | | | | |
| Units issued | - | - | 2,662 | - | |
| Units redeemed | - | 32 | 2,662 | - | |
| | ---------- **Rupees in '000** ---------- | | | | |
| Value of units issued | - | - | 295,912 | - | 22, |
| Value of units redeemed | - | 3,474 | 296,415 | - | 32, |
| Mark-up on profit and loss sharing accounts | - | 354,129 | - | - | |
| Sale of securities | - | 1,749,318 | - | - | |
| Purchase of securities | - | 1,749,302 | - | - | |
| Purchase of TDR | | | | | |
| Remuneration (inclusive of Sindh Sales Tax) | 157,905 | - | 9,444 | - | |
| Allocated expenses | - | - | - | - | |
| Selling and marketing expenses | - | - | - | - | |
| Bank Charges | - | 264 | - | - | |
| Dividend | - | - | - | - | |

| Transactions for the period | Management Company | Associated companies * | Trustee | Funds under common management | Director key exec ** |
|---|---|---|---|---|---|
| | 2025 | | | | |
| | ---------- Units in '000 ---------- | | | | |
| Units issued | 29,515 | - | - | 73,178 | 1, |
| Units redeemed | 67,949 | - | - | 71,118 | 1, |
| | ---------- Rupees in '000 ---------- | | | | |
| Value of units issued | 3,124,626 | - | - | 8,154,639 | 178, |
| Value of units redeemed | 7,099,000 | - | - | 8,021,880 | 167, |
| Mark-up on profit and loss sharing accounts | - | 148,160 | - | - | |
| Sale of securities | - | 154,507,370 | - | - | |
| Purchase of securities | - | 123,886,277 | - | - | |
| Remuneration (inclusive of Sindh Sales Tax) | 367,097 | - | 17,437 | - | |
| Allocated expenses | 1,096 | - | - | - | |
| Selling and marketing expenses | 5,149 | - | - | - | |
| Dividend Paid | 390 | - | - | 331,522 | |

| | Management Company | Associated companies * | Trustee | Funds under common management | Directo key exec ** |
|---|---|---|---|---|---|
| **Balance held** | | | **2026** | | |
| | | | **Units in '000** | | |
| Units held | - | - | - | - | |
| | | | **Rupees in '000** | | |
| Value of units held | - | - | - | - | |
| Bank balances | - | 3,933,125 | - | - | |
| Remuneration payable | 7,191 | | 417 | | |
| (inclusive of Sindh Sales Tax) | - | - | | - | |
| Allocated expenses | 7 | | | | |
| Selling and Marketing expenses payable | 13 | - | - | - | |
| Others | 178 | | | | |
| Receivable from the UBLFM | 1,065 | - | - | - | |
| **Balance held** | | | **2025** | | |
| | | | **Units in '000** | | |
| Units held | 30 | - | - | - | 108, |
| | | | **Rupees in '000** | | |
| Value of units held | 3,035 | - | - | - | 10, |
| Bank balances | - | 2,362,393 | - | - | |
| Remuneration payable | | | | | |
| (inclusive of Sindh Sales Tax) | 23,413 | - | 270 | - | |
| Allocated expenses payable | 12,751 | - | - | - | |
| Selling and marketing expenses payable | 13 | - | - | - | |
| Others | 178 | - | - | - | |
| Receivable from UBL FM | 1,065 | - | - | - | |

## 30 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Meetings of the Board of Directors were held on Aug 22, 2025, October 20, 2025, January 14,2026, Februray 18, 2026, and April 17,2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

| Name of Directors | Aug 22, 2025 | October 20, 2025 | January 14, 2026 | Februray 18, 2026 | April 17, 2026 | Total meetings |
|---|---|---|---|---|---|---|
| Mr. Imran Sarwar | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Alee Khalid Ghaznavi | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Muhammad Rizwan M: | No | Yes | Yes | No | No | 2 |
| Mr. Rashid Ahmed Jafer | Yes | Yes | Yes | Yes | Yes | 5 |
| Ms. Huma Pasha | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Farukh Karim Khan | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Asif Ali Quershi | Yes | Yes | Yes | Yes | Yes | 5 |

*Mr.Muhammad Rizwan Malik has resigned on June 29, 2026

## 31 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the reporting period.

## 32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on **August 20, 2026**.

## 33 GENERAL

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

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

| _____SD_____ | _____SD_____ | _____SD_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

# UGIF

## UBL GROWTH AND INCOME FUND

INVESTMENT OBJECTIVE

UGIF is an open-end Fixed Income Fund, investing in a long term fixed income instrument as well a short term money market instruments and seek to generate superior, long term, risk adjusted return while preserving capital over the long term.

| | |
|---|---|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited<br>99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal,<br>Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited<br><br>(for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditor | Yousuf Adil, Chartered Accountants |
| Bankers United Bank Limited | Bank Alfalah Limited<br>MCB Bank<br>Faysal bank<br>Samba Bank Limited<br>Allied Bank Limited<br>Habib Bank Limited<br>Sindh Bank Limited<br>Zarai Taraqiati Bank<br>Habib Metropolitan Bank Limited<br>Askari Bank Limited<br>National Bank of Pakistan<br>Meezan Bank Limited<br>JS Bank Limited<br>Khushali Bank Limited<br>Telenor Microfinance Bank<br>The Bank of Punjab<br>Soneri Bank |
| Management Co.Rating | AM1 (VIS) |
| Fund Rating | A+(f) |

**Fund Manager's Report – UBL Growth and Income Fund (UGIF)**

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

Aggressive Fixed Income / Open-end

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

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, longterm, risk-adjusted returns while preserving capital over the long-term.

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

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

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

90% twelve (12) months KIBOR + 10% twelve (12) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP..

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

| Monthly Yield* | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | FYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UGIF | 9.02% | 9.38% | 9.27% | 9.19% | 9.10% | 15.50% | 12.89% | 5.72% | 2.42% | 8.81% | 12.23% | 17.42% | 10.58% |
| Benchmark | 11.19% | 11.22% | 11.18% | 11.24% | 11.26% | 10.98% | 10.47% | 10.62% | 11.30% | 11.71% | 12.27% | 12.26% | 11.31% |

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

UGIF is an open end Aggressive Fixed Income Fund, investing in medium to long term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The Fund has posted a return of 10.58% p.a. during FY26. Its fund size stood at PKR 5,138 million as at June 30, 2026. The Fund manager had major exposure of 41.60% in Cash, 26.59% in PIB-Fixed, and 25.31% in GOP Ijarah Sukuk, weighted average time to maturity of the fund was 1.09 years as at June 30, 2026.

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

| Asset Allocation (% of NAV) | Jun-26 | Jun-25 |
|---|---|---|
| Term Finance Certificates/ Sukuks | 4% | 7% |
| Commercial Paper | 0% | 0% |
| Placements with DFIs | 0% | 0% |
| Cash | 42% | 61% |

| | | |
|---|---|---|
| T-Bills | 0% | 11% |
| PIBs | 27% | 20% |
| GOP Ijarah Sukuk | 25% | 0% |
| Others | 2% | 2% |
| Placements with Banks | 0% | 0% |
| Leverage | Nil | Nil |

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

| | |
|---|---|
| FY'26 Return: | 10.58% |
| Standard Deviation (12m trailing): | 1.16% |
| Sharpe Ratio (12m trailing): | (0.31) |

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

| Net Asset Value | | | NAV per unit | | |
|---|---|---|---|---|---|
| 30-Jun-26 | 30-Jun-25 | Change | 30-Jun-26 | 30-Jun-25 | Change |
| Rupees (000) | | % | Rupees | | % |
| 5,138,087 | 6,539,299 | (21) | 86.0685 | 85.6719 | 0.46 |

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

Please refer to relevant section in director report

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

| Distribution | | | | Per unit | |
|---|---|---|---|---|---|
| Declared on | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | Rupees (000) | | ---------- Rupees ---------- | | |
| JUN 19,2026 | - | 90,028 | 8.6261 | 94.2980 | 85.6719 |
| | | | | | |

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

The sale of units of UGIF are temporarily suspended w.e.f. 12-10-2011 until further notice. However there will be no restriction on any redemptions / and / or conversion-out requests from UGIF.

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

| Range of Units | Number of Investors |
|---|---|
| | UGIF |
| 0.0001 - 9,999.9999 | 3,251 |
| 10,000.0000 - 49,999.9999 | 105 |
| 50,000.0000 - 99,999.9999 | 38 |
| 100,000.0000 - 499,999.9999 | 78 |
| 500,000.0000 & Above | 28 |
| **Total** | **3,500** |

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

There were no unit splits during the period.

**v) Disclosure of circumstances that materially affect any interests of unit holders**

Investment are subject to credit and market risk.

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

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

## PERFORMANCE TABLE

### UBL Growth and Income Fund

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **NET ASSETS AS AT 30 JUNE - Rupees in '000** | **5,138,087** | 6,539,299 | 3,347,016 | 1,193,947 | 1,433,787 |
| **NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees** | | | | | |
| Income units - Offer * | **87.5200** | 87.1497 | 86.7642 | 88.5024 | 86.5583 |
| - Redemption | **86.0359** | 85.6719 | 85.3181 | 87.0273 | 85.1156 |
| Growth units - Offer | **87.5200** | 87.1497 | 86.7642 | 88.5024 | 86.5583 |
| - Redemption ** | **86.0359** | 85.6719 | 85.3181 | 87.0273 | 85.1156 |
| **RETURN OF THE FUND - %** | | | | | |
| Total Return of the Fund | **10.58** | 34.10 | 27.58 | 22.29 | 9.67 |
| Capital Growth (per unit) | **0.51** | 0.56 | (1.92) | 2.72 | 0.11 |
| Date of Income Distribution | **19-Jun-26** | 18-Jun-25 | 26-Jun-24 | 27-Jun-23 | 27-Jun-22 |
| Income Distribution | **8.6261** | 28.6177 | 25.6758 | 16.6553 | 8.1297 |
| **AVERAGE ANNUAL RETURN - %** | | | | | |
| One Year | **10.58** | 34.1 | 27.58 | 22.29 | 9.67 |
| Second Year | **22.34** | 30.84 | 15.98 | 10.26 | 12.22 |
| Third Year | **24.09** | 27.99 | 14.27 | 11.37 | 10.80 |
| **OFFER / REPURCHASE DURING THE YEAR- Rupees** | | | | | |
| Highest price per unit - Income units - Offer * | **95.9246** | 115.9372 | 112.5123 | 103.3297 | 94.7831 |
| Highest price per unit - Income units - Redemption * | **94.2980** | 113.9712 | 110.637 | 101.6075 | 93.2033 |
| Highest price per unit - Growth units - Offer * | **95.9246** | 115.9372 | 112.5123 | 103.3297 | 94.7831 |
| Highest price per unit - Growth units - Redemption * | **94.2980** | 113.9712 | 110.637 | 101.6075 | 93.2033 |
| Lowest price per unit - Income units - Offer * | **87.1598** | 85.357 | 86.5583 | 86.4452 | 86.4701 |
| Lowest price per unit - Income units - Redemption * | **85.6818** | 85.357 | 85.1156 | 85.0044 | 85.0289 |
| Lowest price per unit - Growth units - Offer * | **87.1598** | 85.357 | 86.5583 | 86.4452 | 86.4701 |
| Lowest price per unit - Growth units - Redemption * | **85.6818** | 85.357 | 85.1802 | 85.0044 | 85.0289 |

* Front-end load @1.46% is applicable
** Back-end load as per applicable step-down structure

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

| **PORTFOLIO COMPOSITION BY CATEGORY - %** | | | | | |
|---|---|---|---|---|---|
| Bank Balances | **42.86** | 42.72 | 74.96 | 21.30 | 74.06 |
| TFCs, Sukuks, Government securities, Commercial papers | **55.98** | 56.19 | 23.06 | 67.45 | 15.92 |
| Others | **1.16** | 1.09 | 1.97 | 11.25 | 10.00 |
| **PORTFOLIO COMPOSITION BY MARKET - %** | | | | | |
| Debt market | **100** | 100 | 100 | 100 | 100 |

Note:
- The Launch date of Fund is 02 March 2006.

**DISCLAIMER**

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

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**
**Head Office:**
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S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

## TRUSTEE REPORT TO THE UNIT HOLDERS

## UBL GROWTH AND INCOME FUND

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of UBL Growth and Income Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

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

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

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

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

**Badiuddin Akber**
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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# INDEPENDENT AUDITOR'S REPORT

## To The Unit Holders of UBL Growth and Income Fund

### Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **UBL Growth and Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matters

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

| S. No. | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| 1. | **Valuation and existence of investments**<br><br>As disclosed in note 7 to the financial statements, the investments held by the Fund amounts to Rs. 2,194.631 million as at June 30, 2026.<br><br>The total investment amount is a significant account balance on the statement of assets and liabilities. This is one of the main drivers of the Fund's performance and thus risk exists on this balance. The Fund invests primarily in government securities (i.e. Pakistan Investment Bonds), Term Finance Certificates and corporate sukuk certificates and there is a risk that these investments are valued incorrectly. | In this respect, we performed the following procedures:<br><br>• reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls;<br><br>• independently verified existence of investments from the Investor Portfolio Services (IPS) account statement;<br><br>• tested valuation of investments held as at June 30, 2026 by verifying the average rates quoted on a widely used electronic quotation system (PKRV) |

| S. No. | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| | In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.<br><br>In view of the above, we have considered the valuation and existence of investments as a Key Audit Matter.<br><br>The disclosure regarding the investments are included in notes 4.2 and 7 of the financial statements. | rates, prices quoted at Mutual Fund Association of Pakistan (MUFAP) and the closing rates disseminated by Pakistan Stock Exchange Limited (PSX);<br><br>• carried out impairment testing on debt securities based on the requirements of Circular 33 of 2012 issued by the Securities and Exchange Commission of Pakistan;<br><br>• differences identified (if any) during our testing that were over our acceptable threshold were investigated further; and<br><br>• evaluated the adequacy of disclosures in the financial statements. |

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

The Management Company (UBL Fund Managers Limited) 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**

The Management Company (UBL Fund Managers Limited) 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, 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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 28, 2026
**UDIN:** AR202610091PBWRa3ZGI

**UBL GROWTH AND INCOME FUND**
**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **ASSETS** | | | |
| Bank balances | 5 | **2,231,859** | 4,148,045 |
| Term deposit receipts | 6 | **-** | - |
| Investments | 7 | **2,914,631** | 2,387,829 |
| Receivable from UBL Fund Managers Limited - Management Company | | **-** | 571 |
| Mark-up receivable | 8 | **49,124** | 84,719 |
| Receivable against issued units | | **-** | 10,146 |
| Deposits and other receivables | 9 | **3,269** | 14,271 |
| Advance tax | 10 | **7,962** | 4,426 |
| **Total assets** | | **5,206,845** | 6,650,007 |
| **LIABILITIES** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 11 | **5,949** | 12,029 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 12 | **229** | 288 |
| Payable to the Securities and Exchange Commission of Pakistan | 13 | **194** | 248 |
| Payable against units redeemed | | **1,200** | 1,200 |
| Dividend payable | | **965** | 1,874 |
| Accrued expenses and other liabilities | 14 | **60,221** | 95,069 |
| **Total liabilities** | | **68,758** | 110,708 |
| **NET ASSETS** | | **5,138,087** | 6,539,299 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | **5,138,087** | 6,539,299 |
| **Contingencies and commitments** | 15 | | |
| | | ---------- Number of units ---------- | |
| **Number of units in issue** | 16 | **59,697,661** | 76,329,563 |
| | | ---------- Rupees ---------- | |
| **Net asset value per unit** | | **86.0685** | 85.6719 |
| **Face value per unit** | | **100.0000** | 100.0000 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL GROWTH AND INCOME FUND**
**INCOME STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | Rupees in '000 | |
| **INCOME** | | | |
| Financial income | 17 | **485,761** | 469,903 |
| (Loss) / gain on sale of investments - net | | **(5,148)** | 70,148 |
| Dividend income | | **13,785** | 4,365 |
| Gain / (loss) on spread transactions | | **33,440** | (1,954) |
| Unrealised gain on revaluation of investments classified at fair value through profit or loss - net | 7.1, 7.2 & 7.3 | **7,258** | 32,605 |
| Other income | | **429** | 1,100 |
| **Total income** | | **535,525** | 576,167 |
| Reversal of provision against debt securities - net | 7.3.3.1 | **4,621** | 451,773 |
| **EXPENSES** | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 11.1 | **62,909** | 53,796 |
| Sindh Sales Tax on remuneration of the Management Company | 11.2 | **9,436** | 8,069 |
| Allocated expenses | 11.3 | **-** | 714 |
| Sindh Sales Tax on allocated expenses | | **-** | 107 |
| Selling and marketing expenses | 11.4 | **-** | 3,087 |
| Sindh Sales Tax on selling and marketing expenses | | **-** | 463 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 12 | **3,578** | 2,377 |
| Sindh Sales Tax on Central Depository Company of Pakistan Limited - Trustee | 12 | **537** | 357 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 13 | **3,576** | 2,376 |
| Brokerage and settlement expenses | | **7,475** | 1,184 |
| Auditor's remuneration | 18 | **526** | 500 |
| Legal and professional charges | | **328** | 298 |
| Listing fee | | **62** | 28 |
| Rating fee | | **310** | 214 |
| Bank charges | | **79** | 37 |
| **Total expenses** | | **88,816** | 73,607 |
| **Net income for the year before taxation** | | **451,330** | 954,333 |
| Taxation | 19 | **-** | - |
| **Net income for the year after taxation** | | **451,330** | 954,333 |
| **Allocation of net income for the year** | | | |
| Net income for the year after taxation | | **451,330** | 954,333 |
| Income already paid on units redeemed | | **(394,270)** | (846,533) |
| | | **57,060** | 107,800 |
| **Accounting income available for distribution** | | | |
| - Relating to capital gains | | **-** | 102,753 |
| - Excluding capital gains | | **57,060** | 5,047 |
| | | **57,060** | 107,800 |
| **Earnings per unit** | 20 | | |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL GROWTH AND INCOME FUND**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | **2026** | 2025 |
|---|---|---|
| | **---------- Rupees in '000 ----------** | |
| **Net income for the year after taxation** | **451,330** | 954,333 |
| Other comprehensive income for the year | | |
| **Total comprehensive income for the year** | **451,330** | 954,333 |

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

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

| _____SD_____ | _____SD_____ | _____SD_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL GROWTH AND INCOME FUND**
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Capital value | Undistributed loss | Total | Capital value | Undistributed loss | Total |
| | Rupees in '000 | | | | | |
| **Net assets at beginning of the year** | **6,993,979** | **(454,680)** | **6,539,299** | 3,812,454 | (465,438) | 3,347,016 |
| **Issuance of 247,014,663 units (2025: 129,066,239 units)** | | | | | | |
| - Capital value | **21,162,216** | | **21,162,216** | 11,011,686 | | 11,011,686 |
| - Element of income | **600 607** | | **600 607** | 918,567 | | 918,567 |
| **Total proceeds on issuance of units** | **21,762,823** | | **21,762,823** | 11,930,253 | | 11,930,253 |
| **Redemption of 263,646,565 units (2025: 91,966,511 units)** | | | | | | |
| - Capital value | **(22,587,102)** | | **(22,587,102)** | (7,846,408) | | (7,846,408) |
| - Element of income | **543 965** | **394 270** | **938 235)** | (635,939) | 846,533 | 1,482,472 |
| **Total amount paid on redemption of units** | **(23,131,067)** | **(394,270)** | **(23,525,337)** | (8,482,347) | (846,533) | (9,328,880) |
| **Total comprehensive income for the year** | **-** | **451,330** | **451,330** | - | 954,333 | 954,333 |
| **Distribution during the year:** | | | | | | |
| **Rs. 8.6261 per unit declared on June 19, 2026** (2025: 28.6177 per unit declared on June 18, 2025) | **(51,019)** | **(39,009)** | **(90,028)** | (266,381) | (97,042) | (363,423) |
| | **(51,019)** | **412,321** | **361,302** | (266,381) | 857,291 | 590,910 |
| **Net assets at end of the year** | **5,574,716** | **(436,629)** | **5,138,087** | 6,993,979 | (454,680) | 6,539,299 |
| **Undistributed loss brought forward comprising of:** | | | | | | |
| - Realised | | **(487,285)** | | | (465,763) | |
| - Unrealised | | **32 605** | | | 325 | |
| | | **(454,680)** | | | (465,438) | |
| **Accounting income available for distribution** | | | | | | |
| - Relating to capital gains | | **-** | | | 102,753 | |
| - Excluding capital gains | | **57,060** | | | 5,047 | |
| | | **57,060** | | | 107,800 | |
| Distribution during the year | | **(39,009)** | | | (97,042) | |
| **Undistributed loss carried forward** | | **(436,629)** | | | (454,680) | |
| **Undistributed loss carried forward comprising of:** | | | | | | |
| - Realised | | **(443,887)** | | | (487,285) | |
| - Unrealised | | **7 258** | | | 32,605 | |
| | | **(436,629)** | | | (454,680) | |
| | | | **--- Rupees ---** | | | --- Rupees --- |
| **Net asset value per unit at the beginning of the year** | | | **85.6719** | | | 85.3181 |
| **Net asset value per unit at the end of the year** | | | **86.0685** | | | 85.6719 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL GROWTH AND INCOME FUND**
**CASH FLOW STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 | ---------- |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income for the year before taxation | | **451,330** | 954,333 |
| **Adjustments for:** | | | |
| Financial income | | **(485,761)** | (469,903) |
| Loss / (gain) on sale of investments - net | | **5,148** | (70,148) |
| Unrealised gain on revaluation of investments classified at fair value through profit or loss - net | 7.1, 7.2 & 7.3 | **(7,258)** | (32,605) |
| Reversal of provision against debt securities - net | | **(4,621)** | (451,773) |
| Dividend income | | **(13,785)** | (4,365) |
| (Gain) / loss on spread transaction | | **(33 440)** | 1,954 |
| | | **(539,717)** | (1,026,840) |
| **Cash used in operations before working capital changes** | | **(88,387)** | (72,507) |
| **Increase in assets** | | | |
| Investments | | **(983,121)** | (556,912) |
| Receivable from UBL Fund Managers Limited - Management Company | | **571** | - |
| Deposits and other receivables | | **11,002** | 651 |
| Advance tax paid | | **(3,536)** | (78) |
| | | **(975,084)** | (556,339) |
| **(Decrease) / increase in liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | | **(6,080)** | 7,876 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **(59)** | 197 |
| Payable to the Securities and Exchange Commission of Pakistan | | **(54)** | 168 |
| Accrued expenses and other liabilities | | **(34,848)** | 61,215 |
| | | **(41,041)** | 69,456 |
| **Cash used in operations** | | **(1,104,512)** | (559,390) |
| Mark-up received | | **521,356** | 420,794 |
| Dividend income received | | **13,785** | 4,365 |
| **Net cash used in operating activities** | | **(569,371)** | (134,231) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Amount received on issuance of units | | **21,721,950** | 11,927,533 |
| Dividend paid | | **(39,918)** | (98,533) |
| Amount paid on redemption of units | | **(23,525,337)** | (9,369,590) |
| **Net cash (used in) / generated from financing activities** | | **(1,843,305)** | 2,459,410 |
| **Net (decrease) / increase in cash and cash equivalents** | | **(2,412,676)** | 2,325,179 |
| Cash and cash equivalents at the beginning of the year | | **4,644,535** | 2,319,356 |
| **Cash and cash equivalents at the end of the year** | | **2,231,859** | 4,644,535 |
| **Cash and cash equivalents** | | | |
| Bank balances | 5 | **2,231,859** | 4,148,045 |
| Market treasury bills - 3 months | 7.1 | **-** | 496,490 |
| | | **2,231,859** | 4,644,535 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

## 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Fund is an aggressive fixed income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund.

