

# Half Yearly Report December 2019



## CORPORATE INFORMATION

as at December 31, 2019

### Board of Directors

Azhar Hamid  
Chairman

Yasir Qadri  
Chief Executive Officer

Syed Furrugh Zaeem  
Director

Naz Khan  
Director

Tauqeer Mazhar\*  
Director

Sadia Saeed  
Director

Imran Sarwar  
Director

### Audit Committee

Naz Khan  
Chair

Imran Sarwar  
Member

Sadia Saeed  
Member

Tauqeer Mazhar\*  
Member

### Risk and Compliance Committee

Imran Sarwar  
Chairman

Syed Furrugh Zaeem  
Member

Yasir Qadri  
Member

Azhar Hamid  
Member

Tauqeer Mazhar\*  
Member

### HR & Compensation Committee

Azhar Hamid  
Chairman

Naz Khan  
Member

Syed Furrugh Zaeem  
Member

Sadia Saeed  
Member

Yasir Qadri  
Member

### Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem  
Member

Mufti Muhammad Najeeb Khan  
Member

### Chief Financial Officer

Umair Ahmed

### Company Secretary

Bilal Javaid\*\*

### Registered Office

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

### Head Office

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

### Date of incorporation of the Management Company/ Pension Fund Manager

Incorporated in Pakistan on  
3 April 2001 as a Public Limited

Company under the Companies  
Ordinance, 1984

### Management Quality Rating

AM1 by VIS Credit Rating Company

### Funds Under Management

UBL Liquidity Plus Fund  
Launch Date: 21 June 2009

UBL Government Securities Fund  
Launch Date: 27 July 2011

UBL Money Market Fund  
Launch Date: 14 October 2010

UBL Income Opportunity Fund  
Launch Date: 29 March 2013

UBL Growth & Income Fund  
Launch Date: 2 March 2006

UBL Asset Allocation Fund  
Launch Date: 20 August 2013

UBL Stock Advantage Fund  
Launch Date: 4 August 2006

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

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

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

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

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

UBL Retirement Savings Fund  
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund  
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund  
Launch Date: 29 May 2018

UBL Financial Sector Fund  
Launch Date: 06 April 2018

### Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

### Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan

\* Subsequent to the period ended 31 December 2019, Director resigned on 30 January 2020.

\*\* Appointed by the Board on 25 February 2020 after the previous Company Secretary had resigned.



## **Directors' Report**

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its **UBL Liquidity Plus Fund (ULPF)**, **UBL Money Market Fund (UMMF)**, **UBL Cash Fund (UCF)**, **UBL Government Securities Fund (UGSF)**, **UBL Income Opportunity Fund (UIOF)**, **UBL Growth and Income Fund (UGIF)**, **UBL Asset Allocation Fund (UAAF)**, **UBL Stock Advantage Fund (USF)**, **UBL Dedicated Equity Fund (UDEF)**, **UBL Financial Sector Fund (UFSF)**, **UBL Capital Protected Fund – III (UCPF-III)**, **UBL Financial Planning Fund** [comprising UBL Active Principal Preservation Plan I (UAPPP-I), UBL Active Principal Preservation Plan II (UAPPP-II), UBL Active Principal Preservation Plan III (UAPPP-III)], and **UBL Special Saving Fund (USSF)** [comprising UBL Special Savings Plan - I (USSP-I), UBL Special Savings Plan - II (USSP-II), UBL Special Savings Plan - III (USSP-III), UBL Special Savings Plan - IV (USSP-IV), UBL Special Savings Plan - V (USSP-V) and UBL Special Savings Plan - VI (USSP-VI)], for the period ended December 31, 2019.

### **Economy & Money Market Review – 1H FY'20.**

During 1H FY20, economic slowdown persisted on account of stabilization measures taken by the government, as reflected in LSM numbers, where 4MFY20 numbers witnessed a decline of 6.48% YoY, major shrinkage came from automobiles, petroleum, Iron and steel products, pharmaceutical and chemicals. During the period under review, SBP increased policy rate by 100bps to 13.25% in July MPS meeting, but, thereafter maintaining the Status Quo in the next two MPS meetings held in Sept'19 and Nov'19, citing persistence inflationary pressure.

With the implementation of contractionary monetary & fiscal policy, the country's external position has started to strengthen as 5MFY20 current account deficit declined by 73% to USD 1.8bn vs. USD 6.7bn during SPLY mainly underpinned by a sharp plunge in trade deficit on account of import compression. Further, due to healthy financial flows, the overall balance of payments position posted a surplus of USD2bn during the same period. Going forward, we believe FY20 balance of payments position to remain healthy due to contained current deficit and adequate flows on financial account.

PBS revised its CPI base year to 2015-16; under the revised base average headline inflation for 1H FY20 clocked in at 11.1% relative to 5.98% in the SPLY, driven by higher perishable food item prices, uptick in utility tariffs and lagged impact of currency devaluation last year. Inflation is likely to remain elevated over the next few months before declining in 4QFY19 onwards.

On fiscal side, 3MFY20 detailed account manifested highly encouraging results with the consolidated fiscal deficit halved to 0.7% (PKR -286bn) as compared to 1.4% (PKR -542bn) in 1QFY20, whereas the primary balance showed a surplus of 0.6% (PKR 286bn) surpassing the IMF's primary deficit target of 0.2% (PKR -102bn). The above outstanding performance was mainly driven by promising growth in total revenues, up by ~35% YoY mainly driven by 172% YoY growth in non-tax revenues. Besides, the limited growth in current expenditures ~7% YoY also supported the overall fiscal performance. Further, with the successful IMF staff review, SBP received USD 452mn as second tranche of USD 6bn loan.

### **Stock Market Review 1H FY'20**

After a prolonged hiatus, the local bourse finally made a strong recovery from Sep'19, turning earlier 2MFY20 negative returns to positive trajectory and recording a hefty return of ~20% during 1H FY20. The turnaround was primarily due to improvement in the country's external accounts, impressive performance on the fiscal side as mentioned above, currency stabilization and successful IMF staff review. Other than that, decline in fixed income yields by 250-270bps from 13.9%-13.7% to 11.7%-11.0% range (3Y-10Y PIB) strengthened the view that interest have peaked out, underscoring expectations of a rate cut in the near-term. Along with that, a decline in real estate prices also triggered the investors to shift investment into equity markets.



Fund-wise performance is as follows:

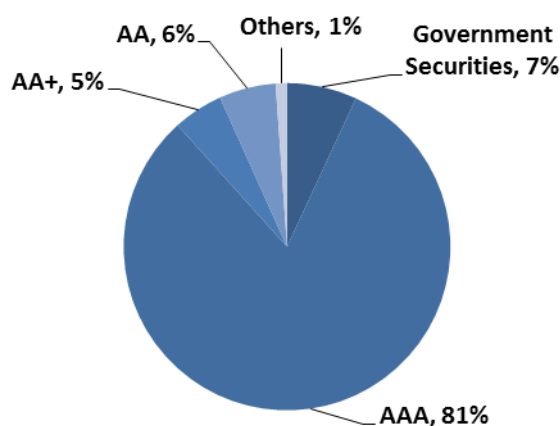
### 1) UBL LIQUIDITY PLUS FUND (ULPF)

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 13.05%p.a. during 1HFY20. Major exposure was maintained in cash and placement with banks at the end of Dec19, thus maintaining high portfolio quality. The net assets of the fund were PKR 9,836mn at the end of 1HFY20. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 12.13 days at the end 1HFY20.

|  | ULPF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 13.05% | 12.67%    |
| <b>Standard Deviation (12m Rolling):</b> | 0.13%  | 1.46%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (6.32) | (0.62)    |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Commercial Paper                     | 5%     | 6%     | 5%     |
| Placements with Banks                | 19%    | 11%    | 8%     |
| Placements with DFIs                 | 11%    | 19%    | 0%     |
| Placements with NBFCs                | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 52%    | 4%     | 7%     |
| PIBs                                 | 0%     | 0%     | 0%     |
| Cash                                 | 11%    | 53%    | 79%    |
| Others                               | 1%     | 7%     | 1%     |
| Leverage                             | Nil    | Nil    | Nil    |

### ULPF-Portfolio Quality







## ULPF vs. Benchmark

|                   | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| <b>ULPF (p.a)</b> | 13.22%   | 13.05%   | 11.49% | 8.11%   | 7.30%   | 8.71%           |
| <b>Benchmark</b>  | 12.74%   | 12.67%   | 11.40% | 7.69%   | 6.89%   | 8.15%           |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 626.675 million for the half year ended Dec 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 67.144 million, the Fund managed to earn a net income of PKR 559.534 million. The net assets of the Fund were PKR 9,835.639 million as at December 31, 2019 representing the net asset value of PKR 101.0961 per unit.

VIS Credit Rating Company Limited (VIS) has maintained the stability rating of AA (f) assigned to the Fund.

## 2) UBL MONEY MARKET FUND (UMMF)

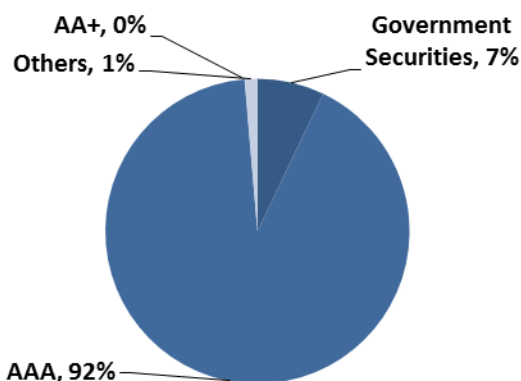
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 12.70% p.a. whereas its net assets were PKR 4,281 mn at the end of 1HFY20. The Fund Manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents. The weighted average time to maturity of the Fund was 8.16 days at the end of 1HFY20.

|  | UMMF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 12.70% | 12.67%    |
| <b>Standard Deviation (12m Rolling):</b> | 0.12%  | 1.46%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (8.81) | (0.62)    |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with Banks                | 17%    | 10%    | 9%     |
| Placements with DFIs                 | 11%    | 18%    | 0%     |
| PIB                                  | 0%     | 0%     | 0%     |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| T-Bills                              | 49%    | 2%     | 7%     |
| Cash                                 | 22%    | 69%    | 83%    |
| Others                               | 1%     | 1%     | 1%     |
| Leverage                             | Nil    | Nil    | Nil    |



### UMMF - Portfolio Quality



### UMMF vs. Benchmark

|                   | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UMMF (p.a)</b> | 12.90%   | 12.70%   | 11.27% | 7.67%   | 6.84%   | 8.25%           |
| <b>Benchmark</b>  | 12.74%   | 12.67%   | 11.40% | 7.69%   | 7.06%   | 8.81%           |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 290.418 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 33.682 million, the Fund managed to earn a net income of PKR 256.736 million. The net assets of the Fund were PKR 4,281.222 million as at December 31, 2019 representing the net asset value of PKR 106.9299 per unit.

### 3) UBL CASH FUND (UCF)

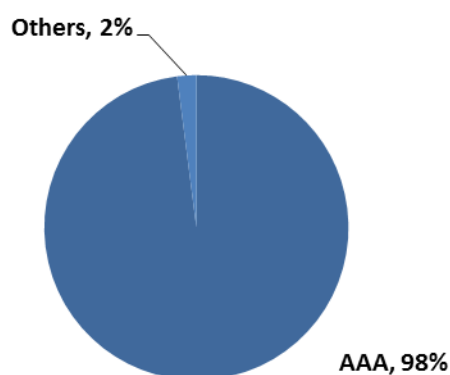
The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated a return of 13.98% p.a. whereas its net assets were PKR 318.4 mn at the end of 1HFY20. The weighted average time to maturity of the fund was 1.00 day at the end of 1HFY20.

|  | UCF    | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 13.98% | 9.41%     |
| <b>Standard Deviation (12m Rolling):</b> | n/a    | n/a       |
| <b>Sharpe Ratio (12m Rolling):</b>       | n/a    | n/a       |



| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with Banks                | 0%     | 0%     | 0%     |
| Placements with DFIs                 | 0%     | 0%     | 0%     |
| PIB                                  | 0%     | 0%     | 0%     |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| T-Bills                              | 98%    | 0%     | 0%     |
| Cash                                 | 1%     | 100%   | 98%    |
| Others                               | 1%     | 0%     | 2%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### UCF - Portfolio Quality



#### UCF vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UCF (p.a)</b> | 14.07%   | -        | -      | -       | -       | 13.98%          |
| <b>Benchmark</b> | 9.40%    | -        | -      | -       | -       | 9.41%           |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 12.118 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 0.35 million, the Fund managed to earn a net income of PKR 11.768 million. The net assets of the Fund were PKR 318.433 million as at December 31, 2019 representing the net asset value of PKR 103.4069 per unit.

#### 4) UBL GOVERNMENT SECURITIES FUND (UGSF)

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted a return of 12.55%p.a whereas its net assets were

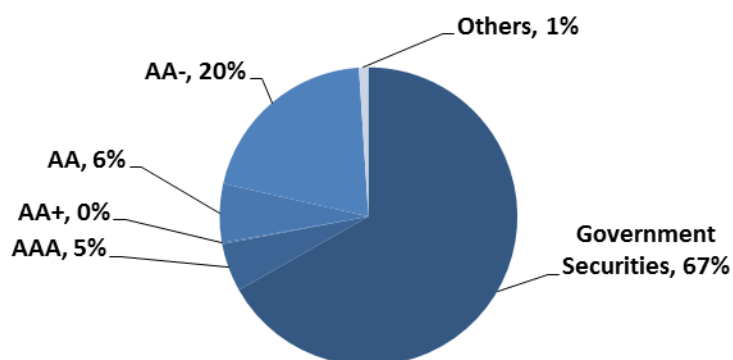


PKR 2,590 mn at the end of 1HFY20. The Fund's exposure was invested in Cash at the end of 1HFY20. The weighted average maturity of the Fund was decreased to 1.21 years by the end of 1HFY20.

|  | UGSF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 12.55% | 13.53%    |
| <b>Standard Deviation (12m Rolling):</b> | 0.45%  | 1.31%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (3.59) | 0.09      |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB                                  | 11%    | 13%    | 13%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 87%    | 79%    | 54%    |
| Cash                                 | 1%     | 7%     | 32%    |
| Others                               | 1%     | 1%     | 1%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### UGSF - Portfolio Quality



#### UGSF vs. Benchmark

|                   | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UGSF (p.a)</b> | 12.08%   | 12.55%   | 10.67% | 7.05%   | 7.74%   | 9.11%           |
| <b>Benchmark</b>  | 13.37%   | 13.53%   | 12.42% | 8.66%   | 7.63%   | 8.36%           |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 129.279 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 18.239 million, the Fund managed to earn a net income of PKR 111.040 million. The net assets of the Fund were PKR 2,589.671 million as at December 31, 2019 representing the net asset value of PKR 112.2834 per unit.





VIS Credit Rating Company Limited (VIS) has assigned A+ (f) rating to the Fund.

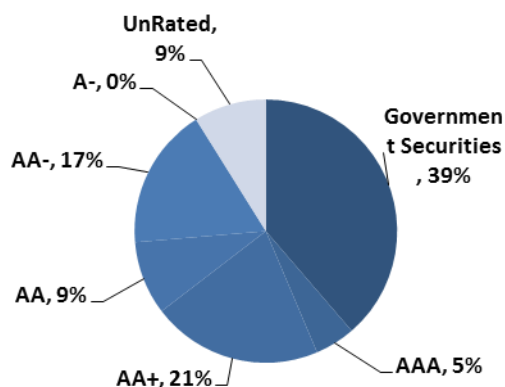
## 5) UNITED GROWTH & INCOME FUND (UGIF)

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 10.44% p.a. during 1HFY20. Its fund size stood at PKR 897mn end of Dec19. The fund manager increased exposure of fund into TFC and Cash, weighted average time to maturity of the fund was 1.2 years at the end of 1HFY20.

|  | UGIF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 10.44% | 13.58%    |
| <b>Standard Deviation (12m Rolling):</b> | 0.92%  | 1.14%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (2.19) | 0.32      |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Term Finance Certificates/ Sukuks    | 7%     | 7%     | 21%    |
| Commercial Paper                     | 0%     | 0%     | 0%     |
| Placements with DFIs                 | 2%     | 3%     | 5%     |
| Placements with Banks                | 0%     | 0%     | 0%     |
| Cash                                 | 89%    | 63%    | 26%    |
| T-Bills                              | 0%     | 14%    | 29%    |
| PIBs                                 | 0%     | 5%     | 10%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Spread Transaction                   | 0%     | 1%     | 2%     |
| MTS Exposure                         | 0%     | 0%     | 0%     |
| Others                               | 2%     | 8%     | 7%     |
| Leverage                             | Nil    | Nil    | Nil    |

## UGIF Portfolio Quality





#### UGIF vs. Benchmark

|                   | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UGIF (p.a)</b> | 7.83%    | 10.44%   | 10.28% | 7.15%   | 8.74%   | 6.57%           |
| <b>Benchmark</b>  | 13.23%   | 13.58%   | 12.67% | 8.94%   | 8.23%   | 10.18%          |

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 81.655 million for the half year ended December 31, 2019. The net assets were PKR 896.930 million as at December 31, 2019 representing a net asset value of PRK 89.4139 per unit.

VIS Credit Rating Company Limited (VIS) maintained A (f) fund stability rating of the Fund.

