

UBL FUND MANAGERS LIMITED

STEWARDSHIP REPORT 2022-2023

S. No.	Description	Implementation Status	Description / Explanation
1.	STEWARDSHIP POLICY	Implemented	The board of UBL Fund Managers has approved a Stewardship policy in compliance with the requirements of Stewardship guidelines issued by the SECP.
2.	VOTING POLICY AND ITS DISCLOSURES	Implemented	UBL Fund Managers has a comprehensive proxy voting policy in place conforming to the NBFC NE Regulations 2008 and has complied with the policy with proper disclosures exercising prudent judgment in favor of investor interest provided in the financial statements of the funds.
3.	MONITORING INVESTEE COMPANIES	Implemented	To keep the interests of the investors protected, investments team, led by the CIO continuously monitors the companies in the investment universe and keeps tabs on all the developments on individual companies, industry and macro variables. The research team performs, via a selection mechanism, an in-depth analysis of the financial statements and keeps the investment committee informed on all the developments on individual company and industry through company announcements and news sources.
4.	POLICY ON ENGAGEMENT WITH THE INVESTEE COMPANIES	Implemented	<p>The stewardship policy of UBL Fund Managers covers engagement with the investee companies which is adequately followed by the investment team. The analysts regularly attend analyst briefings of the companies under the investment universe (held at least once a year) in which the senior management comprising the CEO, CFO and other senior level officers are usually present to provide an outlook of the industry and the company and discuss the financial results of the preceding year/quarter.</p> <p>In addition, our investment team also actively engages with the senior management of the investee companies during the year to gain understanding of the operations and outlook of the industry in the backdrop of macro-economic environment.</p>

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5.	MANAGING CONFLICT OF INTEREST	Implemented	UBL Fund Managers already has 'Information Barriers and Conflict of Interest policy" in place. This policy helps in managing the potential conflicts of interest arising within the company and with its vendors and customers. The compliance department of UBL Fund Managers monitors such potential conflicts. For instance, UBL Funds allow its employees to invest in equities however, it has a personal investment policy in place to provide reporting and disclosures to manage such risks.
6.	INCORPORATING SUSTAINABILITY CONSIDERATIONS	Partially Implemented	UBL Fund Managers primary goal, in adherence to its fiduciary responsibility as laid down in the NBFC Regulations, is to maximize the return of its unit holders. While the investment team puts a lot of emphasis on the governance factor as the team believes that good governance and management is imperative for an organization to perform and deliver returns, screening based on the Environmental and Social (ES) consideration may impede the primary objective as it forces investor institutions to shy away from investing in profitable companies which may not follow ES initiatives or have not adequately provided information on such ES initiatives. Further, there are a very limited number of potential investee companies in the listed space in Pakistan Stock Exchange and due to a relatively small market size, a consideration based on these factors is expected to limit the universe even further.