The investment objective of the Fund is to invest in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate competitive, long-term, risk-adjusted returns.

As per the offering document, the Fund shall invest in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, certificates of investments (COIs), marginal trading system (MTS), spread transactions (including spread on equity transactions) and other money market instruments.

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

VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and reaffirmed a stability rating of "A+(f)" to the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

**2.1.2** The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in relation to debt securities for mutual funds. Accordingly, Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

### 2.4 Critical accounting estimates and judgements

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

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

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

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

### 3.1 Amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2026. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027, by IASB and SECP. IFRS 18 shall impact the presentation of "Income Statement" with certain additional disclosures in the financial statements.

- Amendments to IFRS 9 'Financial Instruments' which clarifies the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 Cash and cash equivalents

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

## 4.2 Financial instruments

### 4.2.1 Initial recognition and measurement

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

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

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

### 4.2.2 Classification and subsequent measurement

#### 4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

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

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

**Financial asset at amortised cost**

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

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

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

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

**Financial asset at FVTOCI**

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

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

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

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

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

**Financial asset at FVTPL**

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

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

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

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

**4.2.2.2 Financial liabilities**

The Fund classifies its financial liabilities in the following categories:

- At amortised cost ("AC"), or
- At fair value through profit or loss ("FVTPL").

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

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

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.

- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

**4.2.3 Impairment of financial assets**

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

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

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

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

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

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

**4.2.4 Derecognition**

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

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

### 4.2.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

**Basis of valuation of government securities**

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

The government securities listed on stock exchange (for example Listed GoP Ijarah Sukuk) are valued on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date.

**Basis of valuation of equity securities:**

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs

**Basis of valuation of debt securities:**

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

### 4.2.6 Regular way contracts

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

### 4.2.7 Offsetting of financial assets and liabilities

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

### 4.3 Derivatives

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

### 4.4 Provisions

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

### 4.5 Collaterals

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

### 4.6 Taxation

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

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

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

### 4.7 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Fund Association of Pakistan's (MUFAP's) guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount of income already paid on units redeemed during the year.

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

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

### 4.8 Issuance and redemption of units

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

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

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

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

### 4.10 Net asset value per unit

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

### 4.11 Revenue recognition

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

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

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Mark-up / return on investments in government securities and other debt securities are recognised using effective interest method.
- Income on bank balances and placements is recognised on time proportionate basis.
- The spread is recognised as the difference between the purchase price of equity securities in the ready market and the sale price of the corresponding futures contracts.

**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 | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **Balances with banks in:** | | | |
| - Savings accounts | 5.1 | **2,231,848** | 4,147,978 |
| - Current account | 5.2 | **11** | 67 |
| | | **2,231,859** | 4,148,045 |

5.1 Mark-up rates on these savings accounts range from 9.00% to 13.05% (June 30, 2025: 9.50% to 10.50%) per annum. These include an amount held by a related party, United Bank Limited, amounting to Rs. 1,207.67 million (June 30, 2025: Rs. 3,065.78 million) on which return is earned at the rate of 11.38% (June 30, 2025: 9.50%) per annum and Rs. 0.02 million (June 30, 2025: 0.02 million) held with Khushhali Bank Limited.

5.2 This amount is held by a related party, United Bank Limited.

| 6. TERM DEPOSIT RECEIPTS | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| Term deposit receipts | 6.1 | - | - |

**6.1 Term deposit receipts**

| Name of the investee company | Maturity date | As at July 1, 2025 | Purchased during the year | Matured during the year | As at June 30, 2026 | Carrying value as a percentage of net assets of the Fund |
|---|---|---|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | | | | |
| Soneri Bank Limited | November 3, 2025 | - | 500,000 | 500,000 | - | - |
| Soneri Bank Limited | December 5, 2025 | - | 500,000 | 500,000 | - | - |
| **As at June 30, 2026** | | | | | | - |
| As at June 30, 2025 | | | | | | - |

| 7. INVESTMENTS | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **At fair value through profit or loss** | | | |
| Government securities | | | |
| - Market Treasury Bills | 7.1 | - | 733,006 |
| - Pakistan Investment Bonds | 7.2 | **2,702,372** | 1,343,600 |
| Term finance certificates / Sukuk - quoted | 7.3 | **98,736** | 123,182 |
| Term finance certificates / Sukuk - unquoted | 7.3 | **113,523** | 188,041 |
| Listed equity securities | 7.4 | - | - |
| Futures contracts - Listed equity securities | 7.4 | - | - |
| | | **2,914,631** | 2,387,829 |
| Preference shares | 7.5 | - | - |
| | | **2,914,631** | 2,387,829 |

7.1 **Governement Securities - Market Treasury Bills**

| Issue date | Tenor | Note | Face Value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised loss as at June 30, 2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | As at July 01, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | | Total investments of the Fund | Net assets of the Fund |
| | | | Rupees in '000 | | | | | | | % | |
| January 9, 2025 | 12 months | | 250,000 | | 250,000 | - | - | - | - | - | - |
| May 2, 2025 | 3 months | | - | 975,000 | 975,000 | - | - | - | - | - | - |
| June 26, 2025 | 1 month | | 500,000 | | 500,000 | - | - | - | - | - | - |
| July 10, 2025 | 12 months | | - | 1,340,500 | 1,340,500 | - | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | | - | - | - | - | - |
| As at June 30, 2025 | | | | | | | 733,164 | 733,006 | (158) | 30.70% | 11.21% |

7.2 **Government Securities - Pakistan Investment Bonds**

| Issue date | Tenor | Note | Face Value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised gain as at June 30, 2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | As at July 01, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | | | | Total investments of the Fund | Net assets of the Fund |
| | | | Rupees in '000 | | | | | | | % | |
| **Fixed rate** | | 7.2.1 | | | | | | | | | |
| October 13, 2022 | 5 years | | - | 1,100,000 | - | 1,100,000 | 1,083,232 | 1,085,187 | 1,955 | 37.23% | 21.12% |
| January 17, 2024 | 5 years | | 234,800 | | 234,800 | - | - | - | - | - | - |
| January 16, 2025 | 5 years | | 250,000 | - | 250,000 | - | - | - | - | - | - |
| January 16, 2025 | 10 years | | 300,000 | - | - | 300,000 | 296,683 | 299,090 | 2,407 | 10.26% | 5.82% |
| **Zero coupon rate** | | 7.2.2 | | | | | | | | | |
| January 16, 2025 | 2 years | | - | 1,400,000 | - | 1,400,000 | 1,317,340 | 1,318,095 | 755 | 45.23% | 25.65% |
| **Floating rate** | | | | | | | | | | | |
| May 06, 2021 | 5 years | | - | 600,000 | 600,000 | - | - | - | - | - | - |
| April 18, 2024 | 5 years | | 100,000 | - | 100,000 | - | - | - | - | - | - |
| June 17, 2024 | 5 years | | - | 450,000 | 450,000 | - | - | - | - | - | - |
| October 03, 2024 | 5 years | | 200,000 | - | 200,000 | - | - | - | - | - | - |
| April 17, 2025 | 5 years | | 250,000 | - | 250,000 | - | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | | **2,697,255** | **2,702,372** | **5,117** | **92.72%** | **52.59%** |
| As at June 30, 2025 | | | | | | | 1,309,948 | 1,343,600 | 33,652 | 56.27% | 20.55% |

7.2.1 These fixed rate Pakistan Investment Bonds carry coupon interest of 11% to 12% per annum (June 30, 2025: 12% to 14%) per annum.

7.2.2 This Pakistan Investment Bonds carry effective yield of 11.77% per annum (June 30, 2025: Nil) per annum.

7.3 **Term Finance Certificates / Sukuks**

**Performing Term Finance Certificates / Sukuks**

| Particulars | Note | As at July 01, 2025 | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 after provision for diminution | Market value as at June 30, 2026 | Unrealised gain / (loss) as at June 30,2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Total investments of the Fund | Net assets of the Fund |
| | | ---------- Number of certificates ---------- | | | | | | | ---------- % ---------- | |
| **Unquoted** | | | | | | | | | | |
| **Commercial Banks** | | | | | | | | | | |
| Bank Al Habib Limited** | 7.3.1 | 15,000 | - | - | 15,000 | 73,741 | 74,077 | 336 | 2.54% | 1.44% |
| Bank of Punjab*** | 7.3.1 | 400 | - | - | 400 | 39,253 | 39,446 | 193 | 1.35% | 0.77% |
| **Sugar & Renewable Energy** | | | | | | | | | | |
| RYK Mills Limited | | 75 | - | 75 | - | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | **112,994** | **113,523** | **529** | **3.89%** | **2.21%** |
| As at June 30, 2025 | | | | | | 188,785 | 188,041 | (744) | 7.87% | 2.88% |
| **Quoted** | | | | | | | | | | |
| **Cement** | | | | | | | | | | |
| Thatta Cement Company Limited***** | 7.3.1 | - | 70 | - | 70 | 61,250 | 62,273 | 1,023 | 2.14% | 1.21% |
| **Power Generation and Distribution** | | | | | | | | | | |
| K-Electric Limited - VI* | 7.3.1 | 250 | - | - | 250 | 17,894 | 17,894 | - | 0.61% | 0.35% |
| K-Electric Limited - V****** | 7.3.1 | 3,335 | - | - | 3,335 | 4,230 | 4,196 | (34) | 0.14% | 0.08% |
| **Microfinance Institution** | | | | | | | | | | |
| Kashf Foundation**** | 7.3.1 | 550 | - | - | 550 | 13,750 | 14,373 | 623 | 0.49% | 0.28% |
| **Commercial Banks** | | | | | | | | | | |
| Samba Bank Limited | | 515 | - | 515 | - | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | **97,124** | **98,736** | **1,612** | **3.38%** | **1.92%** |
| As at June 30, 2025 | | | | | | 123,327 | 123,182 | (145) | 5.16% | 1.88% |

* These have face value of Rs. 70,000 each. (June 30, 2025: Rs. 95,000)
** These have face value of Rs. 4,991 each. (June 30, 2025: Rs. 4,993)
*** These have face value of Rs. 99,880 each. (June 30, 2025: Rs, 99,920)
**** These have face value of Rs. 25,000 each. (June 30, 2025: Rs. 75,000)
***** These have face value of Rs. 875,000 each. (June 30, 2025: Rs. Nil)
****** These have face value of Rs. 1,250 each. (June 30, 2025: Rs. 2,250)

Non Performing Term Finance Certificates / Sukuks

| Particulars | Note | As at July 01, 2025 | Purchased during the year | Disposed / matured during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 before provision for diminution | Provision for diminution (Note 7.5) | Carrying value as at June 30, 2026 after provision for diminution | Market value as at June 30, 2026 | Unrealised gain / (loss) as at June 30,2026 | Market value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | Total investments of the Fund | Net assets of the Fund |
| | | ---------- Number of certificates ---------- | | | | ---------- Rupees in '000 ---------- | | | | | ---------- % ---------- | |
| **Unquoted** | | | | | | | | | | | | |
| **Household Goods** | | | | | | | | | | | | |
| New Allied Electronic Industries - TFC | 7.3.2 | 31,000 | - | - | 31,000 | 31,162 | (31,162) | - | - | - | - | - |
| New Allied Electronic Industries - Sukuk | 7.3.2 | 10,000 | - | - | 10,000 | 35,000 | (35,000) | - | - | - | - | - |
| **Financial Services** | | | | | | | | | | | | |
| Security Leasing Corporation Limited - Sukuk II | 7.3.3.1 | 20,000 | - | 20,000 | - | - | - | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | **66,162** | **(66,162)** | - | - | - | - | - |
| As at June 30, 2025 | | | | | | 88,190 | (88,190) | - | - | - | - | - |
| **Quoted** | | | | | | | | | | | | |
| Trust Investment Bank Limited - TFC | 7.3.2 | 23,877 | - | - | 23,877 | 44,499 | (44,499) | - | - | - | - | - |
| **As at June 30, 2026** | | | | | | **44,499** | **(44,499)** | - | - | - | - | - |
| As at June 30, 2025 | | | | | | 44,499 | (44,499) | - | - | - | - | - |

7.3.1 Significant terms and conditions of performing term finance certificates outstanding at the year end are as follows:

| Name of security | Issue date | Mark-up rate (Per annum) | Maturity | Secured / Unsecured | Ratings |
|---|---|---|---|---|---|
| K-Electric Limited - V | August 3, 2020 | 3M KIBOR + 1.70% | August 3, 2027 | Secured | AA+ |
| Bank Al Habib Limited | September 30, 2021 | 6M KIBOR + 0.75% | September 30, 2031 | Unsecured | AAA |
| K-Electric Limited - VI | November 23, 2022 | 3M KIBOR + 1.70% | November 23, 2029 | Secured | AA+ |
| Bank of Punjab | April 17, 2023 | 6M KIBOR + 1.25% | April 17, 2033 | Unsecured | AA+ |
| Kashf Foundation | December 8, 2023 | 3M KIBOR + 1.50% | December 8, 2026 | Secured | AAA |
| Thatta Cement Company Limited | October 13, 2025 | 6M KIBOR + 2.50% | October 13, 2029 | Secured | AA- |

7.3.2 Due to continuous default on repayment of coupon by the issuers, the Fund has classified said investments as non-performing debt securities. The Fund has suspended further accrual of mark-up there against.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **7.3.3 Provision for diminution in value of investments** | | | |
| **Term Finance Certificates / Sukuks - Non Performing** | | | |
| Opening balance | | 132,689 | 838,859 |
| Reversal during the year against amounts received on disposal | 7.3.3.1 | (4,621) | (445,216) |
| Write off from provision on disposal of investment | | (17,407) | (260,954) |
| | | 110,661 | 132,689 |
| Closing balance | | (110,661) | (132,689) |
| | | - | - |

7.3.3.1 The Fund held an investment in Security Leasing Corporation Limited – Sukuk II, against which a full impairment allowance had been recognized in prior years due to the non-performing status of the investment.

On January 5, 2026, the Fund entered into a Sale Agreement with JD Taurus (Private) Limited (JDTL) for the disposal of its entire outstanding investment having a face value of Rs. 30.81 million. Under the terms of the agreement, JDTL agreed to acquire the investment for a consideration of 15% of the outstanding face value, amounting to Rs. 4.62 million.

Accordingly, upon satisfaction of the contractual terms and transfer of the investment, the Fund derecognized the investment and recognized the consideration received / receivable in accordance with the applicable financial reporting requirements. As the investment had been fully impaired in prior years, the consideration received resulted in a recovery of previously impaired investment, which has been recognized in the statement of comprehensive income during the year.

**7.4 Listed equity securities**

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

| Name of Investee Company | Number of shares | | | | | As at June 30, 2026 | | | Market value as percentage of | | Paid-up value as a percentage of total paid-up capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2025 | Purchased during the year | Bonus / right issue during the year | Sold during the year | As at June 30, 2026 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments of the Fund | |
| | | | | | | ----------Rupees in '000---------- | | | | | |
| **Cable & Electrical Goods** | | | | | | | | | | | |
| Pak Elektron Limited | - | 2,604,500 | - | 2,604,500 | - | - | - | - | - | - | - |
| | - | 2,604,500 | - | 2,604,500 | - | - | - | - | - | - | |
| **Cement** | | | | | | | | | | | |
| D.G. Khan Cement Company Limited | - | 442,000 | - | 442,000 | - | - | - | - | - | - | - |
| Fauji Cement Company Limited | - | 811,500 | - | 811,500 | - | - | - | - | - | - | - |
| Maple Leaf Cement Factory Limited | - | 212,000 | - | 212,000 | - | - | - | - | - | - | - |
| | - | 1,465,500 | - | 1,465,500 | - | - | - | - | - | - | |
| **Commercial Banks** | | | | | | | | | | | |
| Askari Bank Limited | - | 1,000,000 | - | 1,000,000 | - | - | - | - | - | - | - |
| Bank of Punjab | | 27,625,000 | - | 27,625,000 | - | - | - | - | - | - | - |
| Habib Bank Limited | - | 709,000 | - | 709,000 | - | - | - | - | - | - | - |
| National Bank of Pakistan | - | 1,526,500 | - | 1,526,500 | - | - | - | - | - | - | - |
| | - | 30,860,500 | - | 30,860,500 | - | - | - | - | - | - | |
| **Food & Personal Care Products** | | | | | | | | | | | |
| Fauji Foods Limited | - | 1,898,000 | - | 1,898,000 | - | - | - | - | - | - | - |
| The Organic Meat Company Limited | - | 205,500 | - | 205,500 | - | - | - | - | - | - | - |
| Unity Foods Limited | - | 781,500 | - | 781,500 | - | - | - | - | - | - | - |
| | - | 2,885,000 | - | 2,885,000 | - | - | - | - | - | - | |
| **Inv. Banks / Inv. Cos. / Securities Cos.** | | | | | | | | | | | |
| Engro Holdings Limited | - | 21,000 | - | 21,000 | - | - | - | - | - | - | - |
| | - | 21,000 | - | 21,000 | - | - | - | - | - | - | |
| **Oil & Gas Exploration Companies** | | | | | | | | | | | |
| Pakistan Petroleum Limited | - | 506,000 | - | 506,000 | - | - | - | - | - | - | - |
| Oil and Gas Development Company Limited | - | 368,000 | - | 368,000 | - | - | - | - | - | - | - |
| | - | 874,000 | - | 874,000 | - | - | - | - | - | - | |
| **Oil & Gas Marketing Companies** | | | | | | | | | | | |
| Pakistan State Oil Company Limited | - | 1,250,500 | - | 1,250,500 | - | - | - | - | - | - | - |
| Sui Northern Gas Pipelines Limited | - | 108,000 | - | 108,000 | - | - | - | - | - | - | - |
| Sui Southern Gas Company Limited | - | 4,638,000 | - | 4,638,000 | - | - | - | - | - | - | - |
| | - | 5,996,500 | - | 5,996,500 | - | - | - | - | - | - | |

| Name of investee company | Number of shares | | | | | As at June 30, 2026 | | | Market value as percentage of | | Paid-up value as a percentage of total paid-up capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2025 | Purchased during the year | Bonus / right issue during the year | Sold during the year | As at June 30, 2026 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments of the Fund | |
| | | | | | | ----------Rupees in '000---------- | | | | | |
| **Pharmaceuticals** | | | | | | | | | | | |
| The Searle Company Limited | - | 44,000 | - | 44,000 | - | - | - | - | - | - | - |
| | - | **44,000** | - | **44,000** | - | - | - | - | - | - | |
| **Power Generation & Distribution** | | | | | | | | | | | |
| K-Electric Limited | - | 32,669,500 | - | 32,669,500 | - | - | - | - | - | - | - |
| Nishat Chunian Power Limited | - | 1,081,000 | - | 1,081,000 | - | - | - | - | - | - | - |
| Nishat Power Limited | - | 840,500 | - | 840,500 | - | - | - | - | - | - | - |
| The Hub Power Company Limited | - | 44,500 | - | 44,500 | - | - | - | - | - | - | - |
| | - | **34,635,500** | - | **34,635,500** | - | - | - | - | - | - | |
| **Refinery** | | | | | | | | | | | |
| Attock Refinery Limited | | 1,500 | - | 1,500 | - | - | - | - | - | - | - |
| Cnergyico PK Limited | - | 15,716,000 | - | 15,716,000 | - | - | - | - | - | - | - |
| National Refinery Limited | - | 67,500 | - | 67,500 | - | - | - | - | - | - | - |
| Pakistan Refinery Limited | - | 3,844,000 | - | 3,844,000 | - | - | - | - | - | - | - |
| | - | **19,629,000** | - | **19,629,000** | - | - | - | - | - | - | |
| **Technology & communication** | | | | | | | | | | | |
| Hum Network Limited | - | 3,718,000 | - | 3,718,000 | - | - | - | - | - | - | - |
| Pakistan Telecommunication Company Limited | - | 1,771,500 | - | 1,771,500 | - | - | - | - | - | - | - |
| | - | **5,489,500** | - | **5,489,500** | - | - | - | - | - | - | |
| **Textile Composite** | | | | | | | | | | | |
| Nishat Mills Limited | - | 427,500 | - | 427,500 | - | - | - | - | - | - | - |
| | - | **427,500** | - | **427,500** | - | - | - | - | - | - | |
| **Transport** | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | - | 11,352,500 | - | 11,352,500 | - | - | - | - | - | - | - |
| | - | **11,352,500** | - | **11,352,500** | - | - | - | - | - | - | |
| **As at June 30, 2026** | | | | | | - | - | - | - | - | |
| As at June 30, 2025 | | | | | | - | - | - | - | - | |

7.4.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income / (loss) due to difference in ready and future stock prices.