#### 6) UNITED STOCK ADVANTAGE FUND (USF)

USF is an open-end Equity Fund, investing primarily in equities listed on the PSX. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. During the period under review, the fund increased by 20.45% whereas benchmark index's increased by 20.16%, the Fund size stood at PKR 6,294 mn at end of Dec19. The fund manager maintained the exposure in local equity market of around 92% while exposure in cash stood at 7% at the end of Dec19.

|  | USF    | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 20.45% | 20.16%    |
| <b>Standard Deviation (12m Rolling):</b> | 18.72% | 18.38%    |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.00) | (0.13)    |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Equities                             | 90%    | 90%    | 92%    |
| International Investments            | 0%     | 0%     | 0%     |
| T-bills                              | 0%     | 0%     | 0%     |
| Cash                                 | 9%     | 9%     | 7%     |
| Others                               | 1%     | 1%     | 1%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USF vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>USF</b>       | 28.97%   | 20.45%   | 12.23% | -5.37%  | 39.82%  | 410.76%         |
| <b>Benchmark</b> | 26.98%   | 20.16%   | 9.90%  | -14.79% | 22.89%  | 227.61%         |

Returns are on absolute basis



The Fund earned a net gain of PKR 987.738 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 945.112 million on revaluation of investments) as compared to a net loss of PKR 721.789 million (including an unrealized loss of PKR 763.743 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 19.109 million (December 31, 2018: capital loss amounting to PKR 45.798 million) and dividend income amounting to PKR 139.987 million (December 31, 2018: PKR 181.788 million). As at December 31, 2019, net assets of the Fund were PKR 6,294.060 million representing the net asset value of PKR 69.09 per unit.

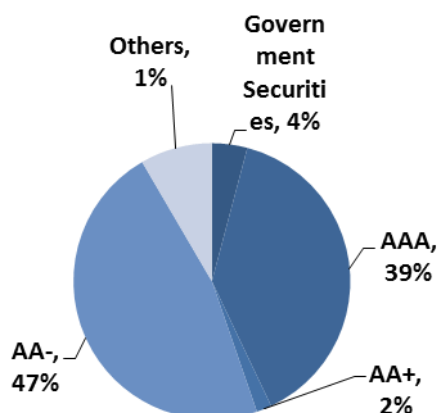
## 7) **UBL INCOME OPPORTUNITY FUND (UIOF)**

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 14.04% p.a. during 1HFY20. The weighted average maturity of the fund has been reached to 0.23 year at the end of Dec19. The Fund's Asset Size stood at PKR 652 mn as at December 31, 2019.

|  | UIOF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 14.04% | 13.57%    |
| <b>Standard Deviation (12m Rolling):</b> | 0.29%  | 1.29%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (1.97) | 0.13      |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Term Finance Certificates / Sukuks   | 4%     | 4%     | 3%     |
| Placements with Banks                | 0%     | 0%     | 0%     |
| Placements with DFIs                 | 0%     | 0%     | 0%     |
| PIBs                                 | 0%     | 0%     | 0%     |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| T-Bills                              | 5%     | 5%     | 4%     |
| Spread Transaction                   | 8%     | 0%     | 1%     |
| Cash                                 | 79%    | 66%    | 84%    |
| Others                               | 4%     | 25%    | 6%     |
| MTS Exposure                         | 0%     | 0%     | 1%     |

## UIOF Portfolio Quality





#### UIOF vs. Benchmark

|                   | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UIOF (p.a)</b> | 14.01%   | 14.04%   | 11.73% | 7.31%   | 7.53%   | 7.74%           |
| <b>Benchmark</b>  | 13.41%   | 13.57%   | 12.47% | 8.71%   | 7.96%   | 8.16%           |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 33.348 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, govt. securities and TDRs. After accounting for the expenses of PKR 5.785 million, the Fund managed to earn a net income of PKR 27.563 million. The net assets of the Fund were PKR 651.657 million as at December 31, 2019 representing the net asset value of PKR 117.7413 per unit.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned fund stability rating of A- (f) to the fund.

#### 8) UBL Asset Allocation Fund (UAAF)

The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the Fund posted a return of 12.33% as compared to the benchmark return of 12.72%. The fund manager maintained the exposure in local equity market of around 39% while exposure in cash stood at 19% at the end of Dec19. The net assets of the fund were PKR 1,175mn as at December 31, 2019.

|  | UAAF   | Benchmark |
|--|--------|-----------|
| <b>1HFY'20 Return:</b>                   | 12.33% | 12.72%    |
| <b>Standard Deviation (12m Rolling):</b> | 7.63%  | 7.28%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.07) | (0.12)    |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Equities                             | 40%    | 40%    | 39%    |
| T-bills                              | 5%     | 17%    | 16%    |
| PIBs                                 | 8%     | 13%    | 12%    |
| TFC/ Sukuk                           | 10%    | 11%    | 11%    |
| Placements with Banks                | 0%     | 0%     | 0%     |
| Placements with DFIs                 | 0%     | 0%     | 0%     |
| Cash                                 | 34%    | 17%    | 19%    |
| Others                               | 4%     | 3%     | 2%     |





#### UAAF vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UAAF</b>      | 13.56%   | 12.33%   | 11.74% | 14.10%  | 49.89%  | 97.33%          |
| <b>Benchmark</b> | 12.51%   | 12.72%   | 11.40% | 23.22%  | 46.88%  | 77.53%          |

Returns are on absolute basis

The Fund earned a net income of PKR 142.447 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 78.502 million on revaluation of investments) as compared to a net loss of PKR 25.517 million (including an unrealized loss of PKR 89.528 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 10.856 million (December 31, 2018: capital loss amounting to PKR 4.504 million) and dividend income amounting to PKR 17.501 million (December 31, 2018: PKR 32.531 million). As at December 31, 2019, net assets of the Fund were PKR 1,174.926 million representing the net asset value of PKR 148.5466 per unit.

#### 9) UBL Capital Protected Fund III (UCPF-III)

UBL Capital Protected Fund - III (UCPF-III) is an open-end Fund with investment objective to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA- rated Bank, and remaining in equity market or any other SECP permitted investments to provide investors with better returns. During 1HFY20 fund registered a return of 3.18% as compare to benchmark return of 6.35%. Major exposure was maintained in placements with bank and others during Dec19. The net assets of the fund were PKR 308mn as at December 31, 2019.

|  | UCPF-III | Benchmark |
|--|----------|-----------|
| <b>1HFY'20 Return:</b>                   | 3.18%    | 6.35%     |
| <b>Standard Deviation (12m Rolling):</b> | 1.08%    | 0.85%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (7.24)   | (2.76)    |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 80%    | 79%    | 79%    |
| Equities                             | 4%     | 5%     | 5%     |
| T-bills                              | 0%     | 0%     | 0%     |
| Spread Transactions                  | 0%     | 0%     | 0%     |
| Others                               | 16%    | 16%    | 16%    |
| Cash                                 | 0%     | 0%     | 0%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### UCPF-III vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UCPF-III</b>  | 2.61%    | 3.18%    | 4.49%  | -       | -       | 8.63%           |
| <b>Benchmark</b> | 3.91%    | 6.35%    | 9.96%  | -       | -       | 14.77%          |

Returns are on absolute basis



The Fund earned a net income of PKR 9.51 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 3.374 million on revaluation of investments) as compared to a net income of PKR 5.316 million (including an unrealized loss of PKR 3.620 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 0.033 million (December 31, 2018: capital loss amounting to PKR 0.546 million) and dividend income amounting to PKR 0.225 million (December 31, 2018: PKR 0.315 million). As at December 31, 2019, net assets of the Fund were PKR 308.07 million representing the net asset value of PKR 103.2177 per unit. Subsequent to the half year ended December 31, 2019, UCPF III matured on January 25, 2020.

#### 10) UBL Financial Sector Fund (UFSF)

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 12.47% against benchmark return of negative 20.16%. The fund manager maintained the exposure in local equity market of around 94% while exposure in cash stood at 6% at the end of Dec19. The net assets of the Fund were PKR 983mn as at December 31, 2019.

|  | <b>UFSF</b> | <b>Benchmark</b> |
|--|-------------|------------------|
| <b>1HFY'20 Return:</b>                   | 12.47%      | 20.16%           |
| <b>Standard Deviation (12m Rolling):</b> | 17.18%      | 18.38%           |
| <b>Sharpe Ratio (12m Rolling):</b>       | 0.04        | (0.13)           |

| <b>Asset Allocation (% of Total Assets)</b> | <b>Oct'19</b> | <b>Nov'19</b> | <b>Dec'19</b> |
|---|---------------|---------------|---------------|
| Equities                                    | 94%           | 83%           | 94%           |
| T-bills                                     | 0%            | 0%            | 0%            |
| Cash  | 4%            | 17%           | 6%            |
| Others                                      | 2%            | 0%            | 0%            |
| Leverage                                    | Nil           | Nil           | Nil           |

#### **UFSF vs. Benchmark**

|                  | <b>3 Months</b> | <b>6 Months</b> | <b>1 Year</b> | <b>3 Years</b> | <b>5 Years</b> | <b>Since Inception</b> |
|------------------|-----------------|-----------------|---------------|----------------|----------------|------------------------|
| <b>UFSF</b>      | 22.06%          | 12.47%          | 13.04%        | -              | -              | -9.85%                 |
| <b>Benchmark</b> | 26.98%          | 20.16%          | 9.90%         | -              | -              | -12.51%                |

Returns are on absolute basis

The Fund earned a net income of PKR 83.311 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 79.743 million on revaluation of investments)). As at December 31, 2019, net assets of the Fund were PKR 983.346 million representing the net asset value of PKR 90.1529 per unit.



### 11) UBL Dedicated Equity Fund (UDEF)

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the fund declined by 21.22% whereas benchmark index's declining by 20.16%, the fund size stood at PKR 273mn at end of Dec19. The fund manager maintained the exposure in local equity market of around 90% while exposure in cash stood at 9% at the end of Dec19.

|  | <b>UDEF</b> | <b>Benchmark</b> |
|--|-------------|------------------|
| <b>1HFY'20 Return:</b>                   | 21.22%      | 20.16%           |
| <b>Standard Deviation (12m Rolling):</b> | 18.19%      | 18.38%           |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.08)      | (0.13)           |

| <b>Asset Allocation (% of Total Assets)</b> | <b>Oct'19</b> | <b>Nov'19</b> | <b>Dec'19</b> |
|---|---------------|---------------|---------------|
| Equities                                    | 87%           | 92%           | 90%           |
| T-bills                                     | 0%            | 0%            | 0%            |
| Cash  | 11%           | 7%            | 9%            |
| Others                                      | 2%            | 2%            | 1%            |
| Leverage                                    | Nil           | Nil           | Nil           |

#### **UDEF vs. Benchmark**

|                  | <b>3 Months</b> | <b>6 Months</b> | <b>1 Year</b> | <b>3 Years</b> | <b>5 Years</b> | <b>Since Inception</b> |
|------------------|-----------------|-----------------|---------------|----------------|----------------|------------------------|
| <b>UDEF</b>      | 29.60%          | 21.22%          | 10.83%        | -              | -              | -1.94%                 |
| <b>Benchmark</b> | 26.98%          | 20.16%          | 9.90%         | -              | -              | -3.33%                 |

Returns are on absolute basis

The Fund earned a net income of PKR 42.220 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 42.761 million on revaluation of investments)). As at December 31, 2019, net assets of the Fund were PKR 272.953 million representing the net asset value of PKR 98.0594 per unit.

### 12) UBL Financial Planning Fund (UFPP)

#### **a) UBL Financial Planning Fund (UBL Active Principal Preservation Plan I)**

The Plan yielded return of 10.74% during 1HFY20. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 103.4mn at the end of 1HFY20.

|  | <b>UAPPP-I</b> | <b>Benchmark</b> |
|--|----------------|------------------|
| <b>1HFY'20 Return:</b>                   | 10.74%         | 10.61%           |
| <b>Standard Deviation (12m Rolling):</b> | 4.15%          | 4.22%            |
| <b>Sharpe Ratio (12m Rolling):</b>       | 0.04           | 0.26             |



| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Equity Funds                         | 21%    | 31%    | 44%    |
| Money Market Funds                   | 78%    | 69%    | 56%    |
| Income Funds                         | 0%     | 0%     | 0%     |
| Others                               | 0%     | 0%     | 0%     |
| Cash                                 | 0%     | 0%     | 0%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### UAPPP-I vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UAPPP-I</b>   | 8.32%    | 10.74%   | 12.47% | -       | -       | 14.18%          |
| <b>Benchmark</b> | 8.89%    | 10.61%   | 13.41% | -       | -       | 16.00%          |

Returns are on absolute basis

The Plan earned a net income of PKR 9.933 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 8.113 million on revaluation of investments). As at December 31, 2019, net assets of the Plan were PKR 103.481 million representing the net asset value of PKR 114.1761 per unit.

#### **b) UBL Financial Planning Fund (UBL Active Principal Preservation Plan II)**

The Plan yielded return of 9.54% during 1H FY20. Major exposure was maintained in Placement with banks and equity funds, thus maintaining high portfolio quality. The net assets of the fund were PKR 239mn as at the December 31, 2019.

#### **UAPPP-II Benchmark**

|  |        |        |
|--|--------|--------|
| <b>1H FY'20 Return:</b>                  | 9.54%  | 11.79% |
| <b>Standard Deviation (12m Rolling):</b> | 3.82%  | 3.94%  |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.45) | 0.59   |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Equity Funds                         | 25%    | 33%    | 40%    |
| Money Market Funds                   | 15%    | 10%    | 3%     |
| Income Funds                         | 0%     | 0%     | 0%     |
| Others                               | 5%     | 5%     | 6%     |
| Cash                                 | 0%     | 0%     | 0%     |
| Placement with banks                 | 54%    | 52%    | 51%    |
| Leverage                             | Nil    | Nil    | Nil    |





#### UAPPP-II vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UAPPP-II</b>  | 8.26%    | 9.54%    | 10.58% | -       | -       | 13.65%          |
| <b>Benchmark</b> | 9.83%    | 11.79%   | 14.61% | -       | -       | 18.55%          |

Returns are on absolute basis

The Plan earned a net income of PKR 20.736 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 15.090 million on revaluation of investments)). As at December 31, 2019, net assets of the Plan were PKR 239.419 million representing the net asset value of PKR 111.1485 per unit.

#### c) UBL Financial Planning Fund (UBL Active Principal Preservation Plan III)

The Plan yielded return of 10.8% during 1HFY20 against benchmark return of 11.93%. Major exposure was maintained in Money Market funds and Equity Funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 180.3mn as at the December 31, 2019.

#### UAPPP-III Benchmark

|  |        |        |
|--|--------|--------|
| <b>1HFY'20 Return:</b>                   | 10.88% | 11.93% |
| <b>Standard Deviation (12m Rolling):</b> | 5.38%  | 5.56%  |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.12) | 0.16   |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Equity Funds                         | 29%    | 38%    | 50%    |
| Money Market Funds                   | 71%    | 62%    | 49%    |
| Income Funds                         | 0%     | 0%     | 0%     |
| Others                               | 0%     | 0%     | 1%     |
| Cash                                 | 0%     | 0%     | 0%     |
| Placement with banks                 | 0%     | 0%     | 0%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### UAPPP-III vs. Benchmark

|                  | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| <b>UAPPP-III</b> | 10.63%   | 10.88%   | 11.64% | -       | -       | 11.36%          |
| <b>Benchmark</b> | 10.74%   | 11.93%   | 13.16% | -       | -       | 13.51%          |

Returns are on absolute basis

The Plan earned a net income of PKR 19.548 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 16.351 million on revaluation of investments)). As at December 31, 2019, net assets of the Plan were PKR 180.302 million representing the net asset value of PKR 111.2335 per unit.



### 13) UBL Special Savings Fund

#### a) UBL Special Savings Fund (UBL Special Savings Plan – I)

The “UBL Special Savings Plan-I (USSP-I)” 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. USSP-I yielded return of 18.58%. Major exposure was maintained in PIBs at the end of Dec19, thus maintaining high portfolio quality. The net assets of the fund was PKR 379.7mn as at the December 31, 2019.

|  | USSP-I | Benchmark |
|--|--------|-----------|
| <b>1H FY'20 Return:</b>                  | 18.58% | 13.53%    |
| <b>Standard Deviation (12m Rolling):</b> | 2.41%  | 1.31%     |
| <b>Sharpe Ratio (12m Rolling):</b>       | (0.31) | 0.09      |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 97%    | 96%    | 96%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 0%     | 0%     | 0%     |
| Cash                                 | 0%     | 1%     | 1%     |
| Others                               | 3%     | 4%     | 4%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-I vs. Benchmark

|                     | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------------|----------|----------|--------|---------|---------|-----------------|
| <b>USSP-I (p.a)</b> | 16.42%   | 18.58%   | 11.54% | -       | -       | 11.05%          |
| <b>Benchmark</b>    | 13.37%   | 13.53%   | 12.42% | -       | -       | 12.13%          |

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 22.278 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 4.052 million, the Plan managed to earn a net income of PKR 18.226 million. As at December 31, 2019, net assets of the Plan were PKR 379.789 million representing a net asset value of PKR 101.8609 per unit.

#### b) UBL Special Savings Fund (UBL Special Savings Plan – II)

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. USSP-II yielded return of 18.88%. Major exposure was maintained in PIB at the end of Dec19. The net assets of the Plan were PKR 774mn as at the 31 December 2019.



|  | USSP-II | Benchmark |
|--|---------|-----------|
| <b>1H FY'20 Return:</b>                  | 18.88%  | 13.53%    |
| <b>Standard Deviation (12m Rolling):</b> | n/a     | n/a       |
| <b>Sharpe Ratio (12m Rolling):</b>       | n/a     | n/a       |

| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 97%    | 96%    | 96%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 0%     | 0%     | 0%     |
| Cash                                 | 0%     | 1%     | 1%     |
| Others                               | 3%     | 4%     | 4%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-II vs. Benchmark

|                      | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------------|----------|----------|--------|---------|---------|-----------------|
| <b>USSP-II (p.a)</b> | 17.04%   | 18.88%   | -      | -       | -       | 11.84%          |
| <b>Benchmark</b>     | 13.37%   | 13.53%   | -      | -       | -       | 12.62%          |

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 52.966 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 6.273 million, the Plan managed to earn a net income of PKR 46.693 million. As at December 31, 2019, net assets of the Fund were PKR 774.214 million representing the net asset value of PKR 100.7762 per unit.