7.5 **Preference Shares**

| Particulars | Note | As at July 01, 2025 | Purchased during the year | Sold during the year | As at June 30, 2026 | Carrying amount as at June 30, 2026 | Provision for diminution | Carrying value as at June 30, 2026 after provision for diminution | Carrying value as a percentage of | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Net assets of the Fund | Total investments of the Fund |
| | | ----------Number of shares---------- | | | | ----------Rupees in '000---------- | | | ----------%---------- | |
| Azgard Nine Limited | 7.5.1 & 7.6 | 200,000 | - | - | 200,000 | 100 | (100) | - | - | - |
| **As at June 30, 2026** | | | | | | 100 | (100) | - | - | - |
| As at June 30, 2025 | | | | | | 100 | (100) | - | - | - |

7.5.1 These represent cumulative, non-voting, convertible and redeemable preference shares having a face value of Rs.10 each and carrying a profit rate of 8.95% per annum. These were due for redemption on September 30, 2009 but due to default by the Company, management had made full provision of Rs. 0.85 million against the outstanding amount. However, during the year ended June 30, 2025, the Fund received second redemption of the Azgard Nine Limited Preference Shares amounting to Rs. 0.75 million, as per Preference Shareholders' Approved Settlement Plan. Accordingly, the Fund has reversed the provision for diminution with the same amount.

7.6 The Securities and Exchange Commission of Pakistan vide circular no. 18 of 2026 dated July 24, 2026 required all Asset Management Companies to disclose the non-compliant investments in fund manager report, quarterly, interim and annual financial statements

| Name of the non-compliant investment | Type of investment | Value of investment before provision | Provision held if any | Value of investment after provision | Market value as percentage of | |
|---|---|---|---|---|---|---|
| | | | | | Net assets of the Fund | Total investments of the Fund |
| | | ----------Rupees in '000--------- | | | ---------- % ---------- | |
| New Allied Electronic Industries | Non-performing TFCs | 31,162 | (31,162) | - | - | - |
| Trust Investment Bank Limited | Non-performing TFCs Term Finance Certificate | 44,499 | (44,499) | - | - | - |
| Azgard Nine Limited | Preference Shares | 100 | (100) | - | - | - |

| | Note | 2026 | 2025 |
|---|---|---|---|
| **8. MARK-UP RECEIVABLE** | | ---------- Rupees in '000 --------- | |
| Mark-up accured on: | | | |
| - Savings accounts | 8.1 | **1,170** | 12,718 |
| - Pakistan Investment Bonds | | **42,139** | 56,250 |
| - Term finance certificates and sukuks | | **5,815** | 15,751 |
| | | **49,124** | 84,719 |

8.1 This includes receivable from related parties amounting to Rs. 1.09 million (June 30, 2025: Rs. 9.52 million) and Rs. Nil. (June 30, 2025: Rs. 1,000) on balances maintained with United Bank Limited and Khushhali Bank Limited respectively.

| | 2026 | 2025 |
|---|---|---|
| **9. DEPOSITS AND OTHER RECEIVABLES** | ---------- Rupees in '000 --------- | |
| Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL) - Spread Transactions | - | 4,092 |
| Deposit against NCCPL exposure margin | - | 6,615 |
| Security deposit with | | |
| National Clearing Company of Pakistan Limited | **3,000** | 3,000 |
| Central Depository Company of Pakistan Limited | **100** | 100 |
| Other receivables | **169** | 464 |
| | **3,269** | 14,271 |

## 10. ADVANCE INCOME TAX

As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on mark-up on bank balances, Term deposit receipts (TDRs), Pakistan Investment Bond 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 mark-up on bank balances, TDRs, PIBs, TFCs and sukuks during the year amounts to Rs. 3.54 million (2025: Rs. 0.08 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. Subsequently, a petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on mark-up on bank balances, TDRs and PIBs have been shown as advance tax under assets as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

## 11. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| Remuneration payable to the Management Company | 11.1 | **3,852** | 6,571 |
| Sindh Sales Tax payable on remuneration of the Management Company | 11.2 | **578** | 986 |
| Allocated expenses payable | 11.3 | **1,013** | 1,013 |
| Sindh Sales Tax on allocated expenses | | **152** | 152 |
| Sales load payable to Management Company | | **325** | 3,188 |
| Sales load payable to Al-Ameen Islamic Financial Services (Private) Limited | | **-** | 10 |
| Other payables | | **29** | 109 |
| | | **5,949** | 12,029 |

11.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the maximum rate as prescribed by SECP vide SRO 600(I)/2025 dated April 10, 2025, i.e., 1.5% for the scheme categorised as an agressive income scheme. The remuneration is payable to the Management Company monthly in arrears. Keeping in view the maximum allowable threshold, during the year ended June 30, 2026, the Management Company has charged management fee at the rate of 0.06% - 1.50% (2025: 0.96% - 2.00%) per annum of daily net assets.

11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

11.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund. Accordingly, the Management Company has not charged such allocated expenses during the current year. However, prior to such amendment, the Management Company charged allocated expenses to the Fund at the rate of 0.0001% to 0.06% at their discretion, subject to limits and conditions specified in the offering document and not being higher than actual expenses.

11.4 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expense to the Fund. Accordingly, the Management Company has not charged such selling and marketing expenses during the current year. However, prior to such amendment, the Management Company charged such selling and marketing expenses to the Fund at the rate of 0.0001% to 0.026% at their discretion, subject to limits and conditions specified in the offering document and not being higher than actual expenses.

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fee has been charged at the rate of 0.075% (June 30, 2025: 0.075%) per annum of average daily net assets of the Fund during the year. The remuneration is payable on monthly basis in arrears. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

## 13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with NBFC Regulations a collective investment scheme classified as open-end scheme and categorised as 'aggressive income scheme' is required to pay to the SECP an amount equal to 0.075% (June 30, 2025: 0.075%) of the average annual net assets of the Fund as annual fee. The fee is payable on monthly basis in arrears.

## 14. ACCRUED EXPENSES AND OTHER LIABILITIES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| Provision for indirect duties and taxes | 14.1 | **24,359** | 24,359 |
| Auditor's remuneration payable | | **372** | 509 |
| Brokerage payable | | **699** | 1,027 |
| Withholding payable on dividend | | **407** | 414 |
| Wihtholding payable on redemption of units | | **32,020** | 63,933 |
| Legal and professional charges payable | | **1,603** | 1,592 |
| Transaction charges payable to NCCPL | | **-** | 15 |
| Zakat payable | | **471** | 2,113 |
| Sales load payable | | **117** | 876 |
| Other payables | | **173** | 231 |
| | | **60,221** | 95,069 |

### 14.1 Provision for indirect duties and taxes

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

On June 30, 2016, the SHC had passed a Judgment that after the 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. The Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 24.36 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Rs. 0.41 per unit (June 30, 2025: Rs. 0.32 per unit.)

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

## 15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

## 16. NUMBER OF UNITS IN ISSUE

| | 2026 | 2025 |
|---|---|---|
| | ---------- Number of units ---------- | |
| Total units outstanding at the beginning of the year | **76,329,563** | 39,229,835 |
| Units issued during the year | **247,014,663** | 129,066,239 |
| Units redeemed during the year | **(263,646,565)** | (91,966,511) |
| Total units in issue at the end of the year | **59,697,661** | 76,329,563 |

## 17. FINANCIAL INCOME

| | 2026 | 2025 |
|---|---|---|
| | ---------- Rupees in '000 ---------- | |
| Mark-up / Interest income on: | | |
| - Bank balances | **165,354** | 83,156 |
| - Term deposit receipts | **2,110** | - |
| - Government securities | **285,539** | 337,915 |
| - Term finance certificates / Sukuks | **32,758** | 48,832 |
| | **485,761** | 469,903 |

## 18. AUDITOR'S REMUNERATION

| | | |
|---|---|---|
| Annual audit fee | **305** | 255 |
| Fee for the review of half yearly financial statements | **130** | 84 |
| Fee for review of compliance with the requirements of the Code of Corporate Governance | **-** | 40 |
| Fee for other certifications and services | **-** | 40 |
| Out of pocket expenses and Sindh sales tax | **91** | 81 |
| | **526** | 500 |

## 19. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Further, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than ninety percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund 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, 2026, the Fund has distributed by way of cash dividend at minimum ninety percent of accounting income for the year as reduced by capital gains, whether realised or unrealised, to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

## 20. EARNINGS PER UNIT

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

## 21. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund is 1.79% (June 30, 2025: 2.32%) which includes 0.29% (June 30, 2025: 0.34%) representing Government Levy, SECP Fee, and the Sales Tax. Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O 600(I)/2025 dated April 10, 2025, the requirements related to maximum Total Expense Ratio limits have been removed as applicable to Collective Investment Schemes, effective from July 01, 2025.

## 22. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | | |
|---|---|---|---|
| | At amortised cost | At fair value through profit or loss | Total |
| | Rupees in '000 | | |
| **Financial assets** | | | |
| Bank balances | 2,231,859 | - | 2,231,859 |
| Investments | | 2,914,631 | 2,914,631 |
| Receivable from UBL Fund Managers Limited - Management Company | - | - | - |
| Mark-up receivable | 49,124 | - | 49,124 |
| Receivable against issued units | - | - | - |
| Deposits and other receivables | 3,269 | - | 3,269 |
| | 2,284,252 | 2,914,631 | 5,198,883 |
| **Financial liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 5,949 | - | 5,949 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 229 | - | 229 |
| Payable against units redeemed | 1,200 | - | 1,200 |
| Dividend payable | 965 | - | 965 |
| Accrued expenses and other liabilities | 2,964 | - | 2,964 |
| | 11,307 | - | 11,307 |

| | 2025 | | |
|---|---|---|---|
| | At amortised cost | At fair value through profit or loss | Total |
| | Rupees in '000 | | |
| **Financial assets** | | | |
| Bank balances | 4,148,045 | - | 4,148,045 |
| Investments | - | 2,387,829 | 2,387,829 |
| Receivable from UBL Fund Managers Limited - Management Company | 571 | - | 571 |
| Mark-up receivable | 84,719 | - | 84,719 |
| Receivable against issued of units | 10,146 | - | 10,146 |
| Deposits and other receivables | 14,271 | - | 14,271 |
| | 4,257,752 | 2,387,829 | 6,645,581 |
| **Financial liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 12,029 | - | 12,029 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 288 | - | 288 |
| Payable against units redeemed | 1,200 | - | 1,200 |
| Dividend payable | 1,874 | - | 1,874 |
| Accrued expenses and other liabilities | 4,250 | - | 4,250 |
| | 19,641 | - | 19,641 |

## 23. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programm 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 securities, government securities and ready futures transaction. The Fund's activities expose it to a variety of financial risks, i.e., market risk, credit risk and liquidity risk.

### 23.1 Market risk

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

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

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

#### 23.1.1 Currency risk

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

The Fund has no exposure to currency risk, as there are no financial assets or financial liabilities denominated in foreign currencies as at June 30, 2026.

#### 23.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances with savings accounts, Pakistan Investment Bonds, Market Treasury Bills, Term Finance Certificates and Sukuks. 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 of variable rate instruments**

The Fund's variable interest rate risk arises from bank balances in savings accounts, floating Pakistan Investment Bonds, Term Finance Certificates and Sukuks. The net income for the year would have increased / decreased by Rs. 24.44 million (2025: Rs. 49.96 million) had the interest rates on bank balances in savings accounts, floating Pakistan Investment Bonds, Term Finance Certificates and Sukkuks increased / decreased by 100 basis points, with all other variables held constant.

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

The Fund is exposed to fair value interest rate risk for investment in fixed rate Pakistan Investment Bonds.

In case of 100 basis points increase in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been lower by Rs. 34.02 million.

In case of 100 basis points decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been higher by Rs. 35.47 million.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date, and for off-balance sheet instruments, it is is based on the settlement date, which is as follows:

June 30, 2026

| | Effective yield / interest rate (%) | Total | Exposed to interest rate risk | | | Not exposed to interest rate risk |
|---|---|---|---|---|---|---|
| | | | Up to three months | More than three months and up to one year | More than one year | |
| **On-balance sheet financial instruments** | | Rupees in '000 | | | | |
| **Financial assets** | | | | | | |
| Bank balances | 9.00 - 13.05 | 2,231,859 | 2,231,848 | - | - | 11 |
| Investments | 11.00 - 14.06 | 2,914,631 | 96,167 | 116,092 | 2,702,372 | - |
| Receivable from UBL Fund Managers Limited - Management Company | | - | - | - | - | - |
| Mark-up receivable | | 49,124 | - | - | - | 49,124 |
| Receivable against issued units | | - | - | - | - | - |
| Deposits and other receivables | | 3,269 | - | - | - | 3,269 |
| | | 5,198,883 | 2,328,015 | 116,092 | 2,702,372 | 52,404 |
| **Financial liabilities at amortised cost** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 5,949 | - | - | - | 5,949 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 229 | - | - | - | 229 |
| Payable against units redeemed | | 1,200 | - | - | - | 1,200 |
| Dividend payable | | 965 | - | - | - | 965 |
| Accrued and other liabilities | | 2,964 | - | - | - | 2,964 |
| | | 11,307 | - | - | - | 11,307 |
| **On-balance sheet gap (a)** | | 5,187,576 | 2,328,015 | 116,092 | 2,702,372 | 41,097 |
| **Off-balance sheet financial instrument** | | - | - | - | - | - |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total interest rate sensitivity gap (a) + (b)** | | | 2,328,015 | 116,092 | 2,702,372 | |
| **Cumulative interest rate sensitivity gap** | | | 2,328,015 | 2,444,107 | 5,146,479 | |

June 30, 2025

| | Effective yield / interest rate (%) | Total | Exposed to interest rate risk | | | Not exposed to interest rate risk |
|---|---|---|---|---|---|---|
| | | | Up to three months | More than three months and up to one year | More than one year | |
| **On-balance sheet financial** | | Rupees in '000 | | | | |
| **Financial assets** | | | | | | |
| Bank balances | 9.50 - 10.50 | 4,148,045 | 4,147,978 | - | - | 67 |
| Investments | 11.00 - 13.80 | 2,387,829 | 813,459 | 770,280 | 804,090 | - |
| Receivable from UBL Fund Managers Limited - Management Company | | 571 | | | | 571 |
| Mark-up receivable | | 84,719 | - | - | - | 84,719 |
| Receivable against issued units | | 10,146 | - | - | - | 10,146 |
| Deposits and other receivables | | 14,271 | - | - | - | 14,271 |
| | | 6,645,581 | 4,961,437 | 770,280 | 804,090 | 109,774 |
| **Financial liabilities at amortised cost** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 12,029 | - | - | - | 12,029 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 288 | - | - | - | 288 |
| Payable against units redeemed | | 1,200 | - | - | - | 1,200 |
| Dividend payable | | 1,874 | - | - | - | 1,874 |
| Accrued and other liabilities | | 4,250 | - | - | - | 4,250 |
| | | 19,641 | - | - | - | 19,641 |
| **On-balance sheet gap (a)** | | 6,625,940 | 4,961,437 | 770,280 | 804,090 | 90,133 |
| **Off-balance sheet financial instrument** | | - | - | - | - | - |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total interest rate sensitivity gap (a) + (b)** | | | 4,961,437 | 770,280 | 804,090 | |
| **Cumulative interest rate sensitivity gap** | | | 4,961,437 | 5,731,717 | 6,535,807 | |

### 23.1.3 Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026, the Fund does not hold any security which exposes the Fund to other price risk.

### 23.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances, term finance certificates / sukuks, mark-up receivable, deposits and other receivables.

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

Credit risk arising on the debt instruments other than government securities 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 Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2026 and June 30, 2025 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2026 and June 30, 2025.

| Name of financial institution | Balances held by the Fund as at June 30, 2026 | Latest available published ratings at June 30, 2026 | Rating agency |
|---|---|---|---|
| | - Rupees in '000 - | | |
| **Bank balances and mark-up receivable thereon** | | | |
| Allied Bank Limited | 39 | AAA | PACRA |
| Bank Alfalah Limited | 8,723 | AAA | PACRA |
| Faysal Bank Limited | 14 | AA+ | VIS |
| Habib Metropolitan Bank Limited | 11 | AAA | PACRA |
| United Bank Limited | 1,208,737 | AAA | VIS |
| Habib Bank Limited | 607 | AAA | VIS |
| MCB Bank Limited | 54 | AAA | PACRA |
| Samba Bank Limited | 525 | AA | PACRA |
| Sindh Bank Limited | 21 | AA | VIS |
| National Bank of Pakistan | 38 | AAA | VIS |
| Bank of Punjab | 219 | AAA | PACRA |
| HBL Microfinance Bank Limited | 63 | A+ | VIS |
| Silk Bank Limited | 15 | AAA | VIS |
| Soneri Bank Limited | 1,013,910 | AA | PACRA |
| Bank of Khyber | 18 | AA- | VIS |
| Easypaisa Bank Limited | 12 | AA- | PACRA |
| Khushali Microfinance Bank Limited | 23 | A- | VIS |
| | 2,233,029 | | |
| **Term Finance Certificates / Sukuks and related markup thereon** | | | |
| Bank Al Habib Limited | 76,419 | AAA | PACRA |
| K-Electric Limited | 22,451 | AA+ | VIS |
| Bank of Punjab | 40,607 | AA+ | PACRA |
| Thatta Cement Company Limited | 64,104 | AA- | VIS |
| Kashf Foundation | 14,493 | AAA | PACRA |
| | 218,074 | | |

| Name of financial institution | Balances held by the Fund as at June 30, 2025 | Latest available published ratings at June 30, 2025 | Rating agency |
|---|---|---|---|
| | - Rupees in '000 - | | |
| Bank balances and mark-up receivable thereon | | | |
| Allied Bank Limited | 36 | AAA | PACRA |
| Bank Alfalah Limited | 23,636 | AAA | PACRA |
| Faysal Bank Limited | 10 | AA+ | PACRA |
| Habib Metropolitan Bank Limited | 10 | AA+ | PACRA |
| United Bank Limited | 3,075,372 | AAA | VIS |
| Habib Bank Limited | 1,001,322 | AAA | VIS |
| MCB Bank Limited | 50 | AAA | PACRA |
| Samba Bank Limited | 291 | AA | PACRA |
| Sindh Bank Limited | 19 | AA- | VIS |
| National Bank of Pakistan | 57 | AAA | VIS |
| Bank of Punjab | 120 | AA+ | PACRA |
| Silk Bank Limited | 15 | A- | VIS |
| Soneri Bank Limited | 59,788 | AA- | PACRA |
| Easypaisa Bank Limited | 12 | A+ | PACRA |
| Khushali Microfinance Bank Limited | 25 | A- | VIS |
| | 4,160,763 | | |
| Term Finance Certificates / Sukuks and related markup thereon | | | |
| Bank Al Habib Limited | 77,070 | AAA | PACRA |
| K-Electric Limited | 31,048 | AA | PACRA |
| Samba Bank Limited | 52,896 | AA- | PACRA |
| Bank of Punjab | 40,475 | AA | PACRA |
| Kashf Foundation | 41,780 | AAA | PACRA |
| RYK Mills Limited | 83,705 | | |
| | 326,974 | | |

**Concentration of credit risk**

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

**23.3 Liquidity risk**

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

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

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

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

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

| | Total | Up to three months | Over three months and up to one year | Over one year |
|---|---|---|---|---|
| **June 30, 2026** | Rupees in '000 | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 5,949 | 5,949 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 229 | 229 | - | - |
| Payable against units redeemed | 1,200 | 1,200 | - | - |
| Dividend payable | 965 | 965 | - | - |
| Accrued expenses and other liabilities | 2,964 | 2,964 | - | - |
| **Total liabilities** | 11,307 | 11,307 | - | - |
| **Net assets attributable to redeemable units** | 5,138,087 | 5,138,087 | - | - |

| | Total | Up to three months | Over three months and up to one year | Over one year |
|---|---|---|---|---|
| June 30, 2025 | Rupees in '000 | | | |
| **Financial liabilities** | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 12,029 | 12,029 | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 288 | 288 | - | - |
| Payable against units redeemed | 1,200 | 1,200 | - | - |
| Dividend payable | 1,874 | 1,874 | - | - |
| Accrued expenses and other liabilities | 4,250 | 4,250 | - | - |
| Total liabilities | 19,641 | 19,641 | - | - |
| Net assets attributable to redeemable units | 6,539,299 | 6,539,299 | - | - |

Above financial liabilities do not carry any mark-up.