#### c) UBL Special Savings Fund (UBL Special Savings Plan – III)

The “UBL Special Savings Plan-III (USSP-III)” 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. USSP-III yielded return of 20.97%. Major exposure was in PIB at the end of Dec19. The net assets of the Plan were PKR 147mn as at the 31 December 2019.

|  | USSP-III | Benchmark |
|--|----------|-----------|
| <b>1H FY'20 Return:</b>                  | 20.97%   | 13.53%    |
| <b>Standard Deviation (12m Rolling):</b> | n/a      | n/a       |
| <b>Sharpe Ratio (12m Rolling):</b>       | n/a      | n/a       |



| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 96%    | 95%    | 95%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 0%     | 0%     | 0%     |
| Cash                                 | 1%     | 1%     | 1%     |
| Others                               | 3%     | 4%     | 4%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-III vs. Benchmark

|                       | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-----------------------|----------|----------|--------|---------|---------|-----------------|
| <b>JSSP-III (p.a)</b> | 19.74%   | 20.97%   | -      | -       | -       | 15.31%          |
| <b>Benchmark</b>      | 13.37%   | 13.53%   | -      | -       | -       | 13.12%          |

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 20.875 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 2.113 million, the Plan managed to earn a net income of PKR 18.762 million. As at December 31, 2019, net assets of the Plan were PKR 147.380 million representing the net asset value of PKR 103.2961 per unit.

#### **d) UBL Special Savings Fund (UBL Special Savings Plan – IV)**

The “UBL Special Savings Plan-IV (USSP-IV)” 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 twenty four (24) Months from commencement of life of plan. USSP-IV yielded return of 15.83%. Major exposure was in PIB at the end of Dec19. The net assets of the Plan were PKR 206mn as at the 31 December 2019.

|  | USSP-IV | Benchmark |
|--|---------|-----------|
| <b>1H FY'20 Return:</b>                  | 15.83%  | 13.53%    |
| <b>Standard Deviation (12m Rolling):</b> | n/a     | n/a       |
| <b>Sharpe Ratio (12m Rolling):</b>       | n/a     | n/a       |





| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 87%    | 87%    | 89%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 0%     | 0%     | 0%     |
| Cash                                 | 10%    | 10%    | 8%     |
| Others                               | 3%     | 3%     | 3%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-IV vs. Benchmark

|               | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------|----------|----------|--------|---------|---------|-----------------|
| JSSP-IV (p.a) | 14.38%   | 15.83%   | -      | -       | -       | 14.64%          |
| Benchmark     | 13.37%   | 13.53%   | -      | -       | -       | 13.43%          |

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 13.87 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 1.6 million, the Plan managed to earn a net income of PKR 12.266 million. As at December 31, 2019, net assets of the Plan were PKR 206.738 million representing the net asset value of PKR 101.8246 per unit.

#### **e) UBL Special Savings Fund (UBL Special Savings Plan – V)**

The “UBL Special Savings Plan V (USSP-V)” 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. USSP-V yielded return of 14.46%. The net assets of the Plan were PKR 6,806mn as at 31 December 2019.

|                                   | USSP-V | Benchmark |
|-----------------------------------|--------|-----------|
| 1H FY'20 Return:                  | 14.46% | 13.43%    |
| Standard Deviation (12m Rolling): | n/a    | n/a       |
| Sharpe Ratio (12m Rolling):       | n/a    | n/a       |



| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 1%     | 1%     | 1%     |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills*                             | 94%    | 87%    | 87%    |
| Cash                                 | 5%     | 11%    | 11%    |
| Others                               | 0%     | 0%     | 0%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-V vs. Benchmark

|                     | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------------|----------|----------|--------|---------|---------|-----------------|
| <b>USSP-V (p.a)</b> | 14.04%   | -        | -      | -       | -       | 14.46%          |
| <b>Benchmark</b>    | 13.37%   | -        | -      | -       | -       | 13.43%          |

Returns are annualized using the Morningstar Methodology

During the period from 13 Sept 2019 to 31 December 2019 the Fund earned total income of PKR 242.069 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 10.13 million, the Plan managed to earn a net income of PKR 231.943 million. As at December 31, 2019, net assets of the Plan were PKR 6,806.163 million representing the net asset value of PKR 104.1549 per unit.

#### **f) UBL Special Savings Fund (UBL Special Savings Plan – VI)**

The “UBL Special Savings Plan VI (USSP-VI)” 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 twenty-four (24) Months from commencement of life of plan. USSP-VI yielded return of 9.63%. The net assets for the Plan were PKR 198 mn as at 31 December 2019.

|  | USSP-VI | Benchmark |
|--|---------|-----------|
| <b>1H FY'20 Return:</b>                  | 9.63%   | 13.56%    |
| <b>Standard Deviation (12m Rolling):</b> | n/a     | n/a       |
| <b>Sharpe Ratio (12m Rolling):</b>       | n/a     | n/a       |



| Asset Allocation (% of Total Assets) | Oct'19 | Nov'19 | Dec'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks                | 0%     | 0%     | 0%     |
| PIB*                                 | 49%    | 49%    | 49%    |
| GOP Ijarah Sukuk                     | 0%     | 0%     | 0%     |
| Reverse Repo                         | 0%     | 0%     | 0%     |
| T-Bills                              | 43%    | 43%    | 43%    |
| Cash                                 | 6%     | 6%     | 6%     |
| Others                               | 2%     | 2%     | 2%     |
| Leverage                             | Nil    | Nil    | Nil    |

#### USSP-VI vs. Benchmark

|               | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------|----------|----------|--------|---------|---------|-----------------|
| JSSP-VI (p.a) | 8.73%    | -        | -      | -       | -       | 9.63%           |
| Benchmark     | 13.37%   | -        | -      | -       | -       | 13.56%          |

Returns are annualized using the Morningstar Methodology

During the period from 09 August 2019 to 31 December 2019 the Plan earned total income of PKR 7.328 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 0.91 million, the Plan managed to earn a net income of PKR 6.42 million. As at December 31, 2019, net assets of the Plan were PKR 198.328 million representing the net asset value of PKR 103.7984 per unit.

#### Future outlook

With stabilization policy in place, the country's overall macro-economic conditions have started to reap the fruits, as witnessed in improvement twin deficit, balance of payment and SBP's reserves. We expect inflation is likely to remain elevated for the next few months before easing off in 4QFY20. We believe interest rates have peaked out; however SBP is likely to maintain a status quo for next 1-2 MPS meeting before changing its stance in order to attract the more foreign flows in debt market, and on account of higher inflation reading for the near term.

On a cautious note, the assassination of Iranian Commander Qassem Soleimani by a US drone attack has created security concerns in the Middle East. Iran and its supporters, (as per news flows) have promised to retaliate and thus an escalation on that front cannot be ruled out.

Following this event, Brent Oil prices have increased by 6% to USD ~70.0/bbl, elevated oil prices could elongate stabilization efforts on account of heavy reliance on energy imports. Nevertheless, we think any significant Balance of Payment (BoP) crisis is unlikely, as hot-money flows and other bilateral and multilateral support will mitigate the increase in imports and current account deficit.

Notwithstanding the recent US-Iran tensions, we maintain our sanguine view on the Equity market. The market has rallied ~45% from its bottom in mid-Aug-2019; we think it can extend further with major catalysts in the offing including; a successful Eurobond, panda bond offering, likely favorable IMF review in for 2nd & 3rd quarter with improvement in macro-economic indicators yet to become more pronounced in the form of lower inflation readings. From a fundamental perspective, despite recent run-up, the market valuations remain attractive primarily due to double-digit growth in corporate profitability and current earnings yield differential from 10Y PIB yield is ~3.5%



which is still much higher than the average yield difference of 0.7% over the last 10 years. In addition to this, the market is currently trading at P/B of 1.2x which is significantly lower than the historical average of 1.8x.

#### **Acknowledgements**

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

#### **FOR & ON BEHALF OF THE BOARD**

-- sd --

**Yasir Qadri**  
**CHIEF EXECUTIVE**

**Karachi, Dated: 25 February 2020**

# USSF

UBL Special Savings Fund

## INVESTMENT OBJECTIVE

UBL Special Savings Fund shall be an open-end Capital Protected Fund that aims to not only provide its unitholders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

|                             |  |
|-----------------------------|--|
| <b>Management Company</b>   | UBL Fund Managers Limited  |
| <b>Trustee</b>              | 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     |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditor</b>              | KPMG - Taseer Hadi & Co  |
| <b>Bankers</b>              | Allied Bank Limited<br>JS Bank Limited<br>Soneri Bank Limited  |
| <b>Management Co.Rating</b> | AM1 (VIS)  |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL SPECIAL SAVINGS FUND**

**Report of the Trustee pursuant to Regulation 41(h) 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 (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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **Independent Auditors' Review Report to the unit holders of UBL Special Savings Fund**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Special Savings Fund** ("the Fund") as at 31 December 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matter**

The figures for the quarter ended 31 December 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.





KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 27 February 2020

Karachi

*KPMG Taseer Hadi & Co.*  
KPMG Taseer Hadi & Co.  
Chartered Accountants

UBL Special Savings Fund  
Condensed Interim Statement of Assets and Liabilities (Un-Audited)  
As at 31 December 2019

|   |    | 31 December 2019  |                  |                  |                  |                   |                  |                  |
|---|----|-------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
|   |    | USSP-I            | USSP-II          | USSP-III         | USSP-IV          | USSP-V            | USSP-VI          | Total            |
| Note  |    | (Rupees in '000)  |                  |                  |                  |                   |                  |                  |
| <b>Assets</b>   |    |                   |                  |                  |                  |                   |                  |                  |
| Bank balances   | 6  | 2,081             | 5,497            | 1,320            | 17,172           | 777,941           | 11,882           | 815,893          |
| Investments   | 7  | 388,115           | 786,609          | 149,739          | 193,908          | 6,027,373         | 183,635          | 7,729,379        |
| Profit receivables  |    | 14,628            | 29,755           | 5,794            | 7,356            | 11,632            | 3,755            | 72,920           |
| Prepayments and other receivables                                   |    | 51                | 29               | 18               | 12               | 27                | 7                | 144              |
| Preliminary expenses and floatation cost                            | 8  | 700               | -                | -                | -                | -                 | -                | 700              |
| Advance tax   | 9  | 214               | 108              | 112              | 4                | -                 | -                | 438              |
| <b>Total assets</b>   |    | <b>405,789</b>    | <b>821,998</b>   | <b>156,983</b>   | <b>218,452</b>   | <b>6,816,973</b>  | <b>199,279</b>   | <b>8,619,474</b> |
| <b>Liabilities</b>  |    |                   |                  |                  |                  |                   |                  |                  |
| Payable to the Management Company                                   | 10 | 3,055             | 1,920            | 409              | 256              | 3,803             | 661              | 10,104           |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 23                | 49               | 15               | 13               | 394               | 11               | 505              |
| Payable to Securities and Exchange Commission of Pakistan           | 12 | 42                | 86               | 27               | 21               | 360               | 12               | 548              |
| Dividend payable  |    | 13,579            | 33,801           | 6,328            | 9,024            | -                 | -                | 62,732           |
| Accrued expenses and other payables                                 | 13 | 9,301             | 11,928           | 2,824            | 2,400            | 6,253             | 267              | 32,973           |
| <b>Total liabilities</b>  |    | <b>26,000</b>     | <b>47,784</b>    | <b>9,603</b>     | <b>11,714</b>    | <b>10,810</b>     | <b>951</b>       | <b>106,862</b>   |
| <b>Net assets</b>   |    | <b>379,789</b>    | <b>774,214</b>   | <b>147,380</b>   | <b>206,738</b>   | <b>6,806,163</b>  | <b>198,328</b>   | <b>8,512,612</b> |
| <b>Unit holders' fund (as per statement attached)</b>               |    | <b>379,789</b>    | <b>774,214</b>   | <b>147,380</b>   | <b>206,738</b>   | <b>6,806,163</b>  | <b>198,328</b>   | <b>8,512,612</b> |
| <b>Contingencies and commitments</b>                                |    |                   |                  |                  |                  |                   |                  |                  |
| 14  |    | (Number of units) |                  |                  |                  |                   |                  |                  |
| <b>Number of units in issue</b>                                     |    | <b>3,728,505</b>  | <b>7,682,506</b> | <b>1,426,770</b> | <b>2,030,340</b> | <b>65,346,570</b> | <b>1,910,706</b> |                  |
|   |    | (Rupees)          |                  |                  |                  |                   |                  |                  |
| <b>Net assets value per unit</b>                                    |    | <b>101.8609</b>   | <b>100.7762</b>  | <b>103.2961</b>  | <b>101.8246</b>  | <b>104.1549</b>   | <b>103.7984</b>  |                  |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

**UBL Special Savings Fund**  
**Condensed Interim Statement of Assets and Liabilities (Audited)**  
*As at 30 June 2019*

**Assets**

|  |
|--|
| Bank balances                            |
| Investments                              |
| Profit receivables                       |
| Prepayments and other receivables        |
| Preliminary expenses and floatation cost |
| Advance tax                              |
| <b>Total assets</b>                      |

| 30 June 2019     |         |          |         |           |
|------------------|---------|----------|---------|-----------|
| USSP-I           | USSP-II | USSP-III | USSP-IV | Total     |
| (Rupees in '000) |         |          |         |           |
| 23,311           | 39,497  | 543      | 37,274  | 100,625   |
| 426,850          | 840,705 | 255,564  | 130,003 | 1,653,122 |
| 16,294           | 33,486  | 11,179   | 6,212   | 67,171    |
| -                | 22,152  | 191      | 9,894   | 32,237    |
| 890              | -       | -        | -       | 890       |
| 214              | 39      | 36       | 3       | 292       |
| 467,559          | 935,879 | 267,513  | 183,386 | 1,854,337 |

**Liabilities**

|   |
|---|
| Payable to the Management Company                                   |
| Payable to Central Depository Company of Pakistan Limited - Trustee |
| Payable to Securities and Exchange Commission of Pakistan           |
| Dividend payable  |
| Accrued expenses and other payables                                 |
| <b>Total liabilities</b>  |

|       |        |       |     |        |
|-------|--------|-------|-----|--------|
| 2,447 | 983    | 1,957 | 219 | 5,606  |
| 40    | 77     | 22    | 14  | 153    |
| 229   | 213    | 23    | 10  | 475    |
| -     | 627    | -     | -   | 627    |
| 5,123 | 32,160 | 686   | 356 | 38,325 |
| 7,839 | 34,060 | 2,688 | 599 | 45,186 |

**Net assets**

|         |         |         |         |           |
|---------|---------|---------|---------|-----------|
| 459,720 | 901,819 | 264,825 | 182,787 | 1,809,151 |
|---------|---------|---------|---------|-----------|

**Unit holders' fund (as per statement attached)**

|         |         |         |         |           |
|---------|---------|---------|---------|-----------|
| 459,720 | 901,819 | 264,825 | 182,787 | 1,809,151 |
|---------|---------|---------|---------|-----------|

**Contingencies and commitments**

**Number of units in issue**

| (Number of units) |           |           |           |
|-------------------|-----------|-----------|-----------|
| 4,709,959         | 9,257,824 | 2,678,767 | 1,833,947 |

**Net assets value per unit**

| (Rupees) |         |         |         |
|----------|---------|---------|---------|
| 97.6060  | 97.4116 | 98.8607 | 99.6688 |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