## 24. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

## 25. 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 value and the fair value estimates.

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

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

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

The estimated fair value of all other financial assets and liabilities at amortised cost is considered not significantly different from the carrying value as the items are short-term in nature.

| | Fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | Rupees in '000 | | | |
| **June 30, 2026** | | | | |
| **Financial assets measured at fair value through profit or loss** | | | | |
| Pakistan Investment Bonds | - | 2,702,372 | - | 2,702,372 |
| Market Treasury Bills | - | - | - | - |
| Term finance certificates / Sukuk - quoted | 98,736 | - | - | 98,736 |
| Term finance certificates / Sukuk - unquoted | - | 113,523 | - | 113,523 |
| | 98,736 | 2,815,895 | - | 2,914,631 |
| June 30, 2025 | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Pakistan Investment Bonds | - | 1,343,600 | - | 1,343,600 |
| Market Treasury Bills | - | 733,006 | - | 733,006 |
| Term finance certificates / Sukuk - quoted | 123,182 | - | - | 123,182 |
| Term finance certificates / Sukuk - unquoted | - | 188,041 | - | 188,041 |
| | 123,182 | 2,264,647 | - | 2,387,829 |

## 26. PATTERN OF UNIT HOLDING

| Category | Number of unit holders | Number of units held | Unit holding or investment amount | Percentage of total |
|---|---|---|---|---|
| | | | Rupees in '000 | |
| **June 30, 2026** | | | | |
| Associated Company and Key Executives | - | - | - | - |
| Individuals | 3,413 | 47,538,505 | 4,091,568 | 79.64% |
| Insurance companies | 3 | 6,931 | 597 | 0.01% |
| Public limited companies | 27 | 3,154,073 | 271,466 | 5.28% |
| Retirement funds | 10 | 695,171 | 59,832 | 1.16% |
| Others | 47 | 8,302,981 | 714,624 | 13.91% |
| | 3,500 | 59,697,661 | 5,138,087 | 100.00% |

| Category | Number of unit holders | Number of units held | Unit holding or investment amount | Percentage of total |
|---|---|---|---|---|
| | | | Rupees in '000 | |
| June 30, 2025 | | | | |
| Associated Company and Key Executives | 6 | 271,771 | 23,283 | 0.36% |
| Individuals | 2,342 | 75,293,742 | 6,450,558 | 98.64% |
| Insurance companies | 1 | 3,100 | 266 | 0.00% |
| Public limited companies | 6 | 90,600 | 7,762 | 0.12% |
| Retirement funds | 7 | 425,354 | 36,441 | 0.56% |
| Others | 15 | 244,996 | 20,989 | 0.32% |
| | 2,377 | 76,329,563 | 6,539,299 | 100.00% |

## 27. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

| | 2026 (Percentage) |
|---|---|
| Multiline Securities Limited | 87.37 |
| Topline Securities Limited | 10.88 |
| Currency Markets Associates (Private) Limited | 0.85 |
| Continental Exchange (Private) Limited | 0.40 |
| Icon Securities (Private) Limited | 0.38 |
| C&M Management (Private) Limited | 0.09 |
| AKD Securities Limited | 0.03 |

| | 2025 (Percentage) |
|---|---|
| Continental Exchange (Private) Limited | 33.02 |
| Summit Capital (Private) Limited | 10.89 |
| Alfalah CLSA Securities (Private) Limited | 9.49 |
| AKD Securities Limited | 9.13 |
| Invest One Markets Limited | 8.49 |
| C&M Management (Private) Limited | 6.54 |
| Icon Securities (Private) Limited | 4.78 |
| Optimus Markets (Private) Limited | 4.37 |
| Arif Habib Limited | 4.24 |
| Paramount Capital (Private) Limited | 3.74 |

## 28. BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

| S.No. | Name | Designation | Qualification | Experience in years |
|---|---|---|---|---|
| 1 | Asif Ali Qureshi | Chief Executive Officer | MBA, CFA | 30 |
| 2 | Mubeen Ashraf | Head of Compliance | FCA | 25 |
| 3 | Muhammad Imran | Chief Investment Officer | MBA | 20 |
| 4 | Syed Sheeraz Ali | Head of Fixed Income Funds | BS, CFA Level I | 17 |
| 5 | Mohammad Waseem* | Head of Equities Funds | BBA, CFA | 11 |
| 6 | Karim Punjani** | Head of Equities Funds | MBA, ACCA | 10 |
| 7 | Irfan Nepal | Fund Manager - Equities Funds | EMBA, MA | 33 |
| 8 | Saad Imran | Fund Manager - Equities Funds | B.Com, BBA and CFA Level I | 4 |
| 9 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | M.A | 21 |

* Mohammad Waseem resigned on July 04, 2025.

** Karim Punjani resigned on April 08, 2026.

28.1 Syed Sheeraz Ali is the Fund Manager of the Fund. Syed Sheeraz Ali is also the Fund Manager of Al Ameen Islamic Aggressive Income Fund, Al Ameen Islamic Asset Allocation Fund, Al Ameen Islamic Cash Fund, Al Ameen Islamic Fixed Return Fund, Al Ameen Islamic Income Fund, Al Ameen Islamic Punjab Pension Fund - Money Market Sub Fund, Al Ameen Islamic Retirement Saving Fund - Debt Sub Fund, Al Ameen Islamic Retirement Saving Fund - Money Market Sub Fund, Al Ameen Islamic Sovereign Fund, Al Ameen Voluntary Pension Fund KPK - Money Market Sub Fund, UBL Asset Allocation Fund, UBL Cash Fund, UBL Fixed Return Fund, UBL Fixed Return Fund-II, UBL Fixed Return Fund-III, UBL Fixed Return Fund-IV, UBL Government Securities Fund, UBL Income Opportunity Fund, UBL Liquidity Fund, UBL Liquidity Plus Fund, UBL Money Market Fund, UBL Punjab Pension Fund - Money Market Sub Fund, UBL Retirement Saving Fund - Debt Sub Fund, UBL Retirement Saving Fund - Money Market Sub Fund, UBL Special Savings Fund, UBL Special Savings Fund-II, and UBL Voluntary Pension Fund KPK - Money Market Sub Fund.

## 29. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include United Bank Limited being the holding company of the Management Company, UBL Fund Managers Limited being the Management Company, other collective investment schemes being managed by the Management Company, Al-Ameen Islamic Financial Services (Private) Limited being subsidiary of the Management Company, entities under common management or directorships, Central Depository Company of Pakistan Limited being the Trustee, directors and their close family members and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.

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

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

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

Details of transactions with related parties / connected persons during the year and balances held with them at the year ended June 30, 2026 are as follows:

| Particulars | Management Company | Associated companies and others* | Trustee | Funds under common management | Directors and key executives ** | Other connected persons / related parties*** |
|---|---|---|---|---|---|---|
| | For the year ended June 30, 2026 | | | | | |
| | Units in '000 | | | | | |
| **Transactions during the year** | | | | | | |
| Units issued | 21,435 | - | - | - | 34 | 34 |
| Units redeemed | 21,435 | - | - | - | 270 | 34 |
| | Rupees in '000 | | | | | |
| Value of units issued | 1,838,649 | - | - | - | 2,916 | 2,950 |
| Value of units redeemed | 1,839,547 | - | - | - | 23,177 | 3,226 |
| Mark-up on savings accounts | - | 140,707 | - | - | - | - |
| Bank charges | - | 67 | - | - | - | - |
| Purchase of securities | - | - | - | 1,658,798 | - | - |
| Sale of securities | - | - | - | - | - | - |
| Remuneration (inclusive of Sindh Sales Tax) | 72,345 | - | 4,115 | - | - | - |
| Selling and marketing expenses (inclusive of Sindh Sales Tax) | - | - | - | - | - | - |
| Allocated expenses (inclusive of Sindh Sales Tax) | - | - | - | - | - | - |
| CDS expenses | - | - | 334 | - | - | - |
| | For the year ended June 30, 2025 | | | | | |
| | Units in '000 | | | | | |
| Transactions during the year | | | | | | |
| Units issued | - | - | - | - | 813 | 6,279 |
| Units redeemed | - | - | - | - | 543 | 11,425 |
| | Rupees in '000 | | | | | |
| Value of units issued | - | - | - | 267,439 | 69,585 | 337,000 |
| Value of units redeemed | - | - | - | 771,171 | 46,838 | 389,123 |
| Mark-up on savings accounts | - | 26,921 | - | - | - | - |
| Bank charges | - | 28 | - | - | - | - |
| Purchase of securities | - | 300,000 | - | - | - | 500,000 |
| Sale of securities | - | 2,000,000 | - | - | - | 300,000 |
| Remuneration (inclusive of Sindh Sales Tax) | 61,865 | - | 2,734 | - | - | - |
| Selling and marketing expenses | 3,550 | - | - | - | - | - |
| Allocated expenses | 821 | - | - | - | - | - |
| CDS expense | - | - | - | - | - | - |
| Amount received against issuance to unitholders* | 4,362 | - | - | - | - | - |

* This represents amount reimbursed by the Management Company to the Fund against issuance of 41,462 units to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.

Details of transactions with related parties / connected persons during the year and balances held with them at the year ended June 30, 2026 are as follows:

| Particulars | Management Company | Associated companies and others* | Trustee | Funds under common management | Directors and key executives ** | Other connected persons / related parties*** |
|---|---|---|---|---|---|---|
| | As at June 30, 2026 | | | | | |
| | Units in '000 | | | | | |
| **Balances held** | | | | | | |
| Units held | - | - | - | - | - | 34 |
| | Rupees in '000 | | | | | |
| Value of units held | - | - | - | - | - | 2,926 |
| Bank balances | - | 1,207,669 | - | - | - | - |
| Security deposits | - | - | 100 | - | - | - |
| Remuneration (inclusive of Sindh Sales Tax) | 4,430 | - | 229 | - | - | - |
| Allocated expenses payable (inclusive of Sindh Sales Tax) | 1,165 | - | - | - | - | - |
| Sales load payable | 325 | 103 | | | | |
| Mark-up receivable | - | 1,090 | - | - | - | - |
| Receivable from the Management Company | - | - | - | - | - | - |
| CDC fee payable | - | - | - | - | - | - |
| Other payable | 29 | - | - | - | - | - |
| | As at June 30, 2025 | | | | | |
| | Units in '000 | | | | | |
| **Balances held** | | | | | | |
| Units held | - | - | - | - | 270 | 1,759 |
| | Rupees in '000 | | | | | |
| Value of units held | - | - | - | - | 23,131 | 150,697 |
| Bank balances | - | 3,065,868 | - | - | - | - |
| Security deposits | - | - | 100 | - | - | - |
| Remuneration (inclusive of Sindh Sales Tax) | 7,557 | - | 288 | - | - | - |
| Allocated expenses payable | 1,165 | - | - | - | - | - |
| Selling and marketing expenses payables | - | - | - | - | - | - |
| Sales load payable | 3,198 | | | | | |
| Mark-up receivable | - | 9,527 | - | - | - | - |
| Receivable from the Management Company | 571 | - | - | - | - | - |
| CDC fee payable | - | - | - | - | - | - |
| Other payable | 109 | - | - | - | - | - |

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

** These include transactions and balances in relation to those directors and key executives (including their close family members) that existed as at year end. However, it does not include the transcations and balances whereby director and key executives have resigned from the Management Company during the year.

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

## 30. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

| | No. 156 August 22, 2025 | No. 157 October 20, 2025 | No. 158 January 14, 2026 | No. 159 18-Feb | No. 160 April 17, 2026 | Total meetings attended |
|---|---|---|---|---|---|---|
| **Directors:** | | | | | | |
| Mr. Imran Sarwar | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Alee Khalid Ghaznavi | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Muhammad Rizwan Malik* | × | ✓ | ✓ | × | × | 2 |
| Mr. Rashid Ahmed Jafer | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Ms. Huma Pasha | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Farrukh Karim Khan | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Asif Ali Qureshi | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| **Key Executives:** | | | | | | |
| Mr. Muhammad Zuhair Abbas | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Ashar Siddiqui | ✓ | × | × | × | × | 1 |
| Mr. Mubeen Ashraf | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Mr. Zeeshan Quddus | ✓ | × | ✓ | × | × | 2 |

* Mr. Muhammad Rizwan Malik resigned on June 29, 2026.

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.

## 31. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

## 32. GENERAL

### 32.1 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on August 20, 2026.

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

| _____SD_____ | _____SD_____ | _____SD_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

# UFSF

## UBL Financial Sector Fund

**INVESTMENT OBJECTIVE**

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividend yield potential preferably in the Financial sector.

| | |
|---|---|
| **Management Company** | UBL Fund Managers Limited |
| **Trustee** | Central Depository Company of Pakistan Limited<br>99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal,<br>Karachi. Tel: (9221) 111-111-500 |
| **Distribution Company** | United Bank Limited<br>(for detail of others, please visit our website:<br>www.ublfunds.com.pk) |
| **Auditors** | A.F. Ferguson Co., Chartered Accountants |
| **Bankers** | Allied Bank Limited<br>Soneri Bank Limited<br>United Bank Limited |
| **Management Co.Rating** | AM1 (VIS) |

**Fund Manager's Report – UBL Financial Sector Fund (UFSF)**

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

Equity / Open-end

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

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector.

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

The Collective Investment Scheme achieved its stated objective.

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

A Total Return Index, reflective of the investment universe of the CIS as may be approved by SECP on a case to case basis.

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

| Monthly Yield* | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | FYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UFSF | 18.19% | 9.17% | 8.56% | 3.80% | -1.30% | 4.70% | 9.72% | -6.57% | -13.86% | 10.41% | 4.84% | 2.67% | 57.65% |
| Benchmark | 18.54% | 7.96% | 11.29% | 1.19% | -0.82% | 5.77% | 9.29% | -6.21% | -12.28% | 10.82% | 4.57% | 3.56% | 63.16% |

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

The objective is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector. During the period under review, the Fund posted a return of 57.65%. The Fund manager maintained the exposure in local equity market of around 94.85% while exposure in Cash & Others stood at 5.01% as at June 30, 2026. The net assets of the Fund were PKR 7,965 million as at June 30, 2026.

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

| Asset Allocation (% of Total Assets) | Jun-26 | Jun-25 |
|---|---|---|
| Equities | 95% | 91% |
| T-bills | 0% | 0% |
| Cash | 5% | 8% |
| Others | 0% | 1% |
| Leverage | Nil | Nil |

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

| | |
|---|---|
| FY'26 Return: | 57.65% |
| Standard Deviation (12m trailing): | 30.50% |
| Sharpe Ratio (12m trailing): | 1.53 |

**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-26 | 30-Jun-25 | Change | 30-Jun-26 | 30-Jun-25 | Change |
| Rupees (000) | | % | Rupees | | % |
| 7,965,457 | 2,296,390 | 247 | 314.8814 | 231.0735 | 36 |

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

Please refer to relevant section in director report

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

| Distribution | | | | Per unit | |
|---|---|---|---|---|---|
| *Declared on* | Bonus | Cash | Per Unit | Cum NAV | Ex NAV |
| | *Rupees (000)* | | ---------- *Rupees* ---------- | | |
| JUN 18, 2026 | - | 1,094,160 | 50 | 368.5959 | 318.5959 |
| | | | | | |

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

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

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

| Range of Units | Number of Investors |
|---|---|
| | USF |

| | |
|---|---|
| 0.0001 - 9,999.9999 | 5642 |
| 10,000.0000 - 49,999.9999 | 143 |
| 50,000.0000 - 99,999.9999 | 31 |
| 100,000.0000 - 499,999.9999 | 32 |
| 500,000.0000 & Above | 11 |
| **Total** | **5859** |

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

## PERFORMANCE TABLE

## UBL Financial Sector Fund

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **NET ASSETS AS AT 30 JUNE - Rupees in '000** | **7,965,457** | 2,296,390 | 971,420 | 551,410 | 1,027,251 |
| **NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees *** | | | | | |
| Class A units - Offer | **325.2201** | 239.0457 | 156.1922 | 74.478 | 74.3861 |
| - Redemption | **314.3742** | 231.0737 | 151.0709 | 72.036 | 71.9471 |
| **RETURN OF THE FUND - %** | | | | | |
| Total Return of the Fund | **57.65** | 71.21 | 143.46 | 1.76 | (4.08) |
| Capital Growth (per unit) | **7.65** | 44.0331 | 118.9106 | 0.59 | (4.08) |
| Date of Income Distribution | - | - | - | - | - |
| Income Distribution | - | - | - | - | - |
| Date of Income Distribution | **18-Jun-26** | 26-Jun-25 | 28-Jun-24 | 27-Jun-23 | - |
| Income Distribution | **50.00** | 27.1769 | 24.5494 | 1.1658 | - |
| **AVERAGE ANNUAL RETURN - %** | | | | | |
| One Year | **57.65** | 71.21 | 143.46 | 1.76 | (4.08) |
| Second Year | **64.43** | 107.335 | 72.61 | (1.16) | 8.31 |
| Third Year | **90.77** | 72.14 | 47.05 | 6.12 | 0.44 |
| **OFFER / REPURCHASE DURING THE YEAR- Rupees *** | | | | | |
| Highest price per unit - Class A units - Offer | **409.2502** | 254.8667 | 188.7988 | 100.3786 | 90.2651 |
| Highest price per unit - Class A units - Redemption | **395.6019** | 254.8667 | 182.6084 | 97.0873 | 87.3054 |
| Lowest price per unit - Class A units - Offer | **250.393** | 149.7337 | 74.4632 | 66.4106 | 73.1397 |
| Lowest price per unit - Class A units - Redemption | **242.0425** | 149.7337 | 72.0217 | 64.2331 | 70.7416 |

* Front-end load @ 3% is applicable

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

| | | | | | |
|---|---|---|---|---|---|
| **PORTFOLIO COMPOSITION BY CATEGORY - %** | | | | | |
| Bank Balances | **5.27** | 8.32 | 3.07 | 4.94 | 1.6 |
| Equity Securities | **94.59** | 91.15 | 87.74 | 89.96 | 95.83 |
| Others | **0.14** | 0.53 | 9.19 | 5.1 | 2.57 |
| **PORTFOLIO COMPOSITION BY MARKET - %** | | | | | |
| Equity Market | **100.00** | 100.00 | 100.00 | 100.00 | 100.00 |

Note:
- The Launch date of Fund is 6 April 2018

**DISCLAIMER**

Past performance is not necessarily
go down, as well as up.

UFSF

| | Resolutions | For | Against | Abstain* |
|---|---|---|---|---|
| **Number** | 6 | 6 | 0 | 0 |
| **Percentage** | 100.0% | 100.0% | 0.0% | 0.0% |

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**
**Head Office:**
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

## TRUSTEE REPORT TO THE UNIT HOLDERS

## UBL FINANCIAL SECTOR FUND

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of UBL Financial Sector Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

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

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

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

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

**Badiuddin Akber**
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 14, 2026

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## INDEPENDENT AUDITOR'S REPORT

**To the Unit holders of UBL Financial Sector Fund**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of UBL Financial Sector Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, 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 (NAV)**<br>(Refer notes 4 & 5 to the financial statements)<br><br>Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 422.444 million and investments of the Fund amounted to Rs. 7,576.766 million as at June 30, 2026.<br><br>The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 were considered high risk areas and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following:<br>• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced them with the books and records of the Fund. Where such confirmations were not available, alternative audit procedures were performed;<br>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and<br>• Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

TTEL

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415907

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**Other Matter**

The financial statements of the Fund for the year ended June 30, 2025 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated September 29, 2025.

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

The Management Company (UBL Fund Managers Limited) 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 Board of Directors of Management Company for the Financial Statements**

The Management Company (UBL Fund Managers Limited) 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, 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 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 Company.