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

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

**UBL Special Savings Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
For the half year ended 31 December 2019

|   | Half year ended 31 December 2019 |         |          |         | For the period<br>from 13 Sept<br>2019 to 31<br>December 2019 | For the period<br>from 09 August<br>2019 to 31<br>December 2019 | Total | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018 |
|---|----------------------------------|---------|----------|---------|---|---|-------|--|
|   | USSP-I                           | USSP-II | USSP-III | USSP-IV | USSP-V  | USSP-VI   |       | USSP-I   |
| Note  | (Rupees in '000)                 |         |          |         |   |   |       |  |
| <b>Income</b>   |                                  |         |          |         |   |   |       |  |
| Profit on bank deposits and profit / return on investments calculated using the effective interest method | 15                               | 25,811  | 52,713   | 17,272  | 13,914  | 242,671   | 7,782 | 360,163  |
| Realised (loss) / gain on sale of investments   |                                  | (3,823) | (226)    | 3,197   | (57)  | (602)   | (501) | (2,012)  |
| Other income  |                                  | 290     | 479      | 406     | 13  | -   | 47    | 1,235  |
| <b>Total Income</b>   |                                  | 22,278  | 52,966   | 20,875  | 13,870  | 242,069   | 7,328 | 359,386  |
| <b>Expenses</b>   |                                  |         |          |         |   |   |       |  |
| Remuneration of the Management Company  | 10                               | 2,083   | 4,304    | 1,357   | 1,054   | 1,800   | 602   | 11,200   |
| Sindh sales tax on the Management Company's remuneration  |                                  | 271     | 560      | 177     | 137   | 234   | 78    | 1,457  |
| Allocation of expenses relating to the Fund   | 10                               | -       | -        | -       | -   | 1,807   | -     | 1,807  |
| Selling and marketing expenses  | 10                               | 833     | -        | -       | -   | -   | -     | 833  |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                                  | 11                               | 141     | 292      | 92      | 71  | 1,220   | 40    | 1,856  |
| Annual fee of Securities and Exchange Commission of Pakistan  | 12                               | 42      | 86       | 27      | 21  | 360   | 12    | 548  |
| Auditors' remuneration  |                                  | 50      | 43       | 35      | 38  | 18  | 21    | 205  |
| Formation cost  |                                  | 190     | -        | -       | -   | -   | -     | 190  |
| Bank charges  |                                  | 27      | 16       | 3       | 9   | 10  | 5     | 70   |
| Listing fees  |                                  | 3       | 3        | 3       | 3   | 2   | 2     | 16   |
| Legal and professional charges  |                                  | 15      | 15       | 15      | 15  | 8   | 9     | 77   |
| Brokerage expenses  |                                  | 28      | 18       | 26      | 10  | 24  | 9     | 115  |
| Other expenses  |                                  | 4       | 2        | 3       | 1   | 3   | 1     | 14   |
| <b>Total operating expenses</b>   |                                  | 3,687   | 5,339    | 1,738   | 1,359   | 5,486   | 779   | 18,388   |
| <b>Net income for the period from operating activities</b>  |                                  | 18,591  | 47,627   | 19,137  | 12,511  | 236,583   | 6,549 | 340,998  |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 13.1                             | (365)   | (934)    | (375)   | (245)   | (4,640)   | (129) | (6,688)  |
| <b>Net income for the period before taxation</b>  |                                  | 18,226  | 46,693   | 18,762  | 12,266  | 231,943   | 6,420 | 334,310  |
| Taxation  | 16                               | -       | -        | -       | -   | -   | -     | -  |
| <b>Net income for the period after taxation</b>   |                                  | 18,226  | 46,693   | 18,762  | 12,266  | 231,943   | 6,420 | 334,310  |
| <b>Allocation of net income for the period after taxation</b>   |                                  |         |          |         |   |   |       |  |
| Net income for the period after taxation  |                                  | 18,226  | 46,693   | 18,762  | 12,266  | 231,943   | 6,420 | 334,310  |
| Income already paid on units redeemed   |                                  | (1,291) | (4,113)  | (8,469) | (215)   | (5,671)   | (431) | (20,190)   |
|   |                                  | 16,935  | 42,580   | 10,293  | 12,051  | 226,272   | 5,989 | 314,120  |
| <b>Accounting income available for distribution</b>   |                                  |         |          |         |   |   |       |  |
| - Relating to capital gains   |                                  | -       | -        | 2,005   | -   | -   | -     | 2,005  |
| - Excluding capital gains   |                                  | 16,935  | 42,580   | 8,288   | 12,051  | 226,272   | 5,989 | 312,115  |
|   |                                  | 16,935  | 42,580   | 10,293  | 12,051  | 226,272   | 5,989 | 314,120  |
| <b>Earnings per unit</b>  | 18                               |         |          |         |   |   |       |  |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Income Statement (Un-Audited)  
For the quarter ended 31 December 2019

| Quarter ended 31 December 2019  |                  |         |          |         |        |         | Total | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018<br>USSP-I |       |
|---|------------------|---------|----------|---------|--------|---------|-------|--|-------|
| Note  | USSP-I           | USSP-II | USSP-III | USSP-IV | USSP-V | USSP-VI |       |  |       |
|   | (Rupees in '000) |         |          |         |        |         |       |  |       |
| <b>Income</b>   |                  |         |          |         |        |         |       |  |       |
| Profit on bank deposits and Profit / return on investments calculated using the effective interest method | 15               | 11,793  | 23,680   | 7,966   | 6,783  | 214,344 | 6,385 | 270,951  | 5,375 |
| Realised (loss) / gain on sale of investments   |                  | 261     | (225)    | 3,197   | (25)   | (474)   | (501) | 2,233  | -     |
| Other income  |                  | 60      | 147      | 397     | 7      | -       | 47    | 658  | -     |
| <b>Total Income</b>   |                  | 12,114  | 23,602   | 11,560  | 6,765  | 213,870 | 5,931 | 273,842  | 5,375 |
| <b>Expenses</b>   |                  |         |          |         |        |         |       |  |       |
| Remuneration of the Management Company  |                  | 1,014   | 2,078    | 679     | 545    | 1,602   | 505   | 6,423  | 555   |
| Sindh sales tax on the Management Company's remuneration  |                  | 132     | 271      | 89      | 71     | 208     | 65    | 836  | 72    |
| Allocation of expenses relating to the Fund   |                  | -       | -        | -       | -      | 1,601   | -     | 1,601  | 55    |
| Selling and marketing expenses  |                  | 406     | -        | -       | -      | -       | -     | 406  | -     |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                                  |                  | 69      | 141      | 46      | 36     | 1,085   | 33    | 1,410  | 63    |
| Annual fee of Securities and Exchange Commission of Pakistan  |                  | 21      | 41       | 14      | 11     | 320     | 10    | 417  | 42    |
| Auditors' remuneration  |                  | 29      | 22       | 14      | 17     | 15      | 16    | 113  | 132   |
| Formation cost  |                  | 95      | -        | -       | -      | -       | -     | 95   | 54    |
| Bank charges  |                  | 18      | 8        | 2       | 4      | 10      | 5     | 47   | -     |
| Listing fees  |                  | 1       | 1        | 1       | 1      | 2       | 2     | 8  | -     |
| Legal and professional charges  |                  | 6       | 6        | 6       | 6      | 7       | 6     | 37   | -     |
| Brokerage expenses  |                  | 2       | 11       | 26      | -      | 5       | 9     | 53   | -     |
| Other expenses  |                  | -       | 1        | 3       | -      | 1       | 1     | 6  | -     |
| <b>Total operating expenses</b>   |                  | 1,793   | 2,580    | 880     | 691    | 4,856   | 652   | 11,452   | 973   |
| <b>Net income for the quarter from operating activities</b>   |                  | 10,321  | 21,022   | 10,680  | 6,074  | 209,014 | 5,279 | 262,390  | 4,402 |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 13.1             | (362)   | (412)    | (209)   | (119)  | (4,099) | (104) | (5,305)  | (87)  |
| <b>Net income for the quarter before taxation</b>   |                  | 9,959   | 20,610   | 10,471  | 5,955  | 204,915 | 5,175 | 257,085  | 4,315 |
| Taxation  | 16               | -       | -        | -       | -      | -       | -     | -  | -     |
| <b>Net income for the quarter after taxation</b>  |                  | 9,959   | 20,610   | 10,471  | 5,955  | 204,915 | 5,175 | 257,085  | 4,315 |
| <b>Allocation of net income for the quarter after taxation</b>  |                  |         |          |         |        |         |       |  |       |
| Net income for the quarter after taxation   |                  | 9,959   | 20,610   | 10,471  | 5,955  | 204,915 | 5,175 | 257,085  | 4,315 |
| Income already paid on units redeemed   |                  | (716)   | (1,944)  | (8,376) | (143)  | (5,671) | (431) | (17,281)   | -     |
|   |                  | 9,243   | 18,666   | 2,095   | 5,812  | 199,244 | 4,744 | 239,804  | 4,315 |
| <b>Accounting income available for distribution</b>   |                  |         |          |         |        |         |       |  |       |
| - Relating to capital gains   |                  | -       | -        | 2,005   | -      | -       | -     | 2,005  | -     |
| - Excluding capital gains / (loss)  |                  | 9,243   | 18,666   | 90      | 5,812  | 199,244 | 4,744 | 237,799  | 4,315 |
|   |                  | 9,243   | 18,666   | 2,095   | 5,812  | 199,244 | 4,744 | 239,804  | 4,315 |
| <b>Earnings per unit</b>  |                  |         |          |         |        |         |       |  |       |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the half year ended 31 December 2019

|   | Half year ended 31 December 2019 |         |          |         | For the period<br>from 13 Sept<br>2019 to 31<br>December 2019 | For the period<br>from 09 August<br>2019 to 31<br>December 2019 | Total   | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018 |
|---|----------------------------------|---------|----------|---------|---|---|---------|--|
|   | USSP-I                           | USSP-II | USSP-III | USSP-IV | USSP-V  | USSP-VI   |         | USSP-I   |
|   | (Rupees in '000) -----           |         |          |         |   |   |         |  |
| Net income for the period after taxation  | 18,226                           | 46,693  | 18,762   | 12,266  | 231,943   | 6,420   | 334,310 | 4,315  |
| Other comprehensive income for the period   |                                  |         |          |         |   |   |         |  |
| Items to be reclassified to income statement in subsequent periods:   |                                  |         |          |         |   |   |         |  |
| Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income | 16,945                           | 27,778  | 6,808    | 3,340   | (5,384)   | (996)   | 48,491  | -  |
|   | 16,945                           | 27,778  | 6,808    | 3,340   | (5,384)   | (996)   | 48,491  | -  |
| Total comprehensive income for the period   | 35,171                           | 74,471  | 25,570   | 15,606  | 226,559   | 5,424   | 382,801 | 4,315  |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Director

UBL Special Savings Fund  
Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the quarter ended 31 December 2019

|   | Quarter ended 31 December 2019 |         |          |         |         |         | Total   | For the quarter<br>from 09<br>November 2018<br>to 31 December<br>2018<br>USSP-I |
|---|--------------------------------|---------|----------|---------|---------|---------|---------|---|
|   | USSP-I                         | USSP-II | USSP-III | USSP-IV | USSP-V  | USSP-VI |         |   |
|   | (Rupees in '000)               |         |          |         |         |         |         |   |
| Net income for the quarter after taxation   | 9,959                          | 20,610  | 10,471   | 5,955   | 204,915 | 5,175   | 257,085 | 4,315   |
| Other comprehensive income for the quarter  |                                |         |          |         |         |         |         |   |
| Items to be reclassified to income statement in subsequent quarters:  |                                |         |          |         |         |         |         |   |
| Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income | 5,474                          | 12,201  | 1,455    | 1,350   | (4,865) | (996)   | 14,619  | -   |
|   | 5,474                          | 12,201  | 1,455    | 1,350   | (4,865) | (996)   | 14,619  | -   |
| Total comprehensive income for the quarter  | 15,433                         | 32,811  | 11,926   | 7,305   | 200,050 | 4,179   | 271,704 | 4,315   |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)  
For the half year ended 31 December 2019

|   | Half year ended December, 2019 |                      |  |          |                  |                      |  |           |                  |                      |  |           | For the period from 13 September 2019 to 31 December 2019 |                      |  |          | For the period from 09 August 2019 to 31 December 2019 |                      |  |           | Total            |                      |  |          | For the period from 09 November 2018 to 31 December 2018 |                      |  |           |                  |         |           |           |
|---|--------------------------------|----------------------|--|----------|------------------|----------------------|--|-----------|------------------|----------------------|--|-----------|---|----------------------|--|----------|--|----------------------|--|-----------|------------------|----------------------|--|----------|--|----------------------|--|-----------|------------------|---------|-----------|-----------|
|   | USSP-I                         |                      |  |          | USSP-II          |                      |  |           | USSP-III         |                      |  |           | USSP-IV   |                      |  |          | USSP-V   |                      |  |           | USSP-VI          |                      |  |          | USSP-I   |                      |  |           |                  |         |           |           |
|   | Capital value                  | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total    | Capital value    | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total     | Capital value    | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total     | Capital value   | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total    | Capital value  | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total     | Capital value    | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total    | Capital value  | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total     |                  |         |           |           |
|   | (Rupees in '000)               |                      |  |          | (Rupees in '000) |                      |  |           | (Rupees in '000) |                      |  |           | (Rupees in '000)  |                      |  |          | (Rupees in '000)                                       |                      |  |           | (Rupees in '000) |                      |  |          | (Rupees in '000)   |                      |  |           | (Rupees in '000) |         |           |           |
| Net assets at beginning of the period   | 471,249                        | 136                  | (11,665)   | 459,720  | 925,449          | 1,024                | (24,654)   | 901,819   | 267,855          | (60)                 | (2,970)  | 264,825   | 183,380   | (78)                 | (515)  | 182,787  | -  | -                    | -  | -         | -                | -                    | -  | -        | 1,847,933  | 1,022                | (39,804)   | 1,809,151 | -                | -       | -         | -         |
| Issuance of 3000, 0, 16,067, 367,582, 67,255,991, 2,135,978 units<br>(31 December 2018 : 7,176,217 units)                         |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - Capital value   | 293                            | -                    | -  | 293      | -                | -                    | -  | -         | 1,588            | -                    | -  | 1,588     | 36,636  | -                    | -  | 36,636   | 6,725,599  | -                    | -  | 6,725,599 | 213,597          | -                    | -  | 213,597  | 6,977,713  | -                    | -  | 6,977,713 | 717,622          | -       | -         | 717,622   |
| - Element of income during the period relating to other comprehensive income relating to net income for the period after taxation | -                              | -                    | 9  | 9        | -                | -                    | -  | -         | -                | -                    | 35   | 35        | -   | -                    | (76)   | (76)     | -  | -                    | 11,486   | 11,486    | -                | -                    | (27)   | (27)     | -  | -                    | 11,427   | 11,427    | -                | -       | -         |           |
| - Total proceeds on issuance of units   | 5                              | -                    | -  | 5        | -                | -                    | -  | -         | 46               | -                    | -  | 46        | 259   | -                    | -  | 259      | 40,202   | -                    | -  | 40,202    | 2,406            | -                    | -  | 2,406    | 42,918   | -                    | -  | 42,918    | 2,079            | -       | -         | 2,079     |
|   | 298                            | -                    | 9  | 307      | -                | -                    | -  | -         | 1,634            | -                    | 35   | 1,669     | 36,895  | -                    | (76)   | 36,819   | 6,765,801  | -                    | 11,486   | 6,777,287 | 216,003          | -                    | (27)   | 215,976  | 7,020,631  | -                    | 11,427   | 7,032,058 | 719,701          | -       | -         | 719,701   |
| Redemption of 984,454, 1,575,318, 1,268,063, 171,190, 1,909,421 and 225,273 units<br>(31 December 2018 : 2,014,976 units)         |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - Capital value   | (96,089)                       | -                    | -  | (96,089) | (153,454)        | -                    | -  | (153,454) | (125,362)        | -                    | -  | (125,362) | (17,062)  | -                    | -  | (17,062) | (190,941)  | -                    | -  | (190,941) | (22,528)         | -                    | -  | (22,528) | (605,436)  | -                    | -  | (605,436) | (201,498)        | -       | -         | (201,498) |
| - Element of income during the period relating to other comprehensive income  | -                              | -                    | (1,250)  | (1,250)  | -                | -                    | (2,254)  | (2,254)   | -                | -                    | (3,010)  | (3,010)   | -   | -                    | (40)   | (40)     | -  | -                    | (352)  | (352)     | -                | -                    | 124  | 124      | -  | -                    | (6,782)  | (6,782)   | -                | -       | -         |           |
| - Relating to net income for the period after taxation  | 179                            | (1,291)              | -  | (1,112)  | (1)              | (4,113)              | -  | (4,114)   | -                | (8,469)              | -  | (8,469)   | -   | (215)                | -  | (215)    | (719)  | (5,671)              | -  | (6,390)   | (237)            | (431)                | -  | (668)    | (778)  | (20,190)             | -  | (20,968)  | -                | -       | -         |           |
| Total payments on redemption of units   | (95,910)                       | (1,291)              | (1,250)  | (98,451) | (153,455)        | (4,113)              | (2,254)  | (159,822) | (125,362)        | (8,469)              | (3,010)  | (136,841) | (17,062)  | (215)                | (40)   | (17,317) | (191,660)  | (5,671)              | (352)  | (197,683) | (22,765)         | (431)                | 124  | (23,072) | (606,214)  | (20,190)             | (6,782)  | (633,186) | (201,498)        | -       | (201,498) |           |
| Total comprehensive income for the period   | -                              | 10,226               | 16,945   | 35,171   | -                | 46,693               | 27,778   | 74,471    | -                | 18,762               | 6,808  | 25,570    | -   | 12,266               | 3,340  | 15,606   | -  | 231,943              | (5,384)  | 226,559   | -                | 6,420                | (996)  | 5,424    | -  | 334,310              | 48,491   | 382,801   | -                | 4,315   | -         |           |
| Distribution during the period  |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019<br>(31 December 2018 : @ Rs. 0.8513 per unit paid)       | (8)                            | (16,945)             | (5)  | (16,958) | -                | -                    | -  | -         | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | (8)  | (16,945)             | (5)  | (16,958)  | -                | -       | -         |           |
| - UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019<br>(31 December 2018 : @ Rs. 0.8513 per unit paid)      | -                              | -                    | -  | -        | -                | -                    | -  | -         | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | -                    | -  | -         | (2,079)          | (3,124) | (5,203)   |           |
| - UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019  | -                              | -                    | -  | -        | -                | -                    | (42,254)   | (42,254)  | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | (42,254)             | -  | (42,254)  | -                | -       | -         |           |
| - UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019   | -                              | -                    | -  | -        | -                | -                    | -  | -         | (33)             | (7,765)              | (45)   | (7,843)   | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | (33)   | (7,765)              | (45)   | (7,843)   | -                | -       | -         |           |
|   | -                              | -                    | -  | -        | -                | -                    | -  | -         | -                | -                    | -  | -         | 78  | (10,976)             | (259)  | (11,157) | -  | -                    | -  | -         | -                | -                    | -  | -        | 78   | (10,976)             | (259)  | (11,157)  | -                | -       | -         |           |
| Net income for the period less distribution   | (8)                            | 1,281                | 16,940   | 18,213   | -                | 4,439                | 27,778   | 32,217    | (33)             | 10,997               | 6,763  | 17,727    | 78  | 1,290                | 3,081  | 4,449    | -  | 231,943              | (5,384)  | 226,559   | -                | 6,420                | (996)  | 5,424    | 37   | 256,370              | 48,182   | 304,589   | (2,079)          | 1,191   | (888)     |           |
| Net assets at end of the period   | 375,629                        | 126                  | 4,034  | 379,789  | 771,894          | 1,350                | 870  | 774,214   | 144,094          | 2,468                | 818  | 147,380   | 203,291   | 997                  | 2,450  | 206,738  | 6,574,141  | 226,272              | 5,750  | 6,806,163 | 193,238          | 5,989                | (899)  | 198,328  | 8,262,387  | 237,202              | 13,023   | 8,512,612 | 516,124          | 1,191   | -         | 517,315   |
| Undistributed income brought forward:   |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - Realised income   | 136                            | -                    | -  | -        | 1,024            | -                    | -  | -         | (60)             | -                    | -  | -         | (78)  | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | 1,022  | -                    | -  | -         | -                | -       | -         |           |
| - Unrealised income   | 136                            | -                    | -  | -        | 1,024            | -                    | -  | -         | (60)             | -                    | -  | -         | (78)  | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | 1,022  | -                    | -  | -         | -                | -       | -         |           |
| Accounting income available for distribution :  |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - Relating to capital gains   | -                              | -                    | -  | -        | -                | -                    | -  | -         | 2,005            | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | 2,005  | -                    | -  | -         | -                | -       | -         |           |
| - Excluding capital gains   | 16,935                         | -                    | -  | -        | 42,580           | -                    | -  | -         | 8,288            | -                    | -  | -         | 12,051  | -                    | -  | -        | 226,272  | -                    | -  | -         | 5,989            | -                    | -  | -        | 312,115  | -                    | -  | 4,315     | -                | -       | -         |           |
|   | 16,935                         | -                    | -  | -        | 42,580           | -                    | -  | -         | 10,293           | -                    | -  | -         | 12,051  | -                    | -  | -        | 226,272  | -                    | -  | -         | 5,989            | -                    | -  | -        | 314,120  | -                    | -  | 4,315     | -                | -       | -         |           |
| Distribution during the period  |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019<br>(31 December 2018 : @ Rs. 0.8513 per unit paid)       | (16,945)                       | -                    | -  | -        | -                | -                    | -  | -         | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | (16,945)   | -                    | -  | -         | -                | -       | -         |           |
| - UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019   | -                              | -                    | -  | -        | (42,254)         | -                    | -  | -         | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | (42,254)             | -  | -         | -                | -       | -         |           |
| - UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019  | -                              | -                    | -  | -        | -                | -                    | -  | -         | (7,765)          | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | (7,765)              | -  | -         | -                | -       | -         |           |
| - UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019   | -                              | -                    | -  | -        | -                | -                    | -  | -         | -                | -                    | -  | -         | (10,976)  | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | (10,976)             | -  | -         | -                | -       | -         |           |
| Undistributed income carried forward  | 126                            | -                    | -  | -        | 1,350            | -                    | -  | -         | 2,468            | -                    | -  | -         | 997   | -                    | -  | -        | 226,272  | -                    | -  | -         | 5,989            | -                    | -  | -        | 237,202  | -                    | -  | 1,191     | -                | -       | -         |           |
| Undistributed income carried forward comprise of:   |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| - Realised income   | 126                            | -                    | -  | -        | 1,350            | -                    | -  | -         | 2,468            | -                    | -  | -         | 997   | -                    | -  | -        | 226,272  | -                    | -  | -         | 5,989            | -                    | -  | -        | 237,202  | -                    | -  | 1,191     | -                | -       | -         |           |
| - Unrealised income   | -                              | -                    | -  | -        | -                | -                    | -  | -         | -                | -                    | -  | -         | -   | -                    | -  | -        | -  | -                    | -  | -         | -                | -                    | -  | -        | -  | -                    | -  | -         | -                | -       | -         |           |
|   | 126                            | -                    | -  | -        | 1,350            | -                    | -  | -         | 2,468            | -                    | -  | -         | 997   | -                    | -  | -        | 226,272  | -                    | -  | -         | 5,989            | -                    | -  | -        | 237,202  | -                    | -  | 1,191     | -                | -       | -         | -         |
|   |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
|   |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
|   |                                |                      |  |          |                  |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |
| Net assets value per unit at end of the period  |                                |                      |  | 101.8009 |                  |                      |  | 100.7762  |                  |                      |  | 103.2961  |   |                      |  | 101.8246 |  |                      |  | 104.1549  |                  |                      |  | 103.7884 |  |                      |  |           |                  |         | 100.2307  |           |
|   |                                |                      |  |          | (Rupees)         |                      |  |           |                  |                      |  |           |   |                      |  |          |  |                      |  |           |                  |                      |  |          |  |                      |  |           |                  |         |           |           |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director