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

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

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

We also provide 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:

a) the financial statement have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 25, 2026
UDIN: AR202610611fDm8GNZBS

**UBL FINANCIAL SECTOR FUND**
**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **ASSETS** | | | |
| Bank balances | 4 | 422,444 | 206,243 |
| Investments | 5 | 7,576,766 | 2,258,919 |
| Profit receivable | 6 | 2,762 | 3,104 |
| Deposit and other receivables | 7 | 2,500 | 5,590 |
| Receivable against conversion of units | | 3,082 | - |
| Advance tax | 8 | 2,114 | 1,695 |
| Receivable from UBL Fund Managers Limited - Management Company | | 704 | 2,704 |
| **Total assets** | | 8,010,372 | 2,478,255 |
| **LIABILITIES** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 9 | 22,593 | 7,982 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | 823 | 303 |
| Payable to the Securities and Exchange Commission of Pakistan | 11 | 603 | 40 |
| Dividend payable | | - | 1,837 |
| Accrued expenses and other liabilities | 12 | 20,896 | 9,080 |
| Payable against redemption and conversion of units | | - | 162,623 |
| **Total Liabilities** | | 44,915 | 181,865 |
| **NET ASSETS** | | 7,965,457 | 2,296,390 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | 7,965,457 | 2,296,390 |
| **CONTINGENCIES AND COMMITMENTS** | 13 | | |
| | | --------(Number of units)-------- | |
| **NUMBER OF UNITS IN ISSUE** | 14 | 25,296,692 | 9,937,919 |
| | | ----------(Rupees)---------- | |
| **Net asset value per unit** | | 314.8814 | 231.0735 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL FINANCIAL SECTOR FUND**
**INCOME STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **Income** | | | |
| Profit on savings accounts with banks | | 24,071 | 8,822 |
| Dividend income | | 536,302 | 170,015 |
| Gain on sale of investments - net | | 649,775 | 141,195 |
| Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | 7.1 | 529,195 | 516,819 |
| Other income | | - | 48 |
| **Total income** | | 1,739,343 | 836,899 |
| **Expenses** | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 9.1 | 173,983 | 42,615 |
| Sindh sales tax on remuneration of the Management Company | 9.2 | 26,097 | 6,392 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 10.1 | 7,056 | 2,420 |
| Sindh sales tax on remuneration of the Trustee | 10.2 | 1,058 | 363 |
| Fee to the Securities and Exchange Commission of Pakistan | | 5,753 | 1,349 |
| Allocated expenses | 9.3 | - | 169 |
| Sindh sales tax on allocated expenses | | - | 25 |
| Selling and marketing expenses | 9.3 | - | 863 |
| Sindh sales tax on selling and marketing expenses | | - | 129 |
| Auditor's remuneration | 15 | 1,361 | 550 |
| Brokerage and settlement expenses | | 31,470 | 6,456 |
| Annual listing fee | | 62 | 28 |
| Legal and professional charges | | 328 | 250 |
| Bank charges | | 211 | 11 |
| **Total expenses** | | 247,379 | 61,620 |
| **Net income for the year before taxation** | | 1,491,964 | 775,279 |
| Taxation | 16 | - | - |
| **Net income for the year after taxation** | | 1,491,964 | 775,279 |
| **Allocation of net income for the year:** | | | |
| Net income for the year after taxation | | 1,491,964 | 775,278 |
| Income already paid on units redeemed | | (1,010,009) | (233,976) |
| | | 481,955 | 541,302 |
| **Accounting income available for distribution:** | | | |
| - Relating to capital gains | | 254,003 | 452,616 |
| - Excluding capital gains | | 227,952 | 88,686 |
| | | 481,955 | 541,302 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL FINANCIAL SECTOR FUND**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | 2025 |
|---|---|---|
| | ------- (Rupees in '000) ------- | |
| **Net income for the year** | 1,491,964 | 775,278 |
| Other comprehensive income for the year | - | - |
| **Total comprehensive income for the year** | 1,491,964 | 775,278 |

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

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

| | | |
|---|---|---|
| _____SD_____ | _____SD_____ | _____SD_____ |
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL FINANCIAL SECTOR FUND**
**STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed loss / (income) | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| **Net assets at the beginning of the year** | 2,142,494 | 153,896 | 2,296,390 | 1,232,106 | (274,406) | 957,700 |
| Issuance of 56,575,504 (2025: 15,960,532) units | | | | | | |
| - Capital value (at net assets value per unit at beginning of the year) | 13,073,100 | - | 13,073,100 | 2,411,172 | - | 2,411,172 |
| - Element of income | 6,102,105 | - | 6,102,105 | 811,735 | - | 811,735 |
| **Total proceeds on issuance of units** | 19,175,205 | - | 19,175,205 | 3,222,907 | - | 3,222,907 |
| Redemption of 41,216,731 (2025: 12,452,840) units | | | | | | |
| - Capital value (at net assets value per unit at beginning of the year) | (9,524,095) | - | (9,524,095) | (1,881,262) | - | (1,881,262) |
| - Element of loss | (3,369,837) | (1,010,009) | (4,379,846) | (311,199) | (233,976) | (545,175) |
| **Total payments on redemption of units** | (12,893,932) | (1,010,009) | (13,903,941) | (2,192,461) | (233,976) | (2,426,437) |
| Total comprehensive income for the year | - | 1,491,964 | 1,491,964 | - | 775,278 | 775,278 |
| Distribution made during the year ended June 30, 2026 of Rs. 50 declared on June 18, 2026 | (777,145) | (317,015) | (1,094,160) | - | - | - |
| (2025: Rs. 5.5 per unit declared on June 30, 2025) | - | - | - | (27,206) | (26,240) | (53,446) |
| (2025: Rs. 21.6769 per unit declared on June 26, 2025) | - | - | - | (92,852) | (86,760) | (179,612) |
| Net income for the year less distribution | (777,145) | 1,174,949 | 397,804 | (120,058) | 662,278 | 542,220 |
| **Net assets at the end of the year** | 7,646,622 | 318,835 | 7,965,457 | 2,142,494 | 153,896 | 2,296,390 |
| **Undistributed income brought forward:** | | | | | | |
| - Realised (loss) / income | | (362,923) | | | 233,412 | |
| - Unrealised income / (loss) | | 516,819 | | | (507,818) | |
| | | 153,896 | | | (274,406) | |
| **Accounting income available for distribution:** | | | | | | |
| - Relating to capital gains | | 254,003 | | | 452,616 | |
| - Excluding capital gains | | 227,952 | | | 88,686 | |
| | | 481,955 | | | 541,302 | |
| Distribution during the year | | (317,015) | | | (113,000) | |
| **Undistributed income carried forward** | | 318,835 | | | 153,896 | |
| **Undistributed income carried forward** | | | | | | |
| - Realised loss | | (210,360) | | | (362,923) | |
| - Unrealised income | | 529,195 | | | 516,819 | |
| | | 318,835 | | | 153,896 | |
| | | **- (Rupees) -** | | | **- (Rupees) -** | |
| **Net assets value per unit at the beginning of the year** | | 231.0735 | | | 151.0709 | |
| **Net assets value per unit at the end of the year** | | 314.8814 | | | 231.0735 | |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL FINANCIAL SECTOR FUND**
**CASH FLOW STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income for the year | | 1,491,964 | 775,278 |
| **Adjustments for:** | | | |
| Profit on savings accounts with banks | | (24,071) | (8,822) |
| Dividend income | | (536,302) | (170,015) |
| Gain on sale of investments - net | | (649,775) | (141,195) |
| Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | | (529,195) | (516,819) |
| Other income | | - | (48) |
| | | (1,739,343) | (836,899) |
| **(Increase) / decrease in assets** | | | |
| Investments - net | | (4,138,877) | (664,200) |
| Deposit and other receivables | | 3,090 | (3,079) |
| Receivable against sale of investments | | - | 92,141 |
| Receivable from UBL Fund Managers Limited - Management Company | | 2,000 | (691) |
| | | (4,133,787) | (576,829) |
| **(Increase) / decrease in liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 14,611 | 1,279 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 520 | 112 |
| Payable to the Securities and Exchange Commission of Pakistan | | 563 | (37) |
| Accrued expenses and other liabilities | | 11,816 | 5,634 |
| Payable against purchase of investments | | (162,623) | 162,623 |
| | | (135,113) | 169,611 |
| Profits received | | 24,411 | 8,123 |
| Dividend received | | 536,302 | 170,015 |
| Income tax paid | | (419) | (1,133) |
| **Net cash generated from operating activities** | | 560,294 | 177,005 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Receipts from issuance and conversion of units - net of refund of capital | | 18,394,978 | 3,209,185 |
| Payments against redemption and conversion of units | | (13,903,941) | (2,511,913) |
| Dividend paid | | (318,852) | (231,483) |
| **Net cash generated from financing activities** | | 4,172,185 | 465,789 |
| **Net increase in cash and cash equivalents during the year** | | 216,201 | 173,956 |
| Cash and cash equivalents at the beginning of the year | | 206,243 | 32,287 |
| **Cash and cash equivalents at the end of the year** | | 422,444 | 206,243 |

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

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

## 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Financial Sector Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan. It was constituted under a Trust Deed, dated February 21, 2018 between UBL Fund Managers Limited (a 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 previously registered under The "Trust Act, 1882". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act".

1.2 The Management Company of the Fund has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.

1.3 The policy of the Fund is to invest in a diversified portfolio of shares of listed companies, spread transactions and other money market instruments. Under Circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorised by the Management Company as an 'Equity Scheme'.

1.4 The Management Company has been assigned a quality rating of 'AM1' with a stable outlook by VIS Credit Rating Company Limited (2025: 'AM1').The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

Where provisions of, directives and notifications 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 Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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 new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.
- The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

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**2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year**

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.
- The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

**2.4 Critical accounting estimates and judgements**

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

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

**2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and are measured at fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 21.

**2.6 Functional and presentation currency**

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

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

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

**3.1 Financial assets**

**3.1.1 Initial recognition and measurement**

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

**3.1.2 Classification and subsequent measurement**

**3.1.2.1 Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the 'Income Statement' except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income. The management considers its investment in equity securities being managed as a group of assets hence classified as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is to be recognised in the income statement.

Since all investments in the equity instruments have been designated as FVPL. The subsequent movement in the fair value of equity securities is routed through the Income Statement.

**3.1.3 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. These comprise of balances with banks in savings accounts.

**3.1.4 Impairment**

The fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. 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 forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

**3.1.5 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.

Up to February 8, 2026, regular way purchases / sales of assets required delivery of securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

**3.1.6 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control.

Any gain or loss on derecognition of financial assets is taken to the Income Statement.

**3.2 Financial liabilities**

**3.2.1 Classification and subsequent measurement**

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 value and subsequently stated at amortised cost using the effective interest rate method.

**3.3.2 Derecognition**

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

### 3.3 Offsetting of financial assets and financial liabilities

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

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

### 3.5 Net asset value per unit

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

### 3.6 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, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

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

### 3.7 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.

### 3.8 Element of income / (loss) on issuance / (redemption) of units

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

### 3.9 Revenue recognition

- Gains / (losses) arising on sale of investments classified as financial assets at FVPL are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gain / (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;
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend; and
- Profit on savings accounts with bank is recognised on time proportion basis using the effective yield method.

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### 3.10 Expenses

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

### 3.11 Taxation

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 prevailing 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. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | -------- (Rupees in '000) ------- | |
| **4.** | **BANK BALANCES** | | | |
| | Savings accounts | 4.1 | 422,444 | 206,243 |

4.1 This includes balance of Rs. 420.944 million (2025: Rs.205.252 million maintained with United Bank Limited (a related party) that carries profit at the rate of 9.50% (2025: 9.50%) per annum.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| **5.** | **INVESTMENTS** | | -------- (Rupees in '000) ------- | |
| | **At fair value through profit or loss** | | | |
| | - Shares of listed companies - 'ordinary shares' | 7.1 | 7,576,766 | 2,258,919 |

### 5.1 Shares of listed companies - 'ordinary shares'

| Name of the investee company | Note | As at July 01, 2025 | Purchased during the year | Bonus / right issue during the year | Sold during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciation / (diminution) as at June 30, 2026 | Market value as a percentage of: net assets of the Fund | Market value as a percentage of: total value of the investments | Holdings as a percentage of paid-up capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ---Number of shares--- | | | | | ---(Rupees in '000)--- | | | ---Percentage--- | | |
| **COMMERCIAL BANKS** | | | | | | | | | | | | |
| United Bank Limited (a related party) | 7.1.1 | 1,549,286 | 4,250,523 | - | (2,395,600) | 3,404,009 | 1,352,061 | 1,523,873 | 171,811 | 19.13% | 20.11% | 0.14% |
| Meezan Bank Limited | | 777,468 | 4,897,064 | - | (3,192,560) | 2,481,972 | 1,122,019 | 1,281,839 | 159,820 | 16.09% | 16.92% | 0.07% |
| Faysal Bank Limited | | 100,000 | 2,170,736 | - | (2,270,736) | - | - | - | - | - | - | - |
| Habib Bank Limited | 7.1.2 | 810,000 | 6,018,285 | - | (3,408,575) | 3,419,710 | 1,013,966 | 999,273 | (14,681) | 12.55% | 13.19% | 0.07% |
| Bank Alfalah Limited | 7.1.1 | 2,479,010 | 14,607,020 | - | (7,006,837) | 10,079,193 | 548,992 | 571,186 | 22,195 | 7.17% | 7.54% | 0.02% |
| National Bank of Pakistan | | 1,920,000 | 5,288,000 | - | (3,945,642) | 3,262,358 | 686,845 | 647,578 | (39,267) | 8.13% | 8.55% | 0.03% |
| Habib Metropolitan Bank Limited | | 2,650,273 | 3,256,707 | - | (1,068,000) | 4,838,980 | 518,057 | 561,709 | 43,652 | 7.05% | 7.41% | 0.05% |
| Bank AL Habib Limited | | 1,484,918 | 3,131,497 | | (2,490,501) | 2,125,914 | 357,328 | 360,640 | 3,312 | 4.53% | 4.76% | 0.03% |
| Askari Bank Limited | | 3,279,410 | 7,923,000 | - | (3,062,801) | 8,139,609 | 778,779 | 897,229 | 118,450 | 11.25% | 11.84% | 0.05% |
| MCB Bank Limited | | 1,232,533 | 1,954,628 | - | (1,378,485) | 1,808,676 | 669,535 | 733,436 | 63,902 | 9.21% | 9.68% | 0.06% |
| Total as at June 30, 2026 | | 16,282,898 | 53,497,460 | - | (30,219,937) | 39,560,421 | 7,047,571 | 7,576,766 | 529,195 | | | |
| Total as at June 30, 2025 | | 12,745,977 | 15,977,951 | 757,143 | 13,208,173 | 16,282,898 | 1,742,101 | 2,258,919 | 516,819 | | | |

5.1.1 All shares have a nominal value of Rs. 10 each except for the shares of following:

| Name the of investee company | Nominal value per share as on June 30, 2026 (Rupees) | Subdivision of shares during the year | Additional number of shares received on account of subdivision of shares during the year |
|---|---|---|---|
| Bank Alfalah Limited | 5.00 | On April 18, 2026 from Rs. 10 to Rs. 5 per share | 5,997,064 |
| United Bank Limited | 5.00 | - | - |

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

| Name of the investee company | 2026 | 2025 | 2026 | 2025 |
|---|---|---|---|---|
| | (Number of shares) | | ---------(Rupees in '000)------- | |
| Habib Bank Limited | 485,000 | 190,000 | 141,717 | 34,046 |
| Bank Alfalah Limited | - | 900,000 | - | 72,216 |
| | 485,000 | 1,090,000 | 141,717 | 106,262 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| 5.2 | **Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'** | | -------- (Rupees in '000) ------- | |
| | Market value of investments | 7.1 | 7,576,766 | 2,258,919 |
| | Less: carrying value of investments | 7.1 | 7,047,571 | 1,742,101 |
| | | | 529,194 | 516,819 |

## 6. PROFIT RECEIVABLE

| | | | |
|---|---|---|---|
| Bank balances | 8.1 | 2,762 | 3,104 |

6.1 This includes a mark-up receivable of Rs. 2.751 million (2025: Rs. 3.079 million) on balance maintained with United Bank Limited (related party).

## 7. DEPOSIT AND OTHER RECEIVABLES

| | 2026 | 2025 |
|---|---|---|
| | -------- (Rupees in '000) ------- | |
| Security deposit with National Clearing Company of Pakistan Limited | 2,500 | 2,500 |
| Other receivable | - | 3,090 |
| | 2,500 | 5,590 |

## 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 sections 150 and 151 of the Income Tax Ordinance, 2001. However, withholding tax on profit on savings accounts with banks and dividends paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its letter 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 savings accounts with banks and dividends amounts to Rs. 2.114 million (2025: Rs. 1.695 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on savings accounts with banks and dividends has been shown as an advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

## 9. PAYABLE TO UBL FUND MANAGERS LIMITED -

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Remuneration payable | 9.1 | 18,063 | 5,151 |
| Sindh sales tax payable on remuneration of the Management Company | 9.2 | 2,709 | 773 |
| Allocated expenses payable | 9.3 | 645 | 645 |
| Sindh sales tax payable on allocated expenses | | 97 | 97 |
| Sales load | | 1,079 | 1,316 |
| | | 22,593 | 7,982 |

9.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document and subject to the capping of 3% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 2.85% to 3.00% (2025: 3.00%) per annum of the average daily net assets of the Fund.

9.2 Sindh sales tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.

9.3 The SECP, vide S.R.O.600(1)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing expenses, registrar services, accounting, operation and valuation services has been excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expenses for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to selling and marketing at the rates ranging from 0% - 0.45% per annum of the average annual net assets of the Fund and in relation to registrar services, accounting, operation and valuation services at the rates ranging from 0.00%-0.12% per annum of the daily net assets of the Fund.

| | Note | 2026 | 2025 |
|---|---|---|---|
| **10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE** | | -------- (Rupees in '000) ------- | |
| Remuneration payable | 10.1 | 716 | 263 |
| Sindh sales tax payable on remuneration of the trustee | 10.2 | 107 | 40 |
| | | 823 | 303 |

10.1 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 daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Net assets (Rs.) | | Fee |
|---|---|---|
| - Up to Rs. 1,000 million | | Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher. |
| - Over Rs. 1,000 million | | Rs. 2 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million. |

10.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Trustee.

| | Note | 2026 | 2025 |
|---|---|---|---|
| **11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** | | -------- (Rupees in '000) ------- | |
| Fee payable | 11.1 | 603 | 40 |

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2025: 0.095% ) per annum of the daily net assets of the Fund during the year. The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

| | 2026 | 2025 |
|---|---|---|
| **12. ACCRUED EXPENSES AND OTHER LIABILITIES** | -------- (Rupees in '000) ------- | |
| Auditor's remuneration payable | 901 | 536 |
| Brokerage payable | 2,340 | 1,546 |
| Capital gain tax payable | 16,371 | 3,734 |
| Legal and professional charges payable | 275 | 181 |
| Withholding tax payable | - | 2,495 |
| Sales load payable | 61 | - |
| Zakat payable | 561 | 532 |
| Other payable | 387 | 55 |
| | 20,896 | 9,079 |

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## 13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

## 14 NUMBER OF UNITS IN ISSUE

| | 2026 | 2025 |
|---|---|---|
| | ---------- (Number) ---------- | |
| Total units in issue at the beginning of the year | 9,937,919 | 6,430,227 |
| Add: units issued during the year | 56,575,504 | 15,960,532 |
| Less: units redeemed during the year | (41,216,731) | (12,452,840) |
| Total units in issue at the end of the year | 25,296,692 | 9,937,919 |

## 15. AUDITOR'S REMUNERATION

| | 2026 | 2025 |
|---|---|---|
| | -------- Rupees in ('000') ------- | |
| Annual audit fee | 620 | 271 |
| Fee for half yearly review of condensed interim financial statements | 380 | 155 |
| Fee for other certifications | 125 | 43 |
| Out of pocket expenses | 135 | 39 |
| | 1,260 | 509 |
| Sindh sales tax | 101 | 41 |
| | 1,361 | 550 |

## 16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holder in the manner as explained above, no provision for taxation in has been made in these financial statements during the year.

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

## 17 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the fund as at June 30, 2026 based on the current year results is 4.08% (2025: 4.34%), which includes 0.60%(2025: 0.62%) representing government levies such as sales taxes and SECP fee, etc.

During the year ended June 30, 2025, the Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(1)/2025 dated April 10, 2025, amended the previously applicable Total Expense Ratio (TER) caps. Effective July 1, 2025, this amendment replaced the earlier TER-based cap structure with a direct cap on the management fee, irrespective of the scheme's overall expense ratio. The revised management fee limits are disclosed in note 9.1 to these financial statements.

## 18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include UBL Fund Managers Limited being the Management Company, United Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee / custodian of the Fund, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of and directors or officers of the Management Company or any of their connected persons as specified herein.

Transactions with connected persons essentially comprise issuance 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 also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Offering Document, respectively.

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

The details of the transactions with connected persons / related parties and balances with them are as follows:

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| | (Units in 000's) | | | | | |
| Transactions during the year | | | | | | |
| Units issued | - | 6,412 | 384 | - | 194 | 240 |
| Units redeemed | - | 3,735 | - | - | 170 | 150 |
| | (Rupees in '000) | | | | | |
| Value of units issued | - | 2,343,886 | 141,579 | - | 64,652 | 78,435 |
| Value of units redeemed | - | 1,398,151 | - | - | 56,416 | 53,551 |
| Profit on savings accounts with banks | - | 1,142 | - | - | - | - |
| Dividend paid | - | 59,840 | 15,579 | - | 2,408 | 7 |
| Remuneration of UBL Fund Managers Limited - Management Company | 173,983 | - | - | - | - | - |
| Sindh sales tax onremuneration of the Management Company | 26,097 | - | - | - | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | - | - | 7,056 | - | - | - |
| Sindh sales tax onremuneration of the Trustee | - | - | 1,058 | - | - | - |
| CDS charges | - | - | 744 | - | - | - |

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| | (Units in 000's) | | | | | |
| **Transactions during the year** | | | | | | |
| Units issued | 970 | 107 | - | - | 91 | 2,224 |
| Units redeemed | - | - | - | - | 81 | 930 |
| | (Rupees in '000) | | | | | |
| Value of units issued | 224,013 | 16,492 | - | - | 18,324 | 447,589 |
| Value of units redeemed | - | - | - | - | 16,065 | 192,873 |
| Profit on savings accounts with banks | - | 8,691 | - | - | - | - |
| Dividend paid | - | 25,868 | - | 68,061 | 193 | - |
| Remuneration of UBL Fund Managers Limited - Management Company | 42,615 | - | - | - | - | - |
| Sindh sales tax onremuneration of the Management Company | 6,392 | - | - | - | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 2,420 | - | - | - | - | - |
| Sindh sales tax on remuneration of the Trustee | 363 | - | - | - | - | - |
| Selling and marketing expenses | 750 | - | - | - | - | - |
| Sindh sales tax onselling and marketing expenses | 113 | - | - | - | - | - |
| Allocated expenses | 147 | - | - | - | - | - |
| Sindh sales tax onallocated expenses | 22 | - | - | - | - | - |
| CDS charges | - | - | 141 | - | - | - |

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

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

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

**** During the year ended June 30, 2024, SECP carried out routine offsite review and onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling and marketing expenses to the funds under its management. As a result of this inspection, SECP recommended changes in the mechanism of chargeability of selling and marketing expenses to the fund. As agreed with SECP, during the period, the Management Company has refunded an aggregate amount of Rs. 11,106 million to the identified unit holders through the issuance of additional units of the Fund. There is no impact of this refund on Net Assets Value of the Fund as at June 30, 2025.