UBL Special Savings Fund  
Condensed Interim Cash Flow Statement (Un-Audited)  
For the half year ended 31 December 2019

|   | Half year ended December, 2019 |              |              |               | For the period<br>from 13 Sept<br>2019 to 31<br>December 2019 | For the period<br>from 09 August<br>2019 to 31<br>December 2019 | Total          | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018 |
|---|--------------------------------|--------------|--------------|---------------|---|---|----------------|--|
|   | USSP-I                         | USSP-II      | USSP-III     | USSP-IV       | USSP-V  | USSP-VI   |                | USSP-I   |
|   | (Rupees in '000)               |              |              |               |   |   |                |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                |              |              |               |   |   |                |  |
| Net income for the period before taxation   | 18,226                         | 46,693       | 18,762       | 12,266        | 231,943   | 6,420   | 334,310        | 4,315  |
| <b>Adjustments:</b>   |                                |              |              |               |   |   |                |  |
| Profit on bank deposits and profit / return on investments calculated using the effective interest method | (25,811)                       | (52,713)     | (17,272)     | (13,914)      | (242,671)   | (7,782)   | (360,163)      | (5,375)  |
| Provision for Sindh Workers' Welfare Fund   | 365                            | 934          | 375          | 245           | 4,640   | 129   | 6,688          | 87   |
| Formation cost  | 190                            | -            | -            | -             | -   | -   | 190            | -  |
| Realised loss / (gain) on sale of investments   | 3,823                          | 226          | (3,197)      | 57            | 602   | 501   | 2,012          | -  |
|   | (21,433)                       | (51,553)     | (20,094)     | (13,612)      | (237,429)   | (7,152)   | (351,273)      | (5,288)  |
|   | (3,207)                        | (4,860)      | (1,332)      | (1,346)       | (5,486)   | (732)   | (16,963)       | (973)  |
| <i>(Increase) / decrease in assets</i>  |                                |              |              |               |   |   |                |  |
| Investments   | 60,508                         | 98,588       | 121,731      | (55,867)      | (6,033,033)   | (184,448)   | (5,992,521)    | -  |
| Prepayments and other receivables   | (51)                           | 22,123       | 173          | 9,882         | (27)  | (7)   | 32,093         | (53)   |
| Preliminary expenses and floatation cost  | -                              | -            | -            | -             | -   | -   | -              | (1,077)  |
| Advance tax   | -                              | (69)         | (76)         | (1)           | -   | -   | (146)          | -  |
|   | 60,457                         | 120,642      | 121,828      | (45,986)      | (6,033,060)   | (184,455)   | (5,960,574)    | (1,130)  |
| <i>Increase / (decrease) in liabilities</i>   |                                |              |              |               |   |   |                |  |
| Payable to the Management Company   | 608                            | 937          | (1,548)      | 37            | 3,803   | 661   | 4,498          | 2,596  |
| Payable to Central Depository Company of Pakistan Limited - Trustee                                       | (17)                           | (28)         | (7)          | (1)           | 394   | 11  | 352            | 46   |
| Payable to Securities and Exchange Commission of Pakistan   | (187)                          | (127)        | 4            | 11            | 360   | 12  | 73             | 42   |
| Dividend payable  | 13,579                         | 33,174       | 6,328        | 9,024         | -   | -   | 62,105         | -  |
| Accrued expenses and other payables   | 3,813                          | (21,166)     | 1,763        | 1,799         | 1,613   | 138   | (12,040)       | 1,063  |
|   | 17,796                         | 12,790       | 6,540        | 10,870        | 6,170   | 822   | 54,988         | 3,747  |
| Profits received during the period  | 18,826                         | 39,504       | 16,756       | 8,015         | 230,713   | 3,343   | 317,157        | 1,284  |
| <b>Net cash generated from / (used) in operating activities</b>   | 93,872                         | 168,076      | 143,792      | (28,447)      | (5,801,663)   | (181,022)   | (5,605,392)    | 2,928  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                |              |              |               |   |   |                |  |
| Proceeds from issuance of units   | 294                            | -            | 1,591        | 36,638        | 6,777,287   | 215,976   | 7,031,786      | 719,101  |
| Payments on redemption of units   | (98,451)                       | (159,822)    | (136,841)    | (17,317)      | (197,683)   | (23,072)  | (633,186)      | (201,498)  |
| Total distribution to unit holders  | (16,945)                       | (42,254)     | (7,765)      | (10,976)      | -   | -   | (77,940)       | (5,203)  |
| <b>Net cash (used) in / generated from financing activities</b>   | (115,102)                      | (202,076)    | (143,015)    | 8,345         | 6,579,604   | 192,904   | 6,320,660      | 512,400  |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | (21,230)                       | (34,000)     | 777          | (20,102)      | 777,941   | 11,882  | 715,268        | 515,328  |
| Cash and cash equivalents at beginning of the period  | 23,311                         | 39,497       | 543          | 37,274        | -   | -   | 100,625        | -  |
| <b>Cash and cash equivalents at end of the period</b>   | <u>2,081</u>                   | <u>5,497</u> | <u>1,320</u> | <u>17,172</u> | <u>777,941</u>  | <u>11,882</u>   | <u>815,893</u> | <u>515,328</u>   |
| <b>Cash and cash equivalents</b>  |                                |              |              |               |   |   |                |  |
| Bank balances   | <u>2,081</u>                   | <u>5,497</u> | <u>1,320</u> | <u>17,172</u> | <u>777,941</u>  | <u>11,882</u>   | <u>815,893</u> | <u>515,328</u>   |

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Financial Officer

SD  
Chief Executive Officer

SD  
Director

# UBL Special Savings Fund

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the half year ended 31 December 2019

### 1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings 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 ("SECP"). It was constituted under a Trust Deed, dated 19 October 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The Fund commenced its operations from 09 November 2018.

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 has been categorized by the Management Company as Capital protected fund. The Fund consists of six plans namely, UBL Special Savings Fund - Plan I ("USSP I"), UBL Special Savings Fund - Plan II ("USSP II"), UBL Special Savings Fund - Plan III ("USSP III"), UBL Special Savings Fund - Plan IV ("USSP IV"), UBL Special Savings Fund - Plan V ("USSP V") and UBL Special Savings Fund - Plan VI ("USSP VI") The investment objectives of each plan is as follows:

The "UBL Special Savings Plan-I (USSP-I)" shall be an open-end Capital Protected Fund that aims to not only provide its unit-holders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

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

The "UBL Special Savings Plan-III (USSP-III)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from (commencement of life of Plan).

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

The "UBL Special Savings Plan-V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from (Commencement of Life of Plan).

The "UBL Special Savings Plan-VI (USSP-VI)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twenty four (24) months & beyond from (Commencement of Life of Plan).

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

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 31 December 2019.

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**

**2.1.1** The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual audited financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2019.

### **2.2 Basis of measurement**

This condensed interim financial information have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

### **2.3 Functional and presentation currency**

This condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended 30 June 2019.

## **4. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual audited financial statements as at and for the year ended 30 June 2019.

## **5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements as at and for the year ended 30 June 2019.

## 6. BANK BALANCES

| 6.  | BANK BALANCES  | Note | 31 December 2019 (Un-Audited) |              |                        |               |                |               |                |
|-----|--|------|-------------------------------|--------------|------------------------|---------------|----------------|---------------|----------------|
|     |  |      | USSP I                        | USSP II      | USSP III               | USSP IV       | USSP V         | USSP VI       | Total          |
|     |  |      | (Rupees in '000)              |              |                        |               |                |               |                |
|     | Saving accounts  | 6.1  | <u>2,081</u>                  | <u>5,497</u> | <u>1,320</u>           | <u>17,172</u> | <u>777,941</u> | <u>11,882</u> | <u>815,893</u> |
|     |  |      |                               | Note         | 30 June 2019 (Audited) |               |                |               |                |
|     |  |      |                               |              | USSP I                 | USSP II       | USSP III       | USSP IV       | Total          |
|     |  |      |                               |              | (Rupees in '000)       |               |                |               |                |
|     | Saving accounts  |      |                               | 6.1          | <u>23,311</u>          | <u>39,497</u> | <u>543</u>     | <u>37,274</u> | <u>100,625</u> |
| 6.1 | These carry profit rates ranging from 13.55% to 14.25% (30 June 2019: 7% to 13.15%) per annum. |      |                               |              |                        |               |                |               |                |

6.1 These carry profit rates ranging from 13.55% to 14.25% (30 June 2019: 7% to 13.15%) per annum.

## 7. INVESTMENTS

|   |      | 31 December 2019 (Un-Audited) |                |                |                |                  |                |                  |
|---|------|-------------------------------|----------------|----------------|----------------|------------------|----------------|------------------|
|   | Note | USSP-I                        | USSP-II        | USSP-III       | USSP-IV        | USSP-V           | USSP-VI        | Total            |
| At fair value through other comprehensive income  |      |                               |                |                |                |                  |                |                  |
| Government securities                             |      |                               |                |                |                |                  |                |                  |
| - Pakistan investment bonds                       | 7.1  | 388,115                       | 786,609        | 149,739        | 193,908        | 93,683           | 97,418         | 1,709,472        |
| - Market Treasury Bills                           | 7.1  | -                             | -              | -              | -              | 5,933,690        | 86,217         | 6,019,907        |
|   |      | <u>388,115</u>                | <u>786,609</u> | <u>149,739</u> | <u>193,908</u> | <u>6,027,373</u> | <u>183,635</u> | <u>7,729,379</u> |
| 30 June 2019 (Audited)                            |      |                               |                |                |                |                  |                |                  |
|   |      | USSP I                        | USSP II        | USSP III       | USSP IV        | USSP V           | USSP VI        | Total            |
| ----- (Rupees in '000) -----                      |      |                               |                |                |                |                  |                |                  |
| At fair value through other comprehensive income  |      |                               |                |                |                |                  |                |                  |
| Government securities - Pakistan investment bonds |      |                               |                |                |                |                  |                |                  |
|   | 7.1  | 426,850                       | 840,705        | 255,564        | 130,003        |                  |                | 1,653,122        |

### 7.1 Investment in Government Securities - at fair value through other comprehensive income

| Issue date                | Tenor   | Face value            |                                   |   |                              | Amortised<br>Cost as at 31<br>December<br>2019 | Market value<br>as at 31<br>December<br>2019 | Market value as a<br>percentage of |                           |
|---------------------------|---------|-----------------------|-----------------------------------|---|------------------------------|--|--|------------------------------------|---------------------------|
|                           |         | As at 01 July<br>2019 | Purchased<br>during the<br>period | Sold /<br>matured<br>during the<br>period | As at 31<br>December<br>2019 |  |  | Total<br>investments<br>of plan    | Net assets of<br>the Plan |
|                           |         | (Rupees in '000)      |                                   |   |                              |  |  |                                    |                           |
| Held by USSP I            |         |                       |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |         |                       |                                   |   |                              |  |  |                                    |                           |
| 12 July 2018              | 3 years | 480,500               | -                                 | 159,500                                   | 321,000                      | 299,237  | 297,820                                      | 76.73%                             | 78.42%                    |
| 12 July 2018              | 5 years | -                     | 100,000                           | -   | 100,000                      | 83,582   | 90,295                                       | 23.27%                             | 23.78%                    |
|                           |         | <u>480,500</u>        | <u>100,000</u>                    | <u>159,500</u>                            | <u>421,000</u>               | <u>382,819</u>                                 | <u>388,115</u>                               | <u>100.00%</u>                     | <u>102.20%</u>            |
| Held by USSP II           |         |                       |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |         |                       |                                   |   |                              |  |  |                                    |                           |
| 12 July 2018              | 3 years | 761,000               | -                                 | 101,000                                   | 660,000                      | 615,481  | 612,341                                      | 77.85%                             | 79.09%                    |
| 12 July 2018              | 5 years | 200,000               | -                                 | 7,000                                     | 193,000                      | 167,954  | 174,268                                      | 22.15%                             | 22.51%                    |
|                           |         | <u>961,000</u>        | <u>-</u>                          | <u>108,000</u>                            | <u>853,000</u>               | <u>783,435</u>                                 | <u>786,609</u>                               | <u>100.00%</u>                     | <u>101.60%</u>            |
| Held by USSP III          |         |                       |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |         |                       |                                   |   |                              |  |  |                                    |                           |
| 12 July 2018              | 3 years | 195,000               | -                                 | 92,000                                    | 103,000                      | 95,313   | 95,562                                       | 63.82%                             | 64.84%                    |
| 12 July 2018              | 5 years | 100,000               | -                                 | 40,000                                    | 60,000                       | 50,587   | 54,177                                       | 36.18%                             | 36.76%                    |
|                           |         | <u>295,000</u>        | <u>-</u>                          | <u>132,000</u>                            | <u>163,000</u>               | <u>145,900</u>                                 | <u>149,739</u>                               | <u>100.00%</u>                     | <u>101.60%</u>            |

| Issue date                | Tenor    | Face value                   |                                   |   |                              | Amortised<br>Cost as at 31<br>December<br>2019 | Market value<br>as at 31<br>December<br>2019 | Market value as a<br>percentage of |                           |
|---------------------------|----------|------------------------------|-----------------------------------|---|------------------------------|--|--|------------------------------------|---------------------------|
|                           |          | As at 01 July<br>2019        | Purchased<br>during the<br>period | Sold /<br>matured<br>during the<br>period | As at 31<br>December<br>2019 |  |  | Total<br>investments<br>of plan    | Net assets of<br>the Plan |
|                           |          | ----- (Rupees in '000) ----- |                                   |   |                              |  |  |                                    |                           |
| Held by USSP IV           |          |                              |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |          |                              |                                   |   |                              |  |  |                                    |                           |
| 12 July 2018              | 3 years  | 100,000                      | 109,000                           | -   | 209,000                      | 191,124  | 193,908                                      | 100.00%                            | 93.79%                    |
| 12 July 2018              | 5 years  | 50,000                       | -                                 | 50,000                                    | -                            | -  | -  | 0.00%                              | 0.00%                     |
|                           |          | <u>150,000</u>               | <u>109,000</u>                    | <u>50,000</u>                             | <u>209,000</u>               | <u>191,124</u>                                 | <u>193,908</u>                               | <u>100.00%</u>                     | <u>93.79%</u>             |
| Held by USSP V            |          |                              |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |          |                              |                                   |   |                              |  |  |                                    |                           |
| 19 September 2019         | 3 years  | -                            | 100,000                           | -   | 100,000                      | 93,807   | 93,683                                       | 1.55%                              | 1.38%                     |
|                           |          | <u>-</u>                     | <u>100,000</u>                    | <u>-</u>                                  | <u>100,000</u>               | <u>93,807</u>                                  | <u>93,683</u>                                | <u>1.55%</u>                       | <u>1.38%</u>              |
| Market Treasury Bills     |          |                              |                                   |   |                              |  |  |                                    |                           |
| 18 July 2019              | 3 months | -                            | 1,975,000                         | 1,975,000                                 | -                            | -  | -  | -                                  | -                         |
| 1 August 2019             | 3 months | -                            | 450,000                           | 450,000                                   | -                            | -  | -  | -                                  | -                         |
| 12 September 2019         | 6 months | -                            | 500,000                           | -   | 500,000                      | 487,352  | 487,286                                      | 8.08%                              | 7.16%                     |
| 12 September 2019         | 1 year   | -                            | 2,500,000                         | -   | 2,500,000                    | 2,289,523                                      | 2,289,433                                    | 37.98%                             | 33.64%                    |
| 26 September 2019         | 1 year   | -                            | 1,656,000                         | -   | 1,656,000                    | 1,509,316                                      | 1,509,642                                    | 25.05%                             | 22.18%                    |
| 10 October 2019           | 1 year   | -                            | 1,000,000                         | -   | 1,000,000                    | 909,968  | 907,546                                      | 15.06%                             | 13.33%                    |
| 24 October 2019           | 3 months | -                            | 500,000                           | 500,000                                   | -                            | -  | -  | -                                  | -                         |
| 24 October 2019           | 6 months | -                            | 500,000                           | 200,000                                   | 300,000                      | 288,459  | 288,017                                      | 4.78%                              | 4.23%                     |
| 24 October 2019           | 1 year   | -                            | 500,000                           | -   | 500,000                      | 454,318  | 451,766                                      | 7.50%                              | 6.64%                     |
|                           |          | <u>-</u>                     | <u>9,581,000</u>                  | <u>3,125,000</u>                          | <u>6,456,000</u>             | <u>5,938,936</u>                               | <u>5,933,690</u>                             | <u>98.45%</u>                      | <u>87.18%</u>             |
| Held by USSP VI           |          |                              |                                   |   |                              |  |  |                                    |                           |
| Pakistan Investment Bonds |          |                              |                                   |   |                              |  |  |                                    |                           |
| 12 July 2018              | 3 years  | -                            | 125,000                           | 20,000                                    | 105,000                      | 97,988   | 97,418                                       | 53.05%                             | 49.12%                    |
|                           |          | <u>-</u>                     | <u>125,000</u>                    | <u>20,000</u>                             | <u>105,000</u>               | <u>97,988</u>                                  | <u>97,418</u>                                | <u>53.05%</u>                      | <u>49.12%</u>             |
| Market Treasury Bills     |          |                              |                                   |   |                              |  |  |                                    |                           |
| 10 October 2019           | 3 months | -                            | 75,000                            | 75,000                                    | -                            | -  | -  | -                                  | -                         |
| 10 October 2019           | 1 year   | -                            | 155,000                           | 60,000                                    | 95,000                       | 86,630   | 86,217                                       | 46.95%                             | 43.47%                    |
|                           |          | <u>-</u>                     | <u>230,000</u>                    | <u>135,000</u>                            | <u>95,000</u>                | <u>86,630</u>                                  | <u>86,217</u>                                | <u>46.95%</u>                      | <u>43.47%</u>             |

**8. PRELIMINARY EXPENSES AND FLOATATION COST**

|   | 31 December 2019<br>(Un-Audited) |         |          |         |        |         | 30 June 2019<br>(Audited) |
|---|----------------------------------|---------|----------|---------|--------|---------|---------------------------|
|   | USSP I                           | USSP II | USSP III | USSP IV | USSP V | USSP VI | USSP I                    |
|   | (Rupees in '000)                 |         |          |         |        |         |                           |
| Deferred formation cost                         | 890                              | -       | -        | -       | -      | -       | 1,131                     |
| Amortisation during the period                  | (190)                            | -       | -        | -       | -      | -       | (241)                     |
| Unamortised formation cost at end of the period | 700                              | -       | -        | -       | -      | -       | 890                       |

- 8.1** As per the offering documents all preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorisation of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred for announcing the Fund and other expenses during and up to the Initial Public Offer (IPO), shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Deferred formation cost shall be borne by the Fund and amortised within the maturity of plan which is 36 months.

**9. ADVANCE TAX**

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for the Tax year 2020.

**10. PAYABLE TO THE MANAGEMENT COMPANY**

SECP vide S.R.O. 639 (I)/2019 has substitute regulation 61 where by Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document.

During the period ended 31 December 2019, the Management Company has charged remuneration at the rate of 1% and 0.1% per annum of average daily net assets of USSP I, USSP II, USSP III, USSP IV, USSP VI and USSP V respectively.

SECP vide S.R.O. 639 (I)/2019 has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% and 0.4% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services and selling and marketing expenses respectively, provided total expense ratio remains within the allowed limit.

The Management Company is charging 0.1% per annum of the average daily net assets of USSP V on account of fee and expenses related to registrar services, accounting, operation and valuation services from 13 September 2019 and 0.4% per annum of the average daily net assets of USSP I on account of selling and marketing expense from 01 July 2019.

**11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from 01 July 2019 where by the revised tariff is 0.06% per annum of average daily net assets.

## 12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O. 685 (I)/2019 has revised its annual fee from 0.075% to 0.02% per annum of average daily net assets of the Fund, applicable from 01 July 2019.

## 13. ACCRUED EXPENSES AND OTHER PAYABLES

Note

|  |      | 31 December 2019 (Un-Audited) |               |              |              |              |            |               |
|--|------|-------------------------------|---------------|--------------|--------------|--------------|------------|---------------|
|  |      | USSP I                        | USSP II       | USSP III     | USSP IV      | USSP V       | USSP VI    | Total         |
|  |      | (Rupees in '000)              |               |              |              |              |            |               |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 13.1 | 937                           | 1,514         | 435          | 276          | 4,640        | 129        | 7,931         |
| Auditors' remuneration payable                   |      | 37                            | 37            | 37           | 37           | 18           | 22         | 188           |
| Withholding tax payable                          |      | 3,365                         | 8,413         | 1,431        | 1,953        | -            | -          | 15,162        |
| Zakat deducted at source                         |      | 715                           | 1,329         | 39           | -            | -            | -          | 2,083         |
| Other payables                                   |      | 4,247                         | 635           | 882          | 134          | 1,595        | 116        | 7,609         |
|  |      | <u>9,301</u>                  | <u>11,928</u> | <u>2,824</u> | <u>2,400</u> | <u>6,253</u> | <u>267</u> | <u>32,973</u> |
| 30 June 2019 (Audited)                           |      |                               |               |              |              |              |            |               |
|  |      | USSP I                        | USSP II       | USSP III     | USSP IV      |              |            | Total         |
| Provision for Sindh Workers' Welfare Fund (SWWF) |      | 561                           | 580           | 68           | 31           |              |            | 1,240         |
| Auditors' remuneration payable                   |      | 123                           | 50            | 17           | 6            |              |            | 196           |
| Withholding tax payable                          |      | 3,130                         | 3,695         | 448          | 212          |              |            | 7,485         |
| Zakat deducted at source                         |      | 715                           | 1,288         | 32           | -            |              |            | 2,035         |
| Other payables                                   |      | 594                           | 26,547        | 121          | 107          |              |            | 27,369        |
|  |      | <u>5,123</u>                  | <u>32,160</u> | <u>686</u>   | <u>356</u>   |              |            | <u>38,325</u> |

13.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 13.1 to the annual audited financial statements for the year ended 30 June 2019.

The Fund has recognised provision for SWWF amounting to Rs. 0.365, Rs. 0.934, Rs. 0.375, Rs. 0.245, Rs. 4.64 and Rs. 0.129 million for USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI respectively. Had the provision not been provided for, net assets value per unit of the USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI would have been higher by Rs. 0.2512, Rs. 0.1971, Rs. 0.3007, Rs. 0.1361, Rs. 0.0710 and Rs. 0.0673 per unit respectively (30 June 2019 : USSP I Rs 0.1191 ,USSP II Rs 0.0626 ,USSP III Rs 0.0252, USSP IV Rs 0.0168).

## 14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2019.

**15. PROFIT ON BANK DEPOSITS AND PROFIT / RETURN ON INVESTMENTS  
CALCULATED USING THE EFFECTIVE INTEREST METHOD**

| Half year ended 31 December 2019 (Un-Audited) |               |               |               | For the period<br>from 13 Sept<br>2019 to 31<br>December 2019 | For the period<br>from 09 August<br>2019 to 31<br>December 2019 | Total        | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018 |
|---|---------------|---------------|---------------|---|---|--------------|--|
| USSP I  | USSP II       | USSP III      | USSP IV       | USSP V  | USSP VI   |              | USSP I   |
| (Rupees in '000)                              |               |               |               |   |   |              |  |
| Profits on:                                   |               |               |               |   |   |              |  |
| - Bank balances                               | 473           | 1,604         | 410           | 2,053   | 13,110  | 2,908        | 5,375  |
| - Pakistan investment bonds                   | 25,338        | 51,109        | 16,862        | 11,861  | 1,859   | 1,942        | -  |
| - Treasury bills                              | -             | -             | -             | -   | 227,702   | 2,932        | -  |
|   | <u>25,811</u> | <u>52,713</u> | <u>17,272</u> | <u>13,914</u>   | <u>242,671</u>  | <u>7,782</u> | <u>5,375</u>   |

| Quarter ended 31 December 2019 (Un-Audited) |               |               |              |              |                | Total        | For the period<br>from 09<br>November 2018<br>to 31 December<br>2018 |
|---|---------------|---------------|--------------|--------------|----------------|--------------|--|
| USSP I                                      | USSP II       | USSP III      | USSP IV      | USSP V       | USSP VI        |              | USSP I   |
| (Rupees in '000)                            |               |               |              |              |                |              |  |
| Profits on:                                 |               |               |              |              |                |              |  |
| - Bank balances                             | 139           | 239           | 95           | 869          | 12,759         | 1,511        | 5,375  |
| - Pakistan investment bonds                 | 11,654        | 23,441        | 7,871        | 5,914        | 1,859          | 1,942        | -  |
| - Treasury bills                            | -             | -             | -            | -            | 199,726        | 2,932        | -  |
|   | <u>11,793</u> | <u>23,680</u> | <u>7,966</u> | <u>6,783</u> | <u>214,344</u> | <u>6,385</u> | <u>5,375</u>   |

**16. TAXATION**

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 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 the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended 30 June 2020 to its unit holders.



## 17. TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2% to 2.5% for Income, aggressive income, Capital protected, Index and Commodity Schemes (cash settled).

|                                    | 2019   |         |          |         |        |         |
|------------------------------------|--------|---------|----------|---------|--------|---------|
|                                    | USSP I | USSP II | USSP III | USSP IV | USSP V | USSP VI |
| Total expense ratio                | 1.95%  | 1.46%   | 1.56%    | 1.52%   | 0.45%  | 1.35%   |
| Government levy, SWWF and SECP fee | 0.34%  | 0.38%   | 0.43%    | 0.39%   | 0.24%  | 0.33%   |

## 18. EARNINGS PER UNIT

Earnings per unit (EPU) for respective plans have not been disclosed in this condensed interim financial information as in the opinion of the Management Company, the determination of the cumulative weighted average number of outstanding units is not practicable.

## 19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

|  | Management Company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|--|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Transaction during the period ended 31 December 2019) ----- |                    |                      |         |                               |                              |   |
| ----- (Rupees in '000) -----                                       |                    |                      |         |                               |                              |   |
| <b>USSP I</b>  |                    |                      |         |                               |                              |   |
| Sale of securities   | -                  | 44,330               | -       | 3,721                         | -                            | -   |
| Remuneration   | 2,083              | -                    | 125     | -                             | -                            | -   |
| Sindh sales tax on remuneration                                    | 271                | -                    | 16      | -                             | -                            | -   |
| Selling and marketing expense                                      | 833                | -                    | -       | -                             | -                            | -   |
| ----- Balances held as at 31 December 2019 (Un-Audited) -----      |                    |                      |         |                               |                              |   |
| ----- (Rupees in '000) -----                                       |                    |                      |         |                               |                              |   |
| Remuneration payable*  | 384                | -                    | 23      | -                             | -                            | -   |
| Sales load and other payables                                      | 1,133              | 27                   | -       | -                             | -                            | -   |
| Formation cost payable   | 1,132              | -                    | -       | -                             | -                            | -   |
| Payable against selling and marketing                              | 406                | -                    | -       | -                             | -                            | -   |

\* This balance is inclusive of Sindh Sales Tax.

|   | Management<br>Company  | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key executives | Other<br>connected<br>persons /<br>related parties |
|---|--|-------------------------|---------|-------------------------------------|---------------------------------|--|
| <b>USSP II</b>                                  | ----- (Transaction during the period ended 31 December 2019) -----<br>----- (Rupees in '000) ----- |                         |         |                                     |                                 |  |
| Sale of securities                              | -  | -                       | -       | 4,641                               | -                               | -  |
| Remuneration                                    | 4,304  | -                       | 258     | -                                   | -                               | -  |
| Sindh sales tax on remuneration                 | 560  | -                       | 34      | -                                   | -                               | -  |
|   | -----Balances held as at 31 December 2019 (Un-Audited) -----<br>----- (Rupees in '000) -----       |                         |         |                                     |                                 |  |
| Remuneration payable*                           | 776  | -                       | 49      | -                                   | -                               | -  |
| Sales load and other payables                   | 1,144  | 564                     | -       | -                                   | -                               | -  |
| * This balance is inclusive of Sindh Sales Tax. |  |                         |         |                                     |                                 |  |
| <b>USSP III</b>                                 | ----- (Transaction during the period ended 31 December 2019) -----<br>----- (Rupees in '000) ----- |                         |         |                                     |                                 |  |
| Dividend paid                                   | -  | -                       | -       | -                                   | -                               | 891  |
| Remuneration                                    | 1,357  | -                       | 81      | -                                   | -                               | -  |
| Sindh sales tax on remuneration                 | 177  | -                       | 11      | -                                   | -                               | -  |
|   | -----Balances held as at 31 December 2019 (Un-Audited) -----<br>----- (Rupees in '000) -----       |                         |         |                                     |                                 |  |
| Units held (units in '000)                      | -  | -                       | -       | -                                   | -                               | 162  |
| Units held (Rupees in '000)                     | -  | -                       | -       | -                                   | -                               | 16,734   |
| Remuneration payable*                           | 245  | -                       | 15      | -                                   | -                               | -  |
| Sales load and other payables                   | 164  | 43                      | -       | -                                   | -                               | -  |
| Dividend payable                                |  |                         |         |                                     |                                 | 891  |
| * This balance is inclusive of Sindh Sales Tax. |  |                         |         |                                     |                                 |  |
| <b>USSP IV</b>                                  | ----- (Transaction during the period ended 31 December 2019) -----<br>----- (Rupees in '000) ----- |                         |         |                                     |                                 |  |
| Purchase of securities                          | -  | -                       | -       | 8,362                               | -                               | -  |
| Dividend paid                                   | -  | -                       | -       | -                                   | -                               | 4,709  |
| Remuneration                                    | 1,054  | -                       | 63      | -                                   | -                               | -  |
| Sindh sales tax on remuneration                 | 137  | -                       | 8       | -                                   | -                               | -  |

|  | Management<br>Company | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key executives | Other<br>connected<br>persons /<br>related parties |
|--|-----------------------|-------------------------|---------|-------------------------------------|---------------------------------|--|
| -----Balances held as at 31 December 2019 (Un-Audited) ----- |                       |                         |         |                                     |                                 |  |
| ----- (Rupees in '000) -----                                 |                       |                         |         |                                     |                                 |  |
| Units held (units in '000)                                   | -                     | -                       | -       | -                                   | -                               | 856  |
| Units held (Rupees in '000)                                  | -                     | -                       | -       | -                                   | -                               | 87,162   |
| Remuneration payable*  | 207                   | -                       | 13      | -                                   | -                               | -  |
| Sales load and other payables                                | 49                    | 68                      | -       | -                                   | -                               | -  |
| Dividend payable   |                       |                         |         |                                     |                                 | 4,709  |

\* This balance is inclusive of Sindh Sales Tax.