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| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| | (Units in 000's) | | | | | |
| **Balances as at year end** | | | | | | |
| Units held | - | 3,757 | 384 | - | 28 | 90 |
| | (Rupees in '000) | | | | | |
| Value of units held | - | 1,183,162 | 120,791 | - | 8,675 | 28,290 |
| Bank balances | - | 421,329 | - | - | - | - |
| Security deposit | - | - | - | - | - | - |
| Profit receivable on bank balance | - | 844,118 | - | - | - | - |
| Remuneration payable to the Management Company | 19,646 | - | - | - | - | - |
| Sindh sales taxpayable on remuneration of the Management Company | 2,947 | - | - | - | - | - |
| Remuneration payable to the Trustee | 716 | - | - | - | - | - |
| Sindh sales taxpayable on remuneration of the Trustee | 107 | - | - | - | - | - |
| Sales load and other payable | - | - | - | - | - | - |
| Selling and marketing expenses payable | - | - | - | - | - | - |
| Sindh sales tax payable on selling and marketing expenses | - | - | - | - | - | - |
| Allocated expenses payable | - | - | - | - | - | - |
| Sindh sales taxpayable on allocated expenses | - | - | - | - | - | - |

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and key executives *** | Other connected persons / related parties *** |
| | (Units in 000's) | | | | | |
| **Balances as at year end** | | | | | | |
| Units held | 970 | 7,815 | - | - | 13 | 3,088 |
| | (Rupees in '000) | | | | | |
| Value of units held | 224 | 1,806 | - | - | 3 | 714 |
| Bank balances | - | 205,252 | - | - | - | - |
| Profit receivable on bank balance | - | 3,079 | - | - | - | - |
| Remuneration payable to the Management Company | 5,151 | - | - | - | - | - |
| Sindh sales taxpayable on remuneration of the Management Company | 773 | - | - | - | - | - |
| Remuneration payable to the Trustee | - | - | 263 | - | - | - |
| Sindh sales taxpayable on remuneration of the Trustee | - | - | 40 | - | - | - |
| Sales load and other payable | 1,302 | - | - | - | - | - |
| Selling and marketing expenses payable | - | - | - | - | - | - |
| Sindh sales taxpayable on selling and marketing expenses | - | - | - | - | - | - |
| Allocated expenses payable | - | - | - | - | - | - |
| Sindh sales taxpayable on allocated expenses | | | | | | |

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

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

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

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## 19 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | | |
|---|---|---|---|
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees in '000) | | |
| **Financial assets** | | | |
| Bank balances | 422,444 | - | 422,444 |
| Investments | - | 7,576,766 | 7,576,766 |
| Profit receivable | 2,762 | - | 2,762 |
| Deposit | 2,500 | - | 2,500 |
| Receivable against conversion of units | 3,082 | - | 3,082 |
| Receivable from UBL Fund Managers Limited - Management Company | 704 | - | 704 |
| | 431,492 | 7,576,766 | 8,008,258 |
| **Financial liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 22,593 | - | 22,593 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 823 | - | 823 |
| Accrued expenses and other liabilities | 3,964 | - | 3,964 |
| | 27,380 | - | 27,380 |

| | 2025 | | |
|---|---|---|---|
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees in '000) | | |
| **Financial assets** | | | |
| Bank balances | 206,243 | - | 206,243 |
| Investments | - | 2,258,919 | 2,258,919 |
| Profit receivable | 3,104 | - | 3,104 |
| Deposit and other receivables | 5,590 | - | 5,590 |
| Receivable from UBL Fund Managers Limited - Management Company | 2,704 | - | 2,704 |
| | 217,641 | 2,258,919 | 2,476,560 |
| **Financial liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 7,982 | - | 7,982 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 303 | - | 303 |
| Dividend payable | 1,837 | - | 1,837 |
| Payable against redemption and conversion of units | 162,623 | - | 162,623 |
| Accrued expenses and other liabilities | 2,318 | - | 2,318 |
| | 175,063 | - | 175,063 |

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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## 20.1 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 guidelines established by the Investment Committee.

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

### (i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks in saving accounts, which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 4.224 million (2025: Rs. 2.062 million).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's yield / profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Effective yield / profit rate (%) | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | | Up to three months | More than three months and up to one year | More than one year | | |
| **On-balance sheet financial instruments** | | (Rupees in '000) | | | | |
| **Financial assets** | | | | | | |
| Bank balances | 9.50% | 422,444 | - | - | - | 422,444 |
| Investments | | - | - | | 7,576,766 | 7,576,766 |
| Profit receivable | | - | - | - | 2,762 | 2,762 |
| Deposit and other receivables | | - | - | - | 2,500 | 2,500 |
| Receivable from UBL Fund Managers Limited - Management Company | | - | - | - | 704 | 704 |
| Receivable against conversion of units | | - | - | - | 3,082 | 3,082 |
| | | 422,444 | - | - | 7,585,814 | 8,008,258 |
| **Financial liabilities** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | - | - | - | 22,593 | 22,593 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 823 | 823 |
| Accrued expenses and other liabilities | | - | - | - | 3,964 | 3,964 |
| | | - | - | - | 27,380 | 27,380 |
| **On-balance sheet gap (a)** | | 422,444 | - | - | 7,558,433 | 7,980,877 |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total profit rate sensitivity gap (a+b)** | | 422,444 | - | - | | |
| **Cumulative profit rate sensitivity gap** | | 422,444 | 422,444 | 422,444 | | |

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| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Effective yield / profit rate (%) | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | | Up to three months | More than three months and up to one year | More than one year | | |
| **On-balance sheet financial instruments** | | (Rupees in '000) | | | | |
| **Financial assets** | | | | | | |
| Bank balances | 9.50% | 206,243 | - | - | - | 206,243 |
| Investments | | - | - | | 2,258,919 | 2,258,919 |
| Profit receivable | | - | - | - | 3,104 | 3,104 |
| Deposits and other receivable | | - | - | - | 5,590 | 5,590 |
| Receivable from UBL Fund Managers Limited - Management Company | | - | - | - | 2,704 | 2,704 |
| | | 206,243 | - | - | 2,270,317 | 2,476,560 |
| **Financial liabilities** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | - | - | - | 7,982 | 7,982 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 303 | 303 |
| Dividend payable | | - | - | - | 1,837 | 1,837 |
| Payable against redemption and conversion of units | | - | - | - | 162,623 | 162,623 |
| Accrued expenses and other liabilities | | - | - | - | 2,318 | 2,318 |
| | | - | - | - | 175,063 | 175,063 |
| **On-balance sheet gap (a)** | | 206,243 | - | - | 2,095,255 | 2,301,498 |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total profit rate sensitivity gap (a+b)** | | 206,243 | - | - | | |
| **Cumulative profit rate sensitivity gap** | | 206,243 | 206,243 | 206,243 | | |

**(ii) Currency risk**

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

**(iii) Price risk**

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

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

In case of 1% increase / decrease in KSE-100 Index on June 30, 2026, with all other variables held constant, net income of the Fund would increase / decrease by Rs. 75.768 million (2025: Rs. 22.589 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

**20.2 Liquidity risk**

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

| | 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within one 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 five years | Financial instruments with no fixed maturity | Total |
| | (Rupees in '000) | | | | | | |
| **Financial liabilities** | | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 22,593 | - | - | - | - | - | 22,593 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 823 | - | - | - | - | - | 823 |
| Accrued expenses and other liabilities | 3,063 | 901 | - | - | - | - | 3,964 |
| | 26,479 | 901 | - | - | - | - | 27,380 |

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within one 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 five years | Financial instruments with no fixed maturity | Total |
| | (Rupees in '000) | | | | | | |
| **Financial liabilities** | | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | 7,982 | - | - | - | - | - | 7,982 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 303 | - | - | - | - | - | 303 |
| Dividend payable | 1,837 | - | - | - | - | - | 1,837 |
| Payable against redemption and conversion of units | 162,823 | - | - | - | - | - | 162,823 |
| Accrued expenses and other liabilities | 1,782 | 536 | - | - | - | - | 2,318 |
| | 174,527 | 536 | - | - | - | - | 175,063 |

## 20.3 Credit risk

**20.3.1** 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 arises from bank balances, profit receivable on bank balances, receivable against conversion of units and receivable from UBL Fund Managers Limited - Management Company.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | 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 | 422,444 | 422,444 | 206,243 | 206,243 |
| Investments | 7,576,766 | - | 2,258,919 | - |
| Profit receivable | 2,762 | 2,762 | 3,104 | 3,104 |
| Receivable against conversion of units | 3,082 | 3,082 | - | - |
| Deposit and other receivables | 2,500 | 2,500 | 5,590 | 5,590 |
| Receivable from UBL Fund Managers Limited - Management Company | 704 | 704 | 2,704 | 2,704 |
| | 8,008,258 | 431,492 | 2,476,560 | 217,641 |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 and June 30, 2025 is the carrying amount of the financial assets. Investment in equity securities, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

20.3.2 The Fund's significant credit risk arises mainly on account of its placements in banks and profit receivable thereon. The credit rating profile of balances with banks is as follows:

| Banks | Rating agency | Rating (Long Term) | 2026 | 2025 |
|---|---|---|---|---|
| | | | % of financial assets exposed to credit risk | |
| Allied Bank Limited* | PACRA | AAA | - | - |
| United Bank Limited | VIS | AAA | 99.74% | 99.52% |
| Soneri Bank Limited | PACRA | AA | 0.26% | 0.48% |
| National Bank of Pakistan* | PACRA | AAA | - | - |
| | | | 100.00% | 100.00% |

** Nil due to rounding off*

**20.3.3 Concentration of credit risk**

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

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

## 21 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.

### 21.1 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, 2026, and June 30, 2025 the Fund held the following financial instruments measured at fair value:

| ASSETS | 2026 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | Rupees in '000 | | | |
| **Financial assets 'at fair value through profit or loss'** | | | | |
| Shares of listed companies - 'ordinary shares' | 7,576,766 | - | - | 7,576,766 |
| | 7,576,766 | - | - | 7,576,766 |

| | 2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | Rupees in '000 | | | |
| **Financial assets 'at fair value through profit or loss'** | | | | |
| Shares of listed companies - 'ordinary shares' | 2,258,919 | - | - | 2,258,919 |
| | 2,258,919 | - | - | 2,258,919 |

**21.2** Valuation technique used in determination of fair values is as follows:

| Item | Valuation technique |
|---|---|
| Shares of listed companies - 'ordinary shares' | The fair value of investments in shares of listed companies - 'ordinary shares' are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange. |

There were no transfers between levels during the year.

## 22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;

- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and

- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and tracks the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

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## 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Name of the broker | Percentage of commission paid | Name of the broker | Percentage of commission paid |
| 1 | UBL Financial Services (Private) Limited | 22.15% | Spectrum Securities (Private) Limited | 11.25% |
| 2 | Habib Metropolitan Financial Services Limited | 8.86% | EFG Hermes Pakistan Limited | 6.94% |
| 3 | Aba Ali Habib Securities (Private) Limited | 8.56% | Alfalah Cisa Securities (Private) Limited | 6.61% |
| 4 | Al'a Adhi Securities (Private) Limited | 6.77% | JS Global Capital Limited | 6.57% |
| 5 | Sherman Securities (Private) Limited | 5.02% | Aba Ali Habib Securities (Private) Limited | 5.96% |
| 6 | Optimus Capital Management (Private) Limited | 4.62% | AKD Securities Limited | 5.51% |
| 7 | Growth Securities (Private) Limited | 3.80% | Optimus Capital Management (Private) Limited | 4.40% |
| 8 | Intermarket Securities Limited | 3.34% | Topline Securities (Private) Limited | 4.39% |
| 9 | BMA Capital Management Limited | 3.21% | Multiline Securities (Private) Limited | 3.96% |
| 10 | DJM Securities (Private) Limited | 3.00% | Adam Securities (Private) Limited | 3.96% |

## 24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

| S.No | Name | Designation | Experience in years | Qualification |
|---|---|---|---|---|
| 1 | Asif Ali Qureshi | Chief Executive Officer | 30 | CFA, MBA |
| 2 | Muhammad Imran** | Chief Investment Officer | 20 | MBA |
| 3 | Mubeen Ashraf | Assurance and Company Secretary | 25 | FCA |
| 4 | Irfan Nepal | Unit Head Trading Desk | 33 | EMBA, MA |
| 5 | Syed Sheeraz Ali | Head of Fixed Income Funds | 17 | BS, CFA I |
| 6 | Muhammad Saad Imran** | Fund Manager - Equities | 4 | BBA, CFA I |
| 7 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | 21 | M.A |
| 8 | Muhammad Waseem* | Unit Head Equity - Islamic Funds | 12 | BBA, CFA |
| 9 | Karim Punjani*** | Fund Manager - Head of Equities | 11 | MBA, ACCA |

** Muhammad Waseem ceased to hold office with effect from August 13, 2025.*
*** Muhammad Imran and Muhammad Saad Imran were appointed on November 06, 2025 and August 25, 2025 respectively.*
**** Karim Punjani was appointed on August 01, 2025 and ceased to hold office with effect from May 05, 2026.*

**24.1** The name of the Fund Manager is Muhammad Saad Imran.

Other funds being managed by Muhammad Saad Imran are:
- UBL Asset Allocation Fund
- UBL Stock Advantage Fund
- UBL Financial Sector Fund
- UBL Pakistan Enterprise Exchange Traded Fund
- UBL Retirement Savings Fund
- Al-Ameen Islamic Asset Allocation Fund
- Al-Ameen Shariah Stock Fund
- Al-Ameen Islamic Retirement Savings Fund
- Al-Ameen Islamic Energy Fund

## 25 UNIT HOLDING PATTERN OF THE FUND

| Category | 2026 | | |
|---|---|---|---|
| | Number of unit holders | Investment amount | Percentage |
| | | (Rupees in '000) | % |
| Individuals | 5,798 | 4,492,161 | 56.40% |
| Retirement Funds | 16 | 635,142 | 7.96% |
| Associated companies / Directors | 7 | 765,102 | 9.61% |
| Public limited companies | 17 | 564,385 | 7.09% |
| Others | 21 | 1,508,667 | 18.94% |
| | 5,859 | 7,965,457 | 100.00% |

MEL

| Category | 2025 | | |
|---|---|---|---|
| | Number of unit holders | Investment amount (Rupees in '000) | Percentage |
| Individuals | 1,538 | 951,449 | 41.43% |
| Insurance companies | 3 | 586,522 | 25.54% |
| NBFC | 1 | 224,248 | 9.77% |
| Retirement Funds | 18 | 298,912 | 13.02% |
| Associated companies / Directors | 14 | 27,749 | 1.21% |
| Public limited companies | 1 | 245 | 0.01% |
| Others | 16 | 207,266 | 9.03% |
| | 1,591 | 2,296,392 | 100.00% |

## 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

| NAME OF DIRECTORS | Meetings held on | | | | | |
|---|---|---|---|---|---|---|
| | August 22, 2025 | October 20, 2025 | January 14, 2026 | February 18, 2026 | April 17, 2026 | Total Meetings Attended |
| Mr. Imran Sarwar | Yes | Yes | Yes | Yes | Yes | 5 |
| Ms. Huma Pasha | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Rashid Ahmed Jafer | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Alee Khalid | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Farrukh Karim Khan | Yes | Yes | Yes | Yes | Yes | 5 |
| Mr. Rizwan Malik* | No | Yes | Yes | No | No | 2 |
| Mr. Asif Qureshi | Yes | Yes | Yes | Yes | Yes | 5 |

**Mr. Rizwan Malik resigned on June 29, 2026.*

## 27 GENERAL

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

## 28 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where considered necessary, for the purposes of comparison. No significant reclassification was made in these financial statements.

## 29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 20, 2026 by the Board of Directors of the Management Company.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

# UIOF

**UBL Income Opportunity Fund**

**INVESTMENT OBJECTIVE**

The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs/ Sukuk, Government Securities, Bank Deposits, short and long term debt
instruments.

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

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

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

Income / Open-end

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

The Objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments.

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

The Fund achieved its stated objective.

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

75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

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

| Monthly Yield* | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | FYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UIOF | 12.91% | 11.16% | 8.98% | 9.52% | 11.42% | 15.14% | 11.54% | 8.37% | 2.68% | 11.33% | 9.69% | 11.84% | 10.90% |
| Benchmark | 10.57% | 10.58% | 10.55% | 10.60% | 10.58% | 10.36% | 9.96% | 10.05% | 10.50% | 10.81% | 11.36% | 11.39% | 10.61% |

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

The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments. The Fund posted a return of 10.90% p.a. during FY26. The weighted average maturity of the Fund was 1.23 years at the end of June 30, 2026. The Fund's Asset Size stood at PKR 2,892 million as at June 30, 2026. The fund composed of 39.31% of Cash, 28.17% of GOP Ijarah Sukuk, and 27.09% of PIB-Floater.

**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-26 | Jun-25 |
|---|---|---|
| Term Finance Certificates/ Sukuks | 5% | 2% |
| Placements with Banks | 0% | 0% |
| PIBs | 0% | 53% |
| PIB - Floater | 27% | 0% |
| PIB - Fixed | 0% | 0% |
| GoP Ijarah Sukuk | 28% | 0% |
| T-Bills | 0% | 2% |

| | | |
|---|---|---|
| Cash | 39% | 42% |
| Others | 1% | 1% |

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

| | |
|---|---|
| FY'26 Return: | 10.90% |
| Standard Deviation (12m trailing): | 0.48% |
| Sharpe Ratio (12m trailing): | (0.08) |

**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-26 | 30-Jun-25 | Change | 30-Jun-26 | 30-Jun-25 | Change |
| Rupees (000) | | % | Rupees | | % |
| 2,891,788 | 9,168,753 | (68.46) | 111.2459 | 110.8399 | 0.36 |

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

Please refer to relevant section in director report

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

| Distribution | | | | Per Unit | |
|---|---|---|---|---|---|
| Declared on | Bonus | Cash | Per unit | Cum NAV | Ex NAV |
| | Rupees (000) | | Rupees- | | |
| 26-Sep-2025 | - | 36,067 | 3.0673 | 113.8143 | 110.7380 |
| 19-June-2026 | - | 143,191 | 8.3195 | 119.1594 | 110.8399 |

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

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

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

| Range of Units | Number of Investors |
|---|---|
| | UIOF |
| 0.0001 - 9,999.9999 | 5114 |
| 10,000.0000 - 49,999.9999 | 65 |
| 50,000.0000 - 99,999.9999 | 20 |
| 100,000.0000 - 499,999.9999 | 22 |
| 500,000.0000 & Above | 7 |
| **Total** | **5228** |

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

There were no unit splits during the period.

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

Investment are subject to market risk.

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

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

## PERFORMANCE TABLE

## UBL Income Opportunity Fund

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **NET ASSETS AS AT 30 JUNE - Rupees in '000** | **2,891,788** | 9,168,753 | 1,996,905 | 668,244 | 2,111,026 |
| **NET ASSETS VALUE PER UNIT AT 30 JUNE - Rupees** | | | | | |
| Class A units - Offer * | **113.1649** | 112.7519 | 112.3174 | 112.2277 | 112.261 |
| - Redemption | **111.2459** | 110.8399 | 110.4454 | 110.3571 | 110.3899 |
| **RETURN OF THE FUND - %** | | | | | |
| Total Return of the Fund | **10.9** | 16.85 | 21.85 | 16.13 | 9.2 |
| Capital Growth (per unit) | **0.62** | 0.42 | 0.09 | 0.04 | 0.13 |
| Date of Income Distribution | **26-Sep-25** | | | - | - |
| Income Distribution | **3.0763** | | | - | - |
| Date of Income Distribution | **19-Jun-26** | 15-Jun-25 | 28-Jun-24 | 27-Jun-23 | 24-Jun-22 |
| Income Distribution | **8.3195** | 18.1482 | 24.0154 | 17.7620 | 9.9959 |
| **AVERAGE ANNUAL RETURN - %** | | | | | |
| One Year | **10.90** | 16.85 | 21.85 | 16.13 | 9.20 |
| Second Year | **19.35** | 18.99 | 12.67 | 7.79 | 11.08 |
| Third Year | **18.28** | 15.73 | 10.57 | 10.45 | 10.21 |
| Fourth Year | **16.01** | 13.39 | 11.87 | 9.96 | 8.74 |
| **OFFER / REPURCHASE DURING THE YEAR- Rupees** | | | | | |
| Highest price per unit - Class A units - Offer | **121.2149** | 130.8384 | 136.3865 | 129.8118 | 122.2472 |
| Highest price per unit - Class A units - Redemption | **119.1594** | 128.6197 | 134.1133 | 127.6482 | 120.2096 |
| Lowest price per unit - Class A units - Offer | **112.6482** | 112.3510 | 112.2277 | 111.9928 | 112.1225 |
| Lowest price per unit - Class A units - Redemption | **110.7380** | 110.4458 | 110.3571 | 110.1262 | 110.2537 |

* Front-end load @ 1.5% is applicable

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

| **PORTFOLIO COMPOSITION BY CATEGORY - %** | | | | | |
|---|---|---|---|---|---|
| Bank Balances | **39.31** | 42.35 | 11.63 | 39.96 | 73.36 |
| Spread Transaction | **-** | - | - | - | - |
| TFC'S & Government Securities | **-** | - | 85.70 | 54.81 | 24.02 |
| T-Bills | **-** | 2.10 | - | - | 2.62 |
| PIB - Fixed | **28.17** | - | - | - | |
| PIB - Floater | **27.82** | 44.71 | - | - | |
| GOP Ijarah Sukuk | **3.94** | 8.08 | - | - | |
| Term Finance Certificates/ Sukuks | **0.61** | 2.09 | - | - | |
| Others | **0.15** | 0.67 | 2.67 | 5.23 | |
| **PORTFOLIO COMPOSITION BY MARKET - %** | | | | | |
| Debt Market | **100.00** | 100.00 | 100.00 | 100.00 | 100.00 |

Note:
- The Launch date of Fund is 29 March 2013.

**DISCLAIMER**

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

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**
**Head Office:**
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S.M.C.H.S., Main Shahra-e-Faisal
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Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com

# TRUSTEE REPORT TO THE UNIT HOLDERS

## UBL INCOME OPPORTUNITY FUND

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of UBL Income Opportunity Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

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

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

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

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

**Badiuddin Akber**
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 22, 2026

BDO

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Pakistan

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

### Report on the audit of the financial statements

### Opinion

We have audited the financial statements **UBL Income Opportunity Fund** ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

### Basis for opinion

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

### Key Audit Matters

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

**Following is the key audit matter:**

| S.No | Key audit matter | How the matter was addressed in our audit |
|---|---|---|
| 1. | **Existence and valuation of bank balances and investments**<br><br>As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2026, the bank balances and investment amounting to Rs. 1,749.286 million and Rs. 1,149.688 million which represent 99.12% of total assets.<br><br>The existence of bank balances and existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2026. | Our audit procedures amongst others included the following:<br><br>• Obtained independent confirmations for verifying the existence of the investments portfolio and bank balances as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed;<br><br>• Re-performed valuation to assess that investments is carried as per the valuation methodology specified in the accounting policies; |



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

| S.No | Key audit matter(s) | How the matter was addressed in our audit |
|---|---|---|
| | We considered existence of bank balance and existence and valuation of investments as Key audit matter due to significance of these in relation to total assets. | • Obtained bank reconciliation statements and tested reconciling items on a sample basis;<br><br>• Assessed the Funds' compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard; and<br><br>• Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. |

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

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

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

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

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

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

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

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.