#### USSP V

|  |       |   |       |   |   |        |
|--|-------|---|-------|---|---|--------|
| ----- (Transaction during the period from 13 September 2019 to 31 December 2019) ----- |       |   |       |   |   |        |
| ----- (Rupees in '000) -----   |       |   |       |   |   |        |
| Units issued   | -     | - | -     | - | - | 64,190 |
| Units redeemed   | -     | - | -     | - | - | 1,642  |
| Remuneration   | 1,800 | - | 1,080 | - | - | -      |
| Sindh sales tax on remuneration  | 234   | - | 140   | - | - | -      |
| Reimbursement of expenses  | 1,807 | - | -     | - | - | -      |

|  |       |    |     |   |   |           |
|--|-------|----|-----|---|---|-----------|
| -----Balances held as at 31 December 2019 (Un-Audited) ----- |       |    |     |   |   |           |
| ----- (Rupees in '000) -----                                 |       |    |     |   |   |           |
| Units held (units in '000)                                   | -     | -  | -   | - | - | 62,548    |
| Units held (Rupees in '000)                                  | -     | -  | -   | - | - | 6,514,681 |
| Remuneration payable*  | 656   | -  | 394 | - | - | -         |
| Sales load and other payables                                | 2,008 | 15 |     |   |   |           |
| Reimbursement of expenses                                    | 1,139 |    |     |   |   |           |

\* This balance is inclusive of Sindh Sales Tax.

#### USSP VI

|  |     |   |    |   |   |   |
|--|-----|---|----|---|---|---|
| ----- (Transaction during the period from 9 August 2019 to 31 December 2019) ----- |     |   |    |   |   |   |
| ----- (Rupees in '000) -----   |     |   |    |   |   |   |
| Units issued   | -   | - | -  | - | 6 | - |
| Remuneration   | 602 | - | 35 |   |   |   |
| Sindh sales tax on remuneration  | 78  | - | 5  |   |   |   |
| Profit on savings accounts   | -   | - | -  | - | - | - |

|  |     |    |    |   |     |   |
|--|-----|----|----|---|-----|---|
| -----Balances held as at 31 December 2019 (Un-Audited) ----- |     |    |    |   |     |   |
| ----- (Rupees in '000) -----                                 |     |    |    |   |     |   |
| Units held (units in '000)                                   | -   | -  | -  | - | 6   | - |
| Units held (Rupees in '000)                                  | -   | -  | -  | - | 623 | - |
| Remuneration payable*  | 190 | -  | 11 | - | -   | - |
| Sales load and other payables                                | 471 | 58 | -  | - | -   | - |

\* This balance is inclusive of Sindh Sales Tax.

|                    | Management<br>Company  | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key executives | Other<br>connected<br>persons /<br>related parties |
|--------------------|--|-------------------------|---------|-------------------------------------|---------------------------------|--|
|                    | ----- (Transaction during the period from 9 November 2018 to 31 December 2018) ----- |                         |         |                                     |                                 | -----  |
|                    | ----- (Rupees in '000) -----   |                         |         |                                     |                                 | -----  |
| <b>USSP I</b>      |  |                         |         |                                     |                                 |  |
| Units issued       | 201,498  | -                       | -       | -                                   | -                               | -  |
| Units redeemed     | 201,498  | -                       | -       | -                                   | -                               | -  |
| Dividend paid      | 1,703  |                         |         |                                     |                                 |  |
| Allocated expenses | 55   | -                       | -       | -                                   | -                               | -  |
| Remuneration*      | 627  | -                       | 63      | -                                   | -                               | -  |

\* This balance is inclusive of Sindh Sales Tax.

| USSP II                       | Balances held as at 30 June 2019 (Audited) |   |    |   |   |   |
|-------------------------------|--|---|----|---|---|---|
|                               | (Rupees in '000)                           |   |    |   |   |   |
| Remuneration payable*         | 855  | - | 77 | - | - | - |
| Sales load and other payables | 128  | - | -  | - | - | - |

## USSP III

\* This balance is inclusive of Sindh Sales Tax.

| USSP IV                       | Balances held as at 30 June 2019 (Audited) |   |    |   |        |
|-------------------------------|--|---|----|---|--------|
|                               | (Rupees in '000)                           |   |    |   |        |
| Units held (units in '000)    | -  | - | -  | - | 856    |
| Units held (Rupees in '000)   | -  | - | -  | - | 85,316 |
| Remuneration payable*         | 155  | - | 14 | - | -      |
| Sales load and other payables | 64   | - | -  | - | -      |

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

|  |      | 31 December 2019 (Un-Audited)                             |   |   |                   |                |         |         |         |         |
|--|------|---|---|---|-------------------|----------------|---------|---------|---------|---------|
|  |      | USSP I  |   |   |                   |                |         |         |         |         |
| On-balance sheet financial instruments                                 |      | Carrying amount   |   |   |                   | Fair value     |         |         |         |         |
|  |      | Mandatorily<br>at fair value<br>through profit<br>or loss | Designated as<br>at fair value<br>through profit<br>or loss | At fair value<br>through other<br>comprehensive<br>income | Amortised<br>cost | Total          | Level 1 | Level 2 | Level 3 | Total   |
|  | Note | ----- (Rupees in '000) -----                              |   |   |                   |                |         |         |         |         |
| <b>Financial assets measured at fair value</b>                         |      |   |   |   |                   |                |         |         |         |         |
| Investment in Debt Securities.   | 7    | <u>-</u>  | <u>-</u>  | <u>388,115</u>  | <u>-</u>          | <u>388,115</u> | -       | 388,115 | -       | 388,115 |
| <b>Financial assets not measured at fair value</b>                     |      |   |   |   |                   |                |         |         |         |         |
| Bank balances  | 20.2 | -   | -   | -   | 2,081             | 2,081          |         |         |         |         |
| Profits receivables  |      | -   | -   | -   | 14,628            | 14,628         |         |         |         |         |
| Prepayments and other receivables                                      |      | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>51</u>         | <u>51</u>      |         |         |         |         |
|  |      | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>16,760</u>     | <u>16,760</u>  |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>                |      |   |   |   |                   |                |         |         |         |         |
| Payable to the Management Company                                      | 20.2 | -   | -   | -   | 3,055             | 3,055          |         |         |         |         |
| Payable to Central Depository Company of<br>Pakistan Limited - Trustee |      | -   | -   | -   | 23                | 23             |         |         |         |         |
| Dividend payable   |      | -   | -   | -   | 13,579            | 13,579         |         |         |         |         |
| Accrued expenses and other payables                                    |      | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>8,364</u>      | <u>8,364</u>   |         |         |         |         |
|  |      | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>25,021</u>     | <u>25,021</u>  |         |         |         |         |

| On-balance sheet financial instruments                                 |      | USSP II   |   |   |                   |            |         |         |         |         |
|--|------|---|---|---|-------------------|------------|---------|---------|---------|---------|
|  |      | Carrying amount   |   |   |                   | Fair value |         |         |         |         |
|  |      | Mandatorily<br>at fair value<br>through profit<br>or loss | Designated as<br>at fair value<br>through profit<br>or loss | At fair value<br>through other<br>comprehensive<br>income | Amortised<br>cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note   |      | ----- (Rupees in '000) -----                              |   |   |                   |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                         |      |   |   |   |                   |            |         |         |         |         |
| Investment in Debt Securities.   | 7    | -   | -   | 786,609   | -                 | 786,609    | -       | 786,609 | -       | 786,609 |
| <b>Financial assets not measured at fair value</b>                     |      |   |   |   |                   |            |         |         |         |         |
| Bank balances  | 20.2 | -   | -   | -   | 5,497             | 5,497      |         |         |         |         |
| Profits receivables  |      | -   | -   | -   | 29,755            | 29,755     |         |         |         |         |
| Prepayments and other receivables                                      |      | -   | -   | -   | 29                | 29         |         |         |         |         |
|  |      | -   | -   | -   | 35,281            | 35,281     |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>                |      |   |   |   |                   |            |         |         |         |         |
| Payable to the Management Company                                      | 20.2 | -   | -   | -   | 1,920             | 1,920      |         |         |         |         |
| Payable to Central Depository Company of<br>Pakistan Limited - Trustee |      | -   | -   | -   | 49                | 49         |         |         |         |         |
| Dividend payable   |      | -   | -   | -   | 33,801            | 33,801     |         |         |         |         |
| Accrued expenses and other payables                                    |      | -   | -   | -   | 10,414            | 10,414     |         |         |         |         |
|  |      | -   | -   | -   | 46,184            | 46,184     |         |         |         |         |
|  |      | USSP III  |   |   |                   |            |         |         |         |         |
| On-balance sheet financial instruments                                 |      | Carrying amount   |   |   |                   | Fair value |         |         |         |         |
|  |      | Mandatorily<br>at fair value<br>through profit<br>or loss | Designated as<br>at fair value<br>through profit<br>or loss | At fair value<br>through other<br>comprehensive<br>income | Amortised<br>cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note   |      | ----- (Rupees in '000) -----                              |   |   |                   |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                         |      |   |   |   |                   |            |         |         |         |         |
| Investment in Debt Securities.   | 7    | -   | -   | 149,739   | -                 | 149,739    | -       | 149,739 | -       | 149,739 |
| <b>Financial assets not measured at fair value</b>                     |      |   |   |   |                   |            |         |         |         |         |
| Bank balances  | 20.2 | -   | -   | -   | 1,320             | 1,320      |         |         |         |         |
| Profits receivables  |      | -   | -   | -   | 5,794             | 5,794      |         |         |         |         |
| Prepayments and other receivables                                      |      | -   | -   | -   | 18                | 18         |         |         |         |         |
|  |      | -   | -   | -   | 7,132             | 7,132      |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>                |      |   |   |   |                   |            |         |         |         |         |
| Payable to the Management Company                                      | 20.2 | -   | -   | -   | 409               | 409        |         |         |         |         |
| Payable to Central Depository Company of<br>Pakistan Limited - Trustee |      | -   | -   | -   | 15                | 15         |         |         |         |         |
| Dividend payable   |      | -   | -   | -   | 27                | 27         |         |         |         |         |
| Accrued expenses and other payables                                    |      | -   | -   | -   | 2,389             | 2,389      |         |         |         |         |
|  |      | -   | -   | -   | 2,840             | 2,840      |         |         |         |         |

| On-balance sheet financial instruments                              |      | USSP IV  |  |   |                |           |            |           |         |
|---|------|--|--|---|----------------|-----------|------------|-----------|---------|
|   |      | Carrying amount                                  |  |   | Amortised cost | Total     | Fair value |           |         |
|   |      | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income |                |           | Level 1    | Level 2   | Level 3 |
|   |      |  |  |   |                |           |            |           | Total   |
| Note  |      | (Rupees in '000)                                 |  |   |                |           |            |           |         |
| <b>Financial assets measured at fair value</b>                      |      |  |  |   |                |           |            |           |         |
| Investments   | 7    | -  | -  | 193,908                                       | -              | 193,908   | -          | 193,908   | -       |
| <b>Financial assets not measured at fair value</b>                  |      |  |  |   |                |           |            |           |         |
| Bank balances   | 20.2 | -  | -  | -   | 17,172         | 17,172    |            |           |         |
| Profits receivables   |      | -  | -  | -   | 7,356          | 7,356     |            |           |         |
| Prepayments and other receivables                                   |      | -  | -  | -   | 12             | 12        |            |           |         |
|   |      | -  | -  | -   | 24,540         | 24,540    |            |           |         |
| <b>Financial liabilities not measured at fair value</b>             |      |  |  |   |                |           |            |           |         |
| Payable to the Management Company                                   | 20.2 | -  | -  | -   | 256            | 256       |            |           |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |      | -  | -  | -   | 13             | 13        |            |           |         |
| Dividend payable  |      | -  | -  | -   | 9,024          | 9,024     |            |           |         |
| Accrued expenses and other payables                                 |      | -  | -  | -   | 2,124          | 2,124     |            |           |         |
|   |      | -  | -  | -   | 11,417         | 11,417    |            |           |         |
| On-balance sheet financial instruments                              |      | USSP V   |  |   |                |           |            |           |         |
|   |      | Carrying amount                                  |  |   | Amortised cost | Total     | Fair value |           |         |
|   |      | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income |                |           | Level 1    | Level 2   | Level 3 |
|   |      |  |  |   |                |           |            |           | Total   |
| Note  |      | (Rupees in '000)                                 |  |   |                |           |            |           |         |
| <b>Financial assets measured at fair value</b>                      |      |  |  |   |                |           |            |           |         |
| Investments   | 7    | -  | -  | 6,027,373                                     | -              | 6,027,373 | -          | 6,027,373 | -       |
| <b>Financial assets not measured at fair value</b>                  |      |  |  |   |                |           |            |           |         |
| Bank balances   | 20.2 | -  | -  | -   | 777,941        | 777,941   |            |           |         |
| Profits receivables   |      | -  | -  | -   | 11,632         | 11,632    |            |           |         |
| Prepayments and other receivables                                   |      | -  | -  | -   | 27             | 27        |            |           |         |
|   |      | -  | -  | -   | 789,600        | 789,600   |            |           |         |
| <b>Financial liabilities not measured at fair value</b>             |      |  |  |   |                |           |            |           |         |
| Payable to the Management Company                                   | 20.2 | -  | -  | -   | 3,803          | 3,803     |            |           |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |      | -  | -  | -   | 394            | 394       |            |           |         |
| Accrued expenses and other payables                                 |      | -  | -  | -   | 1,613          | 1,613     |            |           |         |
|   |      | -  | -  | -   | 5,810          | 5,810     |            |           |         |

|   |      | USSP VI  |  |   |                |            |         |         |         |         |
|---|------|--|--|---|----------------|------------|---------|---------|---------|---------|
| On-balance sheet financial instruments                              |      | Carrying amount                                  |  |   |                | Fair value |         |         |         |         |
|   |      | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note  |      | ----- (Rupees in '000) -----                     |  |   |                |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                      |      |  |  |   |                |            |         |         |         |         |
| Investments   | 7    | -  | -  | 183,635                                       | -              | 183,635    | -       | 183,635 | -       | 183,635 |
| <b>Financial assets not measured at fair value</b>                  | 20.2 |  |  |   |                |            |         |         |         |         |
| Bank balances   |      | -  | -  | -   | 11,882         | 11,882     |         |         |         |         |
| Profits receivables   |      | -  | -  | -   | 3,755          | 3,755      |         |         |         |         |
| Prepayments and other receivables                                   |      | -  | -  | -   | 7              | 7          |         |         |         |         |
|   |      | -  | -  | -   | 15,644         | 15,644     |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             | 20.2 |  |  |   |                |            |         |         |         |         |
| Payable to the Management Company                                   |      | -  | -  | -   | 661            | 661        |         |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |      | -  | -  | -   | 11             | 11         |         |         |         |         |
| Accrued expenses and other payables                                 |      | -  | -  | -   | 138            | 138        |         |         |         |         |
|   |      | -  | -  | -   | 810            | 810        |         |         |         |         |
| 30 June 2019 (Audited)  |      |  |  |   |                |            |         |         |         |         |
| USSP I  |      |  |  |   |                |            |         |         |         |         |
| On-balance sheet financial instruments                              |      | Carrying amount                                  |  |   |                | Fair value |         |         |         |         |
|   |      | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note  |      | ----- (Rupees in '000) -----                     |  |   |                |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                      |      |  |  |   |                |            |         |         |         |         |
| Investments   | 7    | -  | -  | 426,850                                       | -              | 426,850    | -       | 426,850 | -       | 426,850 |
| <b>Financial assets not measured at fair value</b>                  | 20.2 |  |  |   |                |            |         |         |         |         |
| Bank balances   |      | -  | -  | -   | 23,311         | 23,311     |         |         |         |         |
| Profits receivables   |      | -  | -  | -   | 16,294         | 16,294     |         |         |         |         |
| Prepayments and other receivables                                   |      | -  | -  | -   | -              | -          |         |         |         |         |
|   |      | -  | -  | -   | 39,605         | 39,605     |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             | 20.2 |  |  |   |                |            |         |         |         |         |
| Payable to the Management Company                                   |      | -  | -  | -   | 2,447          | 2,447      |         |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |      | -  | -  | -   | 40             | 40         |         |         |         |         |
| Accrued expenses and other payables                                 |      | -  | -  | -   | 4,562          | 4,562      |         |         |         |         |
|   |      | -  | -  | -   | 7,049          | 7,049      |         |         |         |         |