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

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



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

**Report on other legal and regulatory requirements**

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

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

**KARACHI**

**DATED:** 25 SEP 2026

**UDIN: AR202610067Rm3PdEOLS**

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


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

**UBL INCOME OPPORTUNITY FUND**
**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | -------- (Rupees in '000) -------- | |
| **ASSETS** | | | |
| Bank balances | 5 | 1,149,688 | 3,902,827 |
| Investments | 6 | 1,749,286 | 5,251,880 |
| Profit / mark-up receivable | 8 | 15,066 | 47,585 |
| Advances, deposits, prepayments and other receivables | 9 | 316 | 9,597 |
| Advance tax | 10 | 10,468 | 4,509 |
| **TOTAL ASSETS** | | 2,924,824 | 9,216,398 |
| **LIABILITIES** | | | |
| Payable to UBL Fund Managers Limited - Management Company | 11 | 7,001 | 17,937 |
| Payable to Central Depository Company of Pakistan Limited - | 12 | 247 | 474 |
| Payable to Securities and Exchange Commission of Pakistan | 13 | 213 | 411 |
| Accrued expenses and other liabilities | 14 | 25,575 | 28,823 |
| **TOTAL LIABILITIES** | | 33,036 | 47,645 |
| **NET ASSETS** | | 2,891,788 | 9,168,753 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | 2,891,788 | 9,168,753 |
| **CONTINGENCIES AND COMMITMENTS** | 15 | | |
| | | --------(Number of units)-------- | |
| **NUMBER OF UNITS IN ISSUE** | 16 | 25,994,565 | 82,720,722 |
| | | ----------(Rupees)---------- | |
| **NET ASSET VALUE PER UNIT** | | 111.2459 | 110.8399 |

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL INCOME OPPORTUNITY FUND**
**INCOME STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | -------- (Rupees in '000) -------- | |
| **Income** | | | |
| Financial income | 17 | 822,900 | 414,018 |
| Capital gain/(loss) on sale of investments - net | | 9,264 | 69,675 |
| Unrealized appreciation on re-measurement of investment classified as financial assets at 'fair value through profit or loss' - net | 7 | 1,120 | 1,225 |
| Other income | | 234 | 352 |
| **Total income** | | 833,518 | 485,270 |
| **Expenses** | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 11.1 | 32,584 | 26,907 |
| Sindh Sales tax on Management Company's remuneration | 11.3 | 4,888 | 4,036 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 12.1 | 5,624 | 2,137 |
| Sindh Sales tax on remuneration of the Trustee | 12.2 | 844 | 320 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 13.1 | 5,623 | 2,138 |
| Auditors' remuneration | 18 | 581 | 599 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 19 | - | 808 |
| Selling and marketing expense | | - | 2,885 |
| Fees and subscription | | 620 | 458 |
| Securities transaction and settlement costs | | 1,115 | 1,123 |
| Bank charges | | 16 | 96 |
| | | 51,895 | 41,507 |
| **Net income before taxation** | | 781,623 | 443,763 |
| Taxation | 20 | - | - |
| **Net income for the year** | | 781,623 | 443,763 |
| **Allocation of net income for the year** | | | |
| Net income for the year | | 781,623 | 443,763 |
| Income already paid on units redeemed | | (743,941) | (362,354) |
| **Net income for the year available for distribution** | | 37,682 | 81,409 |
| **Accounting income available for distribution:** | | | |
| Relating to capital gains | | 10,384 | 69,675 |
| Excluding capital gains | | 27,298 | 11,734 |
| | | 37,682 | 81,409 |

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL INCOME OPPORTUNITY FUND**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | 2025 |
|---|---|---|
| | -------- (Rupees in '000) -------- | |
| Net income for the year | 781,623 | 443,763 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 781,623 | 443,763 |

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

| _____SD_____ | _____SD_____ | _____SD_____ |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL INCOME OPPORTUNITY FUND**
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Net assets at the beginning of the year | 9,130,675 | 38,078 | 9,168,753 | 1,983,449 | 13,456 | 1,996,905 |
| **Issuance of 249,244,037 units (2025: 162,869,286 units)** | | | | | | |
| Capital value | 27,626,184 | - | 27,626,184 | 17,988,159 | - | 17,988,159 |
| Element of income during the year | 729,219 | - | 729,219 | 932,744 | - | 932,744 |
| Total proceeds on issuance of units | 28,355,403 | | 28,355,403 | 18,920,903 | | 18,920,903 |
| **Redemption of 305,970,192 units (2025: 98,229,036 units)** | | | | | | |
| Capital value | (33,913,706) | - | (33,913,706) | (10,848,945) | - | (10,848,945) |
| Element of loss during the year | (577,087) | (743,941) | (1,321,028) | (896,415) | (362,354) | (1,258,769) |
| Total payments on redemption of units | (34,490,792) | (743,941) | (35,234,733) | (11,745,360) | (362,354) | (12,107,714) |
| Total comprehensive income for the year | - | 781,623 | 781,623 | - | 443,767 | 443,767 |
| Distribution during the year Rs 8.3195 @ Jun 19, 2026 (2025:Rs 18.1482 @ Jun 18, 2025) | (117,665) | (25,526) | (143,191) | (28,317) | (56,791) | (85,108) |
| Distribution during the year Rs 3.0763 @ Sept 26, 2025 | (4,704) | (31,363) | (36,067) | | | |
| | (122,369) | 724,734 | 602,365 | (28,317) | 386,976 | 358,659 |
| Net assets at the end of the year | 2,872,917 | 18,871 | 2,891,788 | 9,130,675 | 38,078 | 9,168,753 |
| **Undistributed income brought forward comprises of:** | | | | | | |
| Realized gain | | 36,853 | | | 12,921 | |
| Unrealized gain | | 1,225 | | | 535 | |
| **Total undistributed income brought forward** | | 38,078 | | | 13,456 | |
| **Income available for distribution:** | | | | | | |
| Relating to capital gains | | 10,384 | | | 69,675 | |
| Excluding capital gains | | 27,298 | | | 11,734 | |
| | | 37,682 | | | 81,409 | |
| Distribution during the year Rs 8.3195 @ Jun 19, 2026 (2025:Rs 18.1482 @ Jun 18, 2025) | | (25,526) | | | (56,791) | |
| Distribution during the year Rs 3.0763 @ Sept 26, 2025 | | (31,363) | | | | |
| **Undistributed income carried forward** | | 18,871 | | | 38,078 | |
| **Undistributed income carried forward comprises of:** | | | | | | |
| Realized gain | | 17,752 | | | 36,853 | |
| Unrealized gain | | 1,120 | | | 1,225 | |
| **Total undistributed income carried forward** | | 18,871 | | | 38,078 | |

| | 2026 (Rupees) | 2025 (Rupees) |
|---|---|---|
| Net assets value per unit at the beginning of the year | 110.8399 | 110.4454 |
| Net assets value per unit at the end of the year | 111.2459 | 110.8399 |

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL INCOME OPPORTUNITY FUND**
**CASH FLOW STATEMENT**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | -------- (Rupees in '000) -------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income before taxation | | 781,623 | 443,763 |
| Adjustments for: | | | |
| Unrealized loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net | | (1,120) | (1,225) |
| Cash generated from operations before working capital changes | | 780,503 | 442,538 |
| Working capital changes | | | |
| (Increase) / decrease in assets | | | |
| Investments - net | | 3,503,714 | (3,719,810) |
| Profit / mark-up receivable | | 32,519 | 9,706 |
| Advance tax | | (5,959) | (39) |
| Advances, deposits, prepayments and other receivables | | 3,043 | (22) |
| (Decrease) / increase in liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | | (10,936) | 5,788 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (227) | 305 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | | (198) | 263 |
| Accrued expenses and other liabilities | | (3,248) | 23,208 |
| Dividend received | | - | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Receipts from issuance of units | | 28,361,641 | 18,934,618 |
| Payments against redemption of units | | (35,234,733) | (12,107,714) |
| Dividend paid | | (179,257) | (84,600) |
| Net cash generated from financing activities | | (7,052,349) | 6,742,304 |
| Net increase in cash and cash equivalents during the year | | (2,753,139) | 3,504,242 |
| Cash and cash equivalents at the beginning of the year | | 3,902,827 | 398,585 |
| Cash and cash equivalents at the end of the year | 5 | 1,149,688 | 3,902,827 |

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |

**UBL INCOME OPPORTUNITY FUND**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2026**

## 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Income Opportunity Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on January 01, 2013 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2013 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act, 2020 for registration. Subsequently on August 30, 2021 trust deed of the fund has been registered under Sindh Trust Act, 2020.

1.2 The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines, Karachi.

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

1.4 The fund has been categorised as an open ended 'income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is quoted on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre-IPO at a par value of Rs 100 per unit. Thereafter,the units are being offered for public subscription on a continous basis and are transferable and redeemable by surrendring them to the Fund.

1.5 The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuks issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall not apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.

1.6 VIS Credit Rating Company Limited has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and a stability rating of "AA-(f)" to the Fund.

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

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

- Provisions of, directives and notifications 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)

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3 APPLICATION OF NEW STANDARDS, AMENDSMENTS AND INTERPRETATIONS ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

| | **Effective date (annual periods beginning on or after)** |
|---|---|
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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

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

| | |
|---|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments | January 01, 2026 |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2027 |

| | Effective date (annual periods beginning on or after) |
|---|---|
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026 |
| Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures | January 01, 2027 |
| IFRS 17 Insurance Contracts | January 01, 2027 |
| IFRS 18 Presentation and Disclosures in Financial Statements | January 01, 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks in savings and current accounts.

### 4.2 Financial instruments

#### 4.2.1 Initial recognition and measurement

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

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

**Classification and subsequent measurement**

#### 4.2.2 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost (AC);
- At fair value through other comprehensive income (FVOCI); and
- At fair value through profit or loss (FVPL).

**Financial assets at amortized cost**

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

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

Financial asset classified at amortised cost is subsequently carried at a mortised cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

**Financial asset at FVTOCI**

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

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

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

**Financial asset at FVPL**

All other financial assets are classified as FVPL .

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

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

**Business model assessment**

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

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flows.

- Held-to-collect and sell business model: If any. These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Market Treasury Bills, Pakistan Investment Bonds, Term Finance Certificates and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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

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

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

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

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

### 4.2.3 Financial liabilities

The Fund's financial liabilities are classified and measured at amortised cost using the effective interest method. Any gain or loss on derocgnition in in the income statement.

### 4.2.4 Impairment of financial assets

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

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

### 4.2.5 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.

### 4.2.6 De-recognition

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

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

### 4.3 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 recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

### 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 Taxation

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

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

### 4.6 Distributions to unit holders

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

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

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year/period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

### 4.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the funds/cash received in bank during business hours, as of the close of the previous day on which the funds/cash were received in the bank. The offer price represents the net asset value per unit as of the close of the previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable, is payable to the Management Company.

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

### 4.8 Earning per unit

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

### 4.9 Element of income and capital gain included in price of units issued less those in units redeemed

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

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

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

**4.10 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**

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

**4.12 Expenses**

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

**4.13 Critical accounting estimates and judgements**

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

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

| | Notes |
|---|---|
| Classification and valuation of investments | 4.2.1.1 |
| Provisions | 4.5 |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **5 BANK BALANCES** | | | |
| Cash at bank | | | |
| In current accounts | | 48 | 48 |
| In savings accounts | 5.1 | 1,149,640 | 3,902,779 |
| | | 1,149,688 | 3,902,827 |

**5.1** Profit rates on these savings accounts ranges from 6% to 13.05% per annum (June 30, 2025: 3.00% to 20.1% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 343.443 million (June 30, 2025 : Rs. 2863.05 million) on which return is earned at 9.5%-11.38% (June 30, 2025 : 9.5%-19.0%) per annum.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **6 INVESTMENTS** | | | |
| Financial assets | | | |
| At fair value through profit or loss | 6.1 | 1,749,286 | 5,251,880 |

**6.1 Financial assets at fair value through profit or loss**

| | | | |
|---|---|---|---|
| Government securities | | | |
| Market treasury bills | 6.1 | - | 193,450 |
| Pakistan Investment Bonds | 6.2 | 1,616,049 | 4,865,368 |
| Term Finance Certificates | 6.3 | 115,343 | 170,056 |
| Corporate Sukuk bonds | 6.4 | 17,894 | 23,006 |
| | | 1,749,286 | 5,251,880 |

**6.1 Market Treasury Bills**

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciatio |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2025 | Purchases during the year | Sales / matured during the year | As at June 30, 2026 | | | |
| | | ----------Rupees in '000'---------- | | | | | | |
| November 13, 2025 | 1-Month | - | 500,000 | 500,000 | - | - | - | - |
| April 30, 2026 | 1-Month | - | 1,000,000 | 1,000,000 | - | - | - | - |
| May 21, 2026 | 1-Month | - | 4,006,000 | 4,006,000 | - | - | - | - |
| May 2, 2025 | 3-Months | 5,220 | 2,000,000 | 2,005,220 | - | - | - | - |
| January 9, 2025 | 12-Months | 199,000 | - | 199,000 | - | - | - | - |
| July 10, 2025 | 12-Months | - | 500,000 | 500,000 | - | - | - | - |
| Total - As at June 30, 2026 | | 204,220 | 8,006,000 | 8,210,220 | - | - | - | - |
| Total - As at June 30, 2025 | | 550,000 | 21,564,220 | 21,910,000 | 204,220 | 193,447 | 193,450 | |

**6.2 Pakistan Investment Bonds**

**6.2.1 Non-Floating**

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciatio |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2025 | Purchases during the year | Sales / matured during the year | As at June 30, 2026 | | | |
| | | ----------Rupees in '000---------- | | | | | | |
| January 16, 2025 | 2 -Years | 875,000 | - | - | 875,000 | 830,714 | 823,809 | (6,9 |
| July 17, 2025 | 5 -Years | - | 250,000 | 250,000 | - | - | - | - |
| Total - As at June 30, 2026 | | 875,000 | 250,000 | 250,000 | 875,000 | 830,714 | 823,809 | (6,9 |
| Total - As at June 30, 2025 | | 100,000 | 4,742,900 | 3,967,900 | 875,000 | 744,942 | 745,128 | 1 |

**6.2.2 Floating**

| Issue date | Tenure | Face value | | | | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciatio |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2025 | Purchases during the period | Sales / matured during the period | As at June 30, 2026 | | | |
| | | ----------Rupees in '000---------- | | | | | | |
| June 27, 2024 | 5 Years | 3,200,000 | - | 2,400,000 | 800,000 | 784,960 | 792,240 | 7,28 |
| April 17, 2025 | 5 Years | 1,000,000 | - | 1,000,000 | - | - | - | - |
| May 6, 2021 | 5 Years | - | 3,500,000 | 3,500,000 | - | - | - | - |
| July 17, 2025 | 5 Years | - | 250,000 | 250,000 | - | - | - | - |
| Total - As at June 30, 2026 | | 4,200,000 | 3,750,000 | 7,150,000 | 800,000 | 784,960 | 792,240 | 7,28 |
| Total - As at June 30, 2025 | | 670,000 | 6,930,000 | 3,400,000 | 4,200,000 | 4,119,211 | 4,120,240 | 1,02 |

6.2.2.1 As at June 30, 2026, Pakistan Investment Bonds (PIBs) had a face value of Rs. 1,675 million (June 30, 2025: 770 million) carrying effective yield 10
30, 2025: 11.49% to 12.45% per annum).

**6.3 Term Finance Certificates**

| Name of the investee company | As at July 1, 2025 | Purchases during the year | Sales during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciatio |
|---|---|---|---|---|---|---|---|
| | ----------Certificates---------- | | | | ---------- (Rupees in '000) ---------- | | |
| **Term Finance Certificates** | | | | | | | |
| Samba Bank Limited | 333 | - | 333 | - | - | - | |
| Bank Al-Habib Limited | 5,000 | - | - | 5,000 | 24,843 | 24,692 | (15 |
| The Bank of Punjab | 800 | - | - | 800 | 78,506 | 78,892 | 38 |
| Kashf Foundation | 450 | - | - | 450 | 11,250 | 11,759 | 50 |
| Total - As at June 30, 2026 | 6,583 | - | 333 | 6,250 | 114,599 | 115,343 | 74 |
| Total - As at June 30, 2025 | 6,583 | - | - | 6,583 | 170,351 | 170,056 | (29 |

6.3.1 Significant terms and conditions of term finance certificates outstanding at the year end are as follows:

| Name of security | Number of certificates | Redemption Value | | Interest rate (Per annum) | M |
|---|---|---|---|---|---|
| | | Per certificate | Total | | |
| Bank Al-Habib Limited | 5,000 | 4,991 | 24,955,000 | 6M KIBOR + 0.75% | Septem |
| Kashf Foundation | 450 | 25,000 | 11,250,000 | 6M KIBOR + 1.5% | Decem |
| The Bank of Punjab | 800 | 99,880 | 79,904,000 | 6M KIBOR + 1.25% | Apri |

**6.4 Corporate Sukuk Bond**

| Name of the investee company | As at July 1, 2025 | Purchases during the year | Sales during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealized appreciatio |
|---|---|---|---|---|---|---|---|
| | ----------Certificates---------- | | | | ---------- (Rupees in '000) ---------- | | |
| **Corporate Sukuk Bond** | | | | | | | |
| K-Electric Limited | 250 | - | - | 250 | 17,894 | 17,894 | |
| Total - As at June 30, 2026 | 250 | - | - | 250 | 17,894 | 17,894 | |
| Total - As at June 30, 2025 | 250 | - | - | 250 | 22,702 | 23,006 | 30 |

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

| Name of the investee company | Remaining principal (per certificate) | Mark-up rate (per annum) |
|---|---|---|
| **Corporate Sukuk Bond** | | |
| K-Electric Limited | 70,000 | 3 months KIBOR + 1.7% |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | ------- (Rupees in '000) ------- | |
| **7** | **Unrealised gain on revaluation of investment classified as 'at fair value through profit or loss' - net** | | | |
| | Market value of investments | | 1,749,286 | 5,251,880 |
| | less: Carrying value of investments | | (1,748,167) | (5,250,655) |
| | Unrealised Gain | | 1,120 | 1,225 |
| **8** | **PROFIT / MARK-UP RECEIVABLE** | | | |
| | Mark-up / interest receivable on: | | | |
| | Savings accounts | | 10,986 | 14,216 |
| | Pakistan Investment Bonds | | 871 | 28,269 |
| | Term Finance Certificates | | 2,948 | 4,782 |
| | Corporate Sukuk bonds | | 261 | 319 |
| | | | 15,066 | 47,585 |
| **9** | **ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES** | | | |
| | Security deposit with: | | | |
| | National Clearing Company of Pakistan Limited (NCCPL) | | - | 1,000 |
| | Central Depository Company of Pakistan Limited | | 100 | 100 |
| | Prepaid expenses | 9.1 | 59 | 40 |
| | Advance against NCCPL exposure margin | | - | 2,062 |
| | Receivable on issuance of units | | 157 | 6,395 |
| | | | 316 | 9,597 |
| **10** | **ADVANCE TAX** | | | |
| | Advance tax | | 10,468 | 4,509 |

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular “C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R”, dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time as per Income Tax Ordinance , 2001.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |

## 11 PAYABLE TO UBL FUND MANAGERS LIMITED- MANAGEMENT COMPANY

| | | | |
|---|---|---|---|
| Remuneration payable of the Management Company | 11.1 | 4,220 | 2,465 |
| Sindh Sales Tax payable on the Management | 11.3 | 633 | 370 |
| Conversion charges payable to management company | | - | 61 |
| Sales load payable | | 484 | 13,377 |
| Allocated expenses payable | | 1,664 | 1,664 |
| | | 7,001 | 17,937 |

11.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. 'The Management Company has charged its remuneration at the rate of 1.50% per annum of the average daily net assets during the year (2025: 1.50% per annum of the average daily net assets). The remuneration is payable to the Management Company monthly in arrears.

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

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

11.3 Sindh Sales Tax has been levied at 15% (2025: 15%) on the management fee charged during the year.

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

| | | | |
|---|---|---|---|
| Trustee fee payable | 12.1 | 215 | 420 |
| Sales tax on remuneration payable | 12.2 | 32 | 54 |
| | | 247 | 474 |

12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein, based on the average annual net assets of the Fund. The Fund has charged Trustee Fee at the rate of 0.075% (2025: 0.075%) per annum of average daily net assets of the Fund during the year. The fee is paid to the Trustee monthly in arrears.

12.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2025: 15%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** | | | |
| Annual fee payable | 13.1 | 213 | 411 |

13.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorised as an income scheme is required to pay as annual fee to the SECP. The Fund has charged this at the rate of 0.075% from July 01, 2025 to June 30, 2026 of the average net assets. The fee is payable annually in arrears.

**14 ACCRUED EXPENSES AND OTHER LIABILITIES**

| | | | |
|---|---|---|---|
| Zakat deducted at source payable | | 65 | 177 |
| Federal excise duty payable | 14.1 | 1,597 | 1,597 |
| Capital gains tax payable | | 22,531 | 25,235 |
| Auditors' remuneration payable | | 295 | 170 |
| Brokerage expense payable | | 806 | 955 |
| Sales load payable to SCB | | 12 | - |
| Payable against legal expenses and professional fees | | 269 | 162 |
| Listing fee payable | | - | 15 |
| Dividend Payable | | - | 508 |
| Other payables | | - | 4 |
| | | 25,575 | 28,823 |

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. Had the provision not been recorded, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Rs.0.0193 per unit (June 30, 2025: Rs. 0.200 per unit).

## 15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (June 30, 2025 Nil).

## 16 NUMBER OF UNITS IN ISSUE

| | 2026 | 2025 |
|---|---|---|
| | ----------(Number of units)---------- | |
| Total units in issue at the beginning of the year | 82,720,722 | 18,080,472 |
| Add: Units issued | 249,244,037 | 162,869,286 |
| Less: Units redeemed | (305,970,194) | (98,229,036) |
| Total units in issue at the end of the year | 25,994,565 | 82,720,722 |

## 17 FINANCIAL INCOME

| | 2026 | 2025 |
|---|---|---|
| | ------- (Rupees in '000) ------- | |
| Mark-up / interest income on: | | |
| Bank balances | 269,079 | 67,926 |
| Term deposit receipts | 633 | - |
| Pakistan investment bonds | 493,336 | 193,361 |
| Market treasury bills | 31,569 | 116,838 |
| Term finance certificates | 19,032 | 31,728 |
| Corporate sukuk bonds | 2,577 | 4,165 |
| Reverse repo | 6,674 | - |
| | 822,900 | 414,018 |

| | 2026 | 2025 |
|---|---|---|
| | ------- (Rupees in '000) ------- | |

## 18 AUDITORS' REMUNERATION

| | | |
|---|---|---|
| Annual audit fee | 240 | 208 |
| Fee for half yearly review | 240 | 111 |
| Fee for review of compliance with the requirements | - | 91 |
| Fee for other certifications / services | - | 86 |
| Out of pocket expense and sales tax | 101 | 103 |
| | 581 | 599 |

## 19 ALLOCATED EXPENSES

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

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

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

## 20 TAXATION

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

## 21 TOTAL EXPENSE RATIO

The SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 11.1 of these financial statements. The TER for the period is as follows:

| | 2026 | 2025 |
|---|---|---|
| Total TER with levies | 0.69% | 1.38% |
| Govt Levies | 0.31% | 0.26% |
| Total TER without levies | 0.38% | 1.12% |

## 22 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2026, 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.

| Particluars | As at June 30, 2026 | | |
|---|---|---|---|
| | Amortized cost | Financial assets 'at fair value through | Total |
| | ——— Rupees in '000 ——— | | |
| **Financial assets** | | | |
| Bank balances | 1,149,688 | - | 1,149,688 |
| Investments | #REF! | 1,749,286 | #REF! |
| Advances, deposits, prepayments and other receivables | 316 | - | 316 |
| Profit / mark up receivable | 15,066 | - | 15,066 |
| | #REF! | 1,749,286 | #REF! |
| **Financial liabilities** | | | |
| Payable to UBL Fund Managers Limited - Management Company | - | 7,001 | 7,001 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | 247 | 247 |
| Accrued expenses and other liabilities | - | 25,575 | 25,575 |
| | - | 32,823 | 32,823 |

| Particular | As at June 30, 2025 | | |
|---|---|---|---|
| | Amortized cost | Financial assets 'at fair value through profit or loss' | Total |
| | Rupees in '000 | | |
| **Financial assets** | | | |
| Bank balances | 3,902,827 | - | 3,902,827 |
| Investments | - | 5,251,865 | 5,251,865 |
| Advances, deposits, prepayments and other receivables | 9,557 | - | 9,557 |
| Profit / mark up receivable | 47,600 | - | 47,600 |
| | 3,959,984 | 5,251,865 | 9,211,849 |

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

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

| | | 2026 (Percentage) | 2025 (Percentage) |
|---|---|---|---|
| 1 | CURRENCY MARKET ASSOCIATES (PVT.) LTD | 61.49 | 22.39 |
| 2 | ICON SECURITIES (PRIVATE) LTD. | - | 18.7 |
| 3 | SUMMIT CAPITAL (PRIVATE) LIMITED | 20.78 | - |
| 4 | CONTINENTAL EXCHANGE (PVT) LIMITED | 12.47 | 11.16 |
| 5 | C&M MANAGEMENT PVT LIMITED | 3.02 | 14.17 |
| 6 | AKD SECURITIES LIMITED | - | 8.89 |
| 7 | ARIF HABIB LIMITED | - | 6.83 |
| 8 | ALFALAH CLSA SECURITIES (PRIVATE) LIMITEI | - | 4.9 |
| 9 | INVEST ONE MARKETS LIMITED | 2.24 | 4.51 |
| 10 | PARAMOUNT CAPITAL (PVT) LTD | - | 4.06 |
| 11 | OPTIMUS MARKETS (PVT.) LTD. | - | 1.5 |
| | | 100 | 97 |

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

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

| S. No. | Name | Designation | Experience in years | Qualification |
|---|---|---|---|---|
| 1 | Asif Ali Qureshi | Chief Executive Officer | 31 | CFA, MBA |
| 2 | Muhammad Imran | Chief Investment Officer | 20 | MBA |
| 3 | Mubeen Ashraf | Head of Compliance | 26 | FCA |
| 4 | Irfan Nepal | Unit Head Trading Desk | 32 | EMBA, MA |
| 5 | Syed Sheeraz Ali | Head of Fixed Income Funds | 17 | BS, CFA I |
| 6 | Muhammad Saad Imran | Fund Manager - Equities | 4 | BBA, CFA I |
| 7 | Ghufran Ahmed | Fund Manager - Fixed Income Funds | 21 | M.A |
| 8 | Muhammad Waseem* | Fund Manager - Fixed Income Funds | 21 | M.A |
| 9 | Karim Punjani** | Fund Manager - Head of Equities | 11 | MBA, ACCA |

* Muhammad Waseem resigned on July 4, 2025.
** Karim Punjani resigned on April 8, 2026.

## 25 PATTERN OF UNIT HOLDING

| Category | June 30, 2026 | | |
|---|---|---|---|
| | Number of unit | Number of units held | Percentage of units held |
| Associated Company and Key Executives | 24 | 219,195 | 0.84% |
| Individuals | 5,182 | 12,496,664 | 48.07% |
| Others | 15 | 12,168,861 | 46.81% |
| Foreign Investors - Individuals | 2 | 948 | 0.00% |
| Retirement funds | 5 | 1,108,897 | 4.27% |
| | 5,228 | 25,994,565 | 100% |

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

## 26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

| | Management Company | Associated Companies | Trustee | | Funds under Common Management | Directors and Key Executives | | Other Connected persons / related parties |
|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | |
| **Transactions during the year ended June 30, 2026** | | | | | | | | |
| Profit on savings accounts | - | 232,669 | - | | - | - | | - |
| Bank charges | - | 16 | - | | - | - | | - |
| Units issued (in Units '000') | - | 4,295 | - | | - | 171 | | 44,232 |
| Units redeemed (in Units '000') | - | 4,295 | - | | - | 42 | | 32,448 |
| Units issued (in Rupees '000') | - | 500,000 | - | | - | 18,949 | | 5,145,993 |
| Units redeemed (in Rupees '000') | - | 511,533 | - | | - | 4,695 | | 3,781,899 |
| Sales load paid | - | | - | | - | - | | - |
| Dividend paid | - | 27 | - | | - | - | | 0 |
| Sale of securities | - | | | | - | - | | - |
| Remuneration (including Sindh sales tax) | 37,472 | - | 6,467 | | - | - | | - |
| Allocated expenses | - | - | - | | - | - | | - |
| CDS expense | - | - | 0 | | - | - | | - |
| Selling and marketing expense | - | - | - | | - | - | | - |
| **Transactions during the year ended June 30, 2025** | | | | | | | | |
| Profit on savings accounts | - | 27,523 | - | | - | - | | - |
| Bank charges | - | 95 | - | | - | - | | - |
| Units issued (in Units '000') | - | | - | | 361 | 224 | | 37,934 |
| Units redeemed (in Units '000') | - | | - | | 633 | 271 | | 79,021 |
| Units issued (in Rupees '000') | - | | - | - | 70,639 | 31,132 | | 9,354,849 |
| Units redeemed (in Rupees '000') | - | | - | - | 42,904 | 25,988 | | 4,857,298 |
| Sales load paid | - | 39,559 | - | | - | - | | - |
| Dividend paid | - | - | - | - | - | 0 | - | 223 |
| Sale of securities | - | 4,000,000 | - | | 550,000 | - | | 480,538 |
| Remuneration (including Sindh sales tax) | 30,943 | - | 2,457 | | - | - | | - |
| Allocated expenses | 808 | - | - | | - | - | | - |
| CDS expense | - | - | 30 | | - | - | 0 | - |
| Selling and marketing expense | 2,885 | - | - | 0 | - | - | 0 | - |
| **Balances held as at June 30, 2026** | | | | | | | | |
| Units held (in Units '000') | - | - | - | | | 129 | | 11,784 |
| Units held (in Rupees '000') | - | - | - | | | 14,316 | | 1,310,911 |
| Bank balances | - | 343,443 | - | | - | - | | - |
| Remuneration payable | 7,001 | - | 247 | | - | - | | - |
| Sales load payable | - | - | - | | - | - | | - |
| Conversion charges payable | - | - | - | | - | - | | - |
| Allocated expenses payable | - | - | - | | - | - | | - |
| Profit receivable | - | 10,929 | - | | - | - | | - |
| Selling and marketing expense payable | - | - | - | | - | - | | - |
| **Balances held as at June 30, 2025** | | | | | | | | |
| Units held (in Units '000') | - | - | - | - | 272 | 47 | | 41,087 |
| Units held (in Rupees '000') | - | - | - | - | 30,104 | 5,207 | | 4,554,041 |
| Bank balances | - | 11 | - | | - | - | - | - |
| Remuneration payable | 2,835 | - | 474 | | - | - | | - |
| Sales load payable | 1,664 | - | - | | - | - | | - |
| Conversion charges payable | 8,628 | - | - | | - | - | | - |
| Allocated expenses payable | 1,664 | - | - | | - | - | | - |
| Profit receivable | - | 9,521 | - | | - | - | | - |
| Selling and marketing expense payable | - | - | - | - | - | - | - | - |

## 27 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

| | Receivable against issuance of units | Payable against redemption of units | Dividend payable | Total |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| Opening balance as at July 1, 2025 | 6,395 | - | - | 6,395 |
| Receivable against issuance of units | 28,355,403 | - | - | 28,355,403 |
| Payable against redemption of units | - | 35,234,733 | - | 35,234,733 |
| Payable against dividends | - | - | 179,258 | 179,258 |
| | 28,355,403 | 35,234,733 | 179,258 | 63,769,394 |
| Amount received on issuance of units | (28,361,641) | - | - | (28,361,641) |
| Amount paid on redemption of units | - | (35,234,733) | - | (35,234,733) |
| Dividend paid | - | - | (179,257) | (179,257) |
| | (28,361,641) | (35,234,733) | (179,257) | (63,775,632) |
| Closing balance as at June 30, 2026 | 156 | - | - | 157 |

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

Meetings of the Board of Directors were held on Aug 22, 2025, October 20, 2025, January 14,2026, Februray 18, 2026, and April 17,2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

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

Mr.Muhammad Rizwan Malik has Resigned on June 29,2026.

## 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 at present is not exposed to currency risk as all transactions were carried in Pak rupees..

### 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, 2026, the Fund is exposed to such risk on its balances held with banks, Government securities, debt securities and money market securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

Presently, the investment in PIBs, TFCs and Sukuk bonds are exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs. 17.492 (2025: Rs. 52.518) million.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

| | 2026 | 2025 |
|---|---|---|
| | ----------(Rupees in '000)---------- | |
| **Variable rate instruments (financial assets)** | | |
| Market Treasury Bills | - | 193,450 |
| Term finance certificates | 115,343 | 170,056 |
| Pakistan Investment Bonds | 1,616,049 | 4,865,368 |
| Sukuks | 17,894 | 23,006 |
| | 1,749,286 | 5,251,880 |

## b) Sensitivity analysis for fixed rate instruments

The Fund's saving accounts are exposed to fixed rate risk. In case of 100 basis points increase / decrease in interest rates at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs. 11.496 (2025: Rs.39.028) million.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

| Particulars | June 30 , 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 3 to 20.1 | 1,149,688 | 1,149,640 | - | - | 48 |
| Investments - at fair value through profit or loss | 11.49 to 12.45 | 1,749,286 | - | - | 1,749,286 | - |
| Mark-up / interest receivable | | 15,066 | - | - | - | 15,066 |
| Other receivables | | 257 | - | - | - | 257 |
| **Sub total** | | 2,914,298 | 1,149,640 | - | 1,749,286 | 15,372 |
| **Financial liabilities** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 7,001 | - | - | - | 7,001 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 247 | - | - | - | 247 |
| Accrued expenses and other liabilities | | 25,575 | - | - | - | 25,575 |
| **Sub total** | | 32,823 | - | - | - | 32,823 |
| **On-balance sheet gap (a)** | | 2,881,475 | 1,149,640 | - | 1,749,286 | (17,451) |
| **Off-balance sheet financial instrument** | | - | - | - | - | - |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total interest rate sensitivity gap (a) + (b)** | | | 1,149,640 | - | 1,749,286 | |
| **Cumulative interest rate sensitivity gap** | | | 1,149,640 | - | 1,749,286 | |

| Particulars | June 30 , 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 3 to 20.1 | 3,902,827 | 3,902,779 | - | - | 48 |
| Investments - at fair value through profit or loss | 11.49 to 12.45 | 5,251,865 | - | 193,435 | 5,058,430 | - |
| Mark-up / interest receivable | | 47,600 | - | - | - | 47,600 |
| Other receivables | | 9,557 | - | - | - | 9,557 |
| **Sub total** | | 9,211,849 | 3,902,779 | 193,435 | 5,058,430 | 57,205 |
| **Financial liabilities** | | | | | | |
| Payable to UBL Fund Managers Limited - Management Company | | 17,937 | - | - | - | 17,937 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 474 | - | - | - | 474 |
| Accrued expenses and other liabilities | | 28,823 | - | - | - | 28,823 |
| **Sub total** | | 47,234 | - | - | - | 47,234 |
| **On-balance sheet gap (a)** | | 9,164,615 | 3,902,779 | 193,435 | 5,058,430 | 9,971 |
| **Off-balance sheet financial instrument** | | - | - | - | - | - |
| **Off-balance sheet gap (b)** | | - | - | - | - | - |
| **Total interest rate sensitivity gap (a) + (b)** | | | 3,902,779 | 193,435 | 5,058,430 | |
| **Cumulative interest rate sensitivity gap** | | | 3,902,779 | 193,435 | 5,058,430 | |

### 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, 2026 | | | |
|---|---|---|---|---|
| | 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 | 7,001 | - | - | 7,001 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 247 | - | - | 247 |
| Accrued expenses and other liabilities | 25,575 | - | - | 25,575 |
| **Total liabilities** | 32,823 | - | - | 32,823 |

| Particulars | June 30, 2025 | | | |
|---|---|---|---|---|
| | 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 | 17,937 | - | - | 17,937 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 474 | - | - | 474 |
| Accrued expenses and other liabilities | 28,823 | - | - | 28,823 |
| **Total liabilities** | 47,234 | - | - | 47,234 |

## 29.3 Credit risk

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

### Management of credit risk

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

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

| | 2026 | 2025 |
|---|---|---|
| | ------- (Rupees in '000) ------- | |
| Bank balances | 1,149,688 | 3,902,827 |
| Term finance certificates | 115,343 | 170,056 |
| Profit / mark-up receivable | 15,066 | 47,585 |

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

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

29.3.1 The analysis below summarizes the credit quality of the Fund's portfolio in total as on June 30, 2026:

**Bank balances by rating category**

**2026**

| Name of the bank | Rating agency | Balances held by the Fund as at June 30, 2026 | Latest available published rating as at June 30, 2026 |
|---|---|---|---|
| | | Rupees in '000 | |
| ALLIED BANK LTD | PACRA | 48 | AAA |
| ALLIED BANK LTD. - KSE BRANCH ( (SAVING ACCOUNT) | PACRA | 101 | AAA |
| BANK ALFALAH- CLOTH MARKET BRANCH | PACRA | 121 | AAA |
| BANK ALFALAH- KSE BRANCH | PACRA | 375 | AAA |
| JS BANK LIMITED | PACRA | 13 | AA |
| UNITED BANK - CORP BR | VIS-JCR | 343,327 | AAA |
| UNITED BANK - KSE BRANCH | VIS-JCR | 117 | AAA |
| FAYSAL BANK LIMITED- ZAINAB MARKET | VIS-JCR/PACRA | 10 | AA+ |
| TAMEER MICROFINANCE BANK-GULSHAN BRCH | PACRA | 15 | AA- |
| MCB- GLOBAL TRNSCTION BR | PACRA | 84 | AAA |
| SAMBA BANK-TAUHEED COMMERCIAL BRANCH | PACRA | 296 | AA |
| HABIB BANK LTD- STOCK EXCHANGE BR. | VIS-JCR | 136 | AAA |
| SINDH BANK LTD- STOCK EXCHANGE BR. | VIS-JCR | 6 | AA |
| ZARAI TARAQIATI MICROFINANCE BANK - SHAFI COURT BR | VIS-JCR | 10 | AAA |
| SONERI BANK- KSE BRANCH | PACRA | 19 | AA |
| NBP- MAIN BRANCH | VIS-JCR | 1,359 | AAA |
| SONERI BANK LIMITED - NEW CHALLI BRANCH - SAVING ACCOUNT | PACRA | 803,539 | AA |
| FIRST MICROFINANCE BANK - CLIFTON BRANCH | PACRA | 12 | A+ |
| SONERI BANK KSE | PACRA | 100 | AA |
| | | **1,149,688** | |

**2025**

| Name of the bank | Rating agency | Balances held by the Fund as at June 30, 2025 | Latest available published rating as at June 30, 2025 |
|---|---|---|---|
| | | Rupees in '000 | |
| ALLIED BANK LTD - KSE (CURRENT BRANCH) | PACRA | 48,432 | AAA |
| ALLIED BANK LTD. - KSE BRANCH ( (SAVING ACCOUNT) | PACRA | 89,258 | AAA |
| BANK ALFALAH- CLOTH MARKET BRANCH | PACRA | 56,027 | AA+ |
| BANK ALFALAH- KSE BRANCH | PACRA | 4,115,495 | AA+ |
| JS BANK LIMITED | PACRA | 11,329 | AA- |
| UNITED BANK - CORP BR | VIS-JCR | 2,861,790,665 | AAA |
| UNITED BANK - KSE BRANCH | VIS-JCR | 1,264,696 | AAA |
| FAYSAL BANK LIMITED- ZAINAB MARKET | PACRA | 10,474 | AA |
| TAMEER MICROFINANCE BANK-GULSHAN BRCH | PACRA | 14,668 | A |
| MCB- GLOBAL TRNSCTION BR | PACRA | 72,811 | AAA |
| SAMBA BANK-TAUHEED COMMERCIAL BRANCH | VIS-JCR | 101,308 | AA |
| HABIB BANK LTD- STOCK EXCHANGE BR. | VIS-JCR | 1,000,105,490 | AAA |
| SINDH BANK LTD- STOCK EXCHANGE BR. | VIS-JCR | 3,574 | AA- |
| ZARAI TARAQIATI MICROFINANCE BANK - SHAFI COURT BR | VIS-JCR | 10,065 | AAA |
| NBP- MAIN BRANCH | VIS-JCR | 1,179,115 | AAA |
| SONERI BANK LIMITED - NEW CHALLI BRANCH - SAVING ACCOUNT | PACRA | 33,941,186 | AA- |
| FIRST MICROFINANCE BANK - CLIFTON BRANCH | PACRA | 12,425 | A+ |
| | | **3,902,827,018** | |

| | 2026 | 2025 |
|---|---|---|
| | ---------- (Percentage) ---------- | |
| **Term finance certificates by rating category** | | |
| AAA | 21.68% | 34.31% |
| AA+ | 68.50% | 46.18% |
| AA | 0.00% | 0.00% |
| AA- | 0.00% | 19.51% |
| A | 9.82% | 0.00% |
| **Total** | 100.00% | 100.00% |
| | | |
| **Sukuk bond by rating category** | | |
| AA+ | 100% | 100% |
| | 100% | 100% |

**Concentration on credit risk**

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

## 30 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the fund's Net Asset Value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

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

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

In accordance with the risk management policies as stated in note 4, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

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

## 31 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| Particulars | June 30, 2026 | | | |
|---|---|---|---|---|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | | | | |
| **Financial assets measured at fair value** | | | | |
| Term Finance Certificates | 24,692 | 90,651 | - | 115,343 |
| Corporate Sukuk bonds | 17,894 | - | - | 17,894 |
| Pakistan Investment Bonds | - | 1,616,049 | - | 1,616,049 |
| Market Treasury Bills | - | - | - | - |
| | 42,586 | 1,706,700 | - | 1,749,286 |

| Particulars | June 30, 2025 | | | |
|---|---|---|---|---|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | | | | |
| **Financial assets measured at fair value** | | | | |
| Term Finance Certificates | 24,591 | 145,465 | - | 170,056 |
| Corporate Sukuk bonds | 23,006 | - | - | 23,006 |
| Pakistan Investment Bonds | - | 4,865,368 | - | 4,865,368 |
| Market Treasury Bills | - | 193,435 | - | 193,435 |
| | 47,597 | 5,204,268 | - | 5,251,865 |

## 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, 2026, 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 **AUG 20, 2026**.

## 33 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation.

## 34 GENERAL

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

| SD | SD | SD |
|---|---|---|
| Asif Ali Qureshi | Muhammad Zuhair Abbas | Rashid Ahmed Jafer |
| Chief Executive Officer | Chief Financial Officer | Director |