| On-balance sheet financial instruments                              |   | USSP II  |  |   |                |            |         |         |         |         |
|---|---|--|--|---|----------------|------------|---------|---------|---------|---------|
|   |   | Carrying amount                                  |  |   |                | Fair value |         |         |         |         |
|   |   | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note  |   | ----- (Rupees in '000) -----                     |  |   |                |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                      |   |  |  |   |                |            |         |         |         |         |
| Investments   | 7 | -  | -  | 840,705                                       | -              | 840,705    | -       | 840,705 | -       | 840,705 |
| <b>Financial assets not measured at fair value</b>                  |   |  |  |   |                |            |         |         |         |         |
| 20.2  |   |  |  |   |                |            |         |         |         |         |
| Bank balances   |   | -  | -  | -   | 39,497         | 39,497     |         |         |         |         |
| Profits receivables   |   | -  | -  | -   | 33,486         | 33,486     |         |         |         |         |
| Prepayments and other receivables                                   |   | -  | -  | -   | 22,152         | 22,152     |         |         |         |         |
|   |   | -  | -  | -   | 95,135         | 95,135     |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             |   |  |  |   |                |            |         |         |         |         |
| 20.2  |   |  |  |   |                |            |         |         |         |         |
| Payable to the Management Company                                   |   | -  | -  | -   | 983            | 983        |         |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |   | -  | -  | -   | 77             | 77         |         |         |         |         |
| Dividend payable  |   | -  | -  | -   | 627            | 627        |         |         |         |         |
| Accrued expenses and other payables                                 |   | -  | -  | -   | 31,580         | 31,580     |         |         |         |         |
|   |   | -  | -  | -   | 33,267         | 33,267     |         |         |         |         |
| On-balance sheet financial instruments                              |   | USSP III   |  |   |                |            |         |         |         |         |
|   |   | Carrying amount                                  |  |   |                | Fair value |         |         |         |         |
|   |   | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total      | Level 1 | Level 2 | Level 3 | Total   |
| Note  |   | ----- (Rupees in '000) -----                     |  |   |                |            |         |         |         |         |
| <b>Financial assets measured at fair value</b>                      |   |  |  |   |                |            |         |         |         |         |
| Investments   | 7 | -  | -  | 255,564                                       | -              | 255,564    | -       | 255,564 | -       | 255,564 |
| <b>Financial assets not measured at fair value</b>                  |   |  |  |   |                |            |         |         |         |         |
| 20.2  |   |  |  |   |                |            |         |         |         |         |
| Bank balances   |   | -  | -  | -   | 543            | 543        |         |         |         |         |
| Profits receivables   |   | -  | -  | -   | 11,179         | 11,179     |         |         |         |         |
| Prepayments and other receivables                                   |   | -  | -  | -   | 191            | 191        |         |         |         |         |
|   |   | -  | -  | -   | 11,913         | 11,913     |         |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             |   |  |  |   |                |            |         |         |         |         |
| 20.2  |   |  |  |   |                |            |         |         |         |         |
| Payable to the Management Company                                   |   | -  | -  | -   | 1,957          | 1,957      |         |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |   | -  | -  | -   | 22             | 22         |         |         |         |         |
| Accrued expenses and other payables                                 |   | -  | -  | -   | 618            | 618        |         |         |         |         |
|   |   | -  | -  | -   | 2,597          | 2,597      |         |         |         |         |

| On-balance sheet financial instruments                              | USSP IV  |  |   |                |        |            |         |         |         |
|---|--|--|---|----------------|--------|------------|---------|---------|---------|
|   | Carrying amount                                  |  |   |                |        | Fair value |         |         |         |
|   | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total  | Level 1    | Level 2 | Level 3 | Total   |
|   | (Rupees in '000)                                 |  |   |                |        |            |         |         |         |
| <b>Financial assets measured at fair value</b>                      |  |  |   |                |        |            |         |         |         |
| Investments   | 7  | -  | -   | 130,003        | -      | 130,003    | -       | -       | 130,003 |
| <b>Financial assets not measured at fair value</b>                  | 20.2   |  |   |                |        |            |         |         |         |
| Bank balances   |  | -  | -   | -              | 37,274 | 37,274     |         |         |         |
| Profits receivables   |  | -  | -   | -              | 6,212  | 6,212      |         |         |         |
| Prepayments and other receivables                                   |  | -  | -   | -              | 9,894  | 9,894      |         |         |         |
|   |  | -  | -   | -              | 53,380 | 53,380     |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             | 20.2   |  |   |                |        |            |         |         |         |
| Payable to the Management Company                                   |  | -  | -   | -              | 219    | 219        |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee |  | -  | -   | -              | 14     | 14         |         |         |         |
| Accrued expenses and other payables                                 |  | -  | -   | -              | 325    | 325        |         |         |         |
|   |  | -  | -   | -              | 558    | 558        |         |         |         |

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

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

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

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

## 21. GENERAL

21.1 All financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.

21.2 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 25 February, 2020

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

# USF

## UBL Stock Advantage Fund

### INVESTMENT OBJECTIVE

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

|                              |   |
|------------------------------|---|
| <b>Management Company</b>    | UBL Fund Managers Limited   |
| <b>Trustee</b>               | 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  |
| <b>Distribution Company</b>  | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )  |
| <b>Auditors</b>              | Grant Throntan Anjum Rahman   |
| <b>Bankers</b>               | United Bank Limited<br>Allied Bank Limited<br>Bank Alfalah Limited<br>Habib Bank Limited<br>MCB Bank Limited<br>Samba Bank Limited<br>Silk Bank Limited<br>Sindh Bank Limited<br>The Bank of Punjab<br>Soneri Bank Limited<br>National Bank of Pakistan |
| <b>Management Co. Rating</b> | AM1 (VIS)   |

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



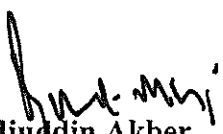
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL STOCK ADVANTAGE FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Stock Advantage 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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020



# Grant Thornton

An instinct for growth™

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the unitholders' of UBL Stock Advantage Fund

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Stock Advantage Fund** ("the Fund") as at **December 31, 2019** and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund, and notes to the condensed financial statements for the six months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matter

The financial statements of the Fund for the half year ended December 31, 2018 and for the year ended June 30, 2019 were reviewed and audited by another auditor who expressed an un-modified conclusion / opinion on those statements dated February 27, 2019 and September 24, 2019 respectively.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.

Chartered Accountants

Karachi

Date: February 25, 2020

GRANT THORNTON ANJUM RAHMAN

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**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|  |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|------|--------------------------------------|-------------------------------|
|  | Note | ----- (Rupees in 000') -----         |                               |
| <b>ASSETS</b>  |      |                                      |                               |
| Bank balances  | 4    | 452,475                              | 370,665                       |
| Investments  | 5    | 5,967,416                            | 5,092,738                     |
| Dividend and profit receivable                                     |      | 26,578                               | 32,378                        |
| Receivable against purchase of investments                         |      | -                                    | 12,139                        |
| Security deposits, prepayments and other receivables               |      | 8,414                                | 8,763                         |
| Advance tax  | 6    | 2,942                                | 2,938                         |
| <b>Total assets</b>  |      | <b>6,457,825</b>                     | <b>5,519,621</b>              |
| <b>LIABILITIES</b>   |      |                                      |                               |
| Payable to UBL Fund Managers Limited - Management Company          | 7    | 23,476                               | 17,811                        |
| Payable to Central Depository Company of Pakistan Limited -Trustee |      | 710                                  | 620                           |
| Payable to Securities and Exchange Commission of Pakistan          | 8    | 508                                  | 6,348                         |
| Payable against purchase of investments                            |      | 18,082                               | -                             |
| Accrued expenses and other liabilities                             | 9    | 120,989                              | 97,181                        |
| <b>Total liabilities</b>   |      | <b>163,765</b>                       | <b>121,960</b>                |
| <b>Net Assets</b>  |      | <b>6,294,060</b>                     | <b>5,397,661</b>              |
| <b>Unitholders' Fund (As Per Statement Attached)</b>               |      | <b>6,294,060</b>                     | <b>5,397,661</b>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>                               |      |                                      |                               |
|  | 10   | ----- (Number of units) -----        |                               |
| <b>Number of Units in Issue</b>                                    |      | <b>91,102,992</b>                    | <b>94,106,978</b>             |
|  |      | ----- (Rupees) -----                 |                               |
| <b>Net Asset Value Per Unit</b>                                    |      | <b>69.09</b>                         | <b>57.36</b>                  |
| <b>Face Value per Unit</b>   |      | <b>100</b>                           | <b>100</b>                    |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|               |  | Half year ended<br>December 31, |          | Quarter ended<br>December 31, |          |
|---------------|--|---------------------------------|----------|-------------------------------|----------|
|               |  | 2019                            | 2018     | 2019                          | 2018     |
| Note          |  | (Rupees in 000')                |          |                               |          |
| <b>INCOME</b> |  |                                 |          |                               |          |
|               |  | 23,974                          | 23,306   | 15,414                        | 8,528    |
|               |  | (19,109)                        | (45,798) | 28,950                        | (62,539) |
|               |  | 139,987                         | 181,788  | 81,337                        | 96,696   |
|               |  | 229                             | -        | -                             | -        |
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The annexed notes from 1 to 18 form an integral part of this condensed interim financial statements.

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

**SD**

**Chief Executive Officer**

**SD**

**Chief Financial Officer**

**SD**

**Director**

**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | Half year ended<br>December 31, |                  | Quarter ended<br>December 31, |                  |
|---|---------------------------------|------------------|-------------------------------|------------------|
|   | 2019                            | 2018             | 2019                          | 2018             |
|   | ----- (Rupees in 000') -----    |                  |                               |                  |
| Net income/(loss) for the period after taxation         | 987,738                         | (721,789)        | 1,331,870                     | (638,063)        |
| Other comprehensive income                              | -                               | -                | -                             | -                |
| <b>Total comprehensive income/(loss) for the period</b> | <b>987,738</b>                  | <b>(721,789)</b> | <b>1,331,870</b>              | <b>(638,063)</b> |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial statements.

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

**SD**

Chief Executive Officer

**SD**

Chief Financial Officer

**SD**

Director



**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | December 31, 2019            |                      |                  | December 31, 2018 |
|---|------------------------------|----------------------|------------------|-------------------|
|   | Capital value                | Undistributed income | Total            | Total             |
|   | ------(Rupees. in 000')----- |                      |                  |                   |
| <b>Net assets at beginning of the period</b>                                | 5,211,407                    | 186,254              | 5,397,661        | 6,891,411         |
| Amount received on issuance of 45,275,250 units<br>(2018: 37,025,064 units) |                              |                      |                  |                   |
| - Capital value   | 2,596,988                    | -                    | 2,596,988        | 2,536,587         |
| - Element of income/(loss)  | 181,933                      | -                    | 181,933          | (43,724)          |
| <b>Total amount received on issuance of units</b>                           | 2,778,921                    | -                    | 2,778,921        | 2,492,863         |
| Amount paid on redemption of 48,279,236 units<br>(2018: 35,668,470 units)   |                              |                      |                  |                   |
| - Capital value   | (2,769,297)                  | -                    | (2,769,297)      | (2,443,647)       |
| - Element of income/(loss)  | 6,159                        | (107,122)            | (100,963)        | 56,917            |
| <b>Total amount paid on redemption of units</b>                             | (2,763,138)                  | (107,122)            | (2,870,260)      | (2,386,730)       |
| <b>Total comprehensive income/(loss) for the period</b>                     | -                            | 987,738              | 987,738          | (721,789)         |
| <b>Net assets at end of the period</b>                                      | <u>5,227,190</u>             | <u>1,066,869</u>     | <u>6,294,060</u> | <u>6,275,755</u>  |
| <b>Undistributed income brought forward comprising of:</b>                  |                              |                      |                  |                   |
| - Realised  | -                            | 1,276,940            | 1,276,940        | 1,721,841         |
| - Unrealised  | -                            | (1,090,686)          | (1,090,686)      | (436,754)         |
| <b>Undistributed income brought forward - net</b>                           | -                            | 186,254              | 186,254          | 1,285,087         |
| <b>Accounting income available for distribution</b>                         |                              |                      |                  |                   |
| - Related to capital gain   | -                            | 820,025              | 820,025          | -                 |
| - Excluding capital gain  | -                            | 60,591               | 60,591           | -                 |
|   | -                            | 880,616              | 880,616          | -                 |
| Net loss for the period after taxation                                      | -                            | -                    | -                | (721,789)         |
| <b>Undistributed income carried forward - net</b>                           | -                            | <u>1,066,869</u>     | <u>1,066,869</u> | <u>563,298</u>    |
| <b>Undistributed income carried forward comprising of:</b>                  |                              |                      |                  |                   |
| - Realised  | -                            | 121,757              | 121,757          | 1,327,041         |
| - Unrealised  | -                            | 945,112              | 945,112          | (763,743)         |
|   | -                            | <u>1,066,869</u>     | <u>1,066,869</u> | <u>563,298</u>    |
|   | ------(Rupees)-----          |                      |                  |                   |
| Net assets value per unit at the beginning of the period                    |                              |                      | 57.36            | 68.51             |
| Net assets value per unit at the end of the period                          |                              |                      | <u>69.09</u>     | <u>61.56</u>      |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial statements.

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

**SD**

Chief Executive Officer

**SD**

Chief Financial Officer

**SD**

Director

**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | December 31,<br>2019         | December 31,<br>2018 |
|--|------------------------------|----------------------|
|  | ----- (Rupees in '000) ----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |                              |                      |
| Net income/(loss) for the period before taxation                               | 987,738                      | (721,789)            |
| <b>Adjustments for non-cash charges and other items:</b>                       |                              |                      |
| Profit on bank deposits  | (23,974)                     | (23,306)             |
| Loss on sale of securities - net   | 19,109                       | 45,798               |
| Dividend income  | (139,987)                    | (181,788)            |
| Provision for Sindh Workers' Welfare Fund                                      | 19,767                       | -                    |
| Other income   | (229)                        | -                    |
| Unrealised (gain)/loss on re-measurement of investments<br>classified as FVTPL | (945,112)                    | 763,743              |
|  | (1,070,426)                  | 604,447              |
|  | (82,688)                     | (117,342)            |
| <b>Decrease / (increase) in assets</b>   |                              |                      |
| Investments  | 51,554                       | (260,996)            |
| Security deposits, prepayments and other receivables                           | 12,488                       | (78,202)             |
|  | 64,042                       | (339,198)            |
| <b>Increase / (decrease) in liabilities</b>                                    |                              |                      |
| Payable to UBL Fund Managers Limited - Management                              | 5,665                        | (1,138)              |
| Payable to Central Depository Company of Pakistan Limited                      | 90                           | (26)                 |
| Payable to Securities and Exchange Commission                                  | (5,840)                      | (3,095)              |
| Payable against purchase of investments  | 18,082                       | 79,044               |
| Accrued expenses and other liabilities   | 4,041                        | (3,020)              |
|  | 22,038                       | 71,765               |
| <b>Cash generated from/(used in) operations</b>                                | 3,393                        | (384,775)            |
| Profit received on bank deposits   | 19,343                       | 23,173               |
| Dividend received  | 150,418                      | 186,956              |
| Income tax paid  | (4)                          | (16)                 |
| <b>Net cash inflow from/(used in) operating activities</b>                     | 173,149                      | (174,662)            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |                              |                      |
| Net receipts from issuance of units  | 2,778,921                    | 2,492,863            |
| Net payments on redemption of units  | (2,870,260)                  | (2,386,730)          |
| <b>Net cash (used in)/inflow from financing activities</b>                     | (91,339)                     | 106,133              |
| <b>Net increase/(decrease) in cash and cash equivalents during the period</b>  | 81,810                       | (68,529)             |
| <b>Cash and cash equivalents at the beginning of the period</b>                | 370,665                      | 581,965              |
| <b>Cash and cash equivalents at the end of the period</b>                      | 452,475                      | 513,436              |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial statements.

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

**SD**

Chief Executive Officer

**SD**

Chief Financial Officer

**SD**

Director

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

UBL Stock Advantage Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDCPL) as Trustee. The Trust Deed was executed on June 5, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2006 in accordance with the requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from August 04, 2006.

The Management Company 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, Pakistan.

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

The investment objective of the Fund is to provide investors long-term capital appreciation by investing primarily in a mix of equities that offer capital gain and dividend yield potential. The Fund mainly makes investments in a diversified portfolio of shares of listed companies and treasury bills not exceeding 90 days maturity.

JCR-VIS Credit Rating Company Limited has reaffirmed management quality rating of AM1 to the Management Company as on December 31, 2019.

Title to the assets of the Fund is held in the name of the CDCPL as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the statements and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

The comparative statement of assets and liabilities presented in this condensed interim financial statements has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim statement of cash flows are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2018.

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

**2.2 Basis of measurement**

This condensed interim financial statements has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

This condensed interim financial statements has been prepared following accrual basis of accounting except for statement of cash flow .

**2.3 Functional and presentation currency**

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

**3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

- 3.1** The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2019 except for the adoption of the following new and amendments standards, interpretation and improvements to IFRS by the Company which became effective for the current period:

IFRS 16 - Leases

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of the above standards, amendments and interpretation are not expected to have any material impact on the Company's condensed interim financial statements.

- 3.2** The significant estimates and judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

|                                    |             | (Unaudited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|------------------------------------|-------------|-------------------------------------|-------------------------------|
| <b>4. BANK BALANCES</b>            | <b>Note</b> | <b>-----Rupees in 000'-----</b>     |                               |
| - Profit and loss sharing accounts | 4.1         | 449,713                             | 370,576                       |
| - Current account                  |             | 2,762                               | 89                            |
|                                    |             | <u>452,475</u>                      | <u>370,665</u>                |

- 4.1** Profit rates on these accounts range between 3.75% to 13.55% (June 30, 2019: 6.2% to 11.25%) per annum.

|                         |             | (Unaudited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|-------------------------|-------------|-------------------------------------|-------------------------------|
| <b>5. INVESTMENTS</b>   | <b>Note</b> | <b>-----Rupees in 000'-----</b>     |                               |
| At FVTPL                |             |                                     |                               |
| - equity securities     | 5.1         | 5,967,416                           | 5,092,738                     |
| - government securities | 5.2         | -                                   | -                             |
|                         |             | <u>5,967,416</u>                    | <u>5,092,738</u>              |

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**5.1 Equity securities**

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

| Name of Investee Company                          |             | As at<br>July 01,<br>2019 | Purchased /<br>bonus<br>received<br>during the<br>period | Sold<br>during<br>the period | As at<br>December 31,<br>2019 | Total<br>carrying<br>value as at<br>December 31,<br>2019 | Total market<br>value as at<br>December 31,<br>2019 | Appreciation /<br>(diminution)<br>as at<br>December 31,<br>2019 | Market<br>value as a<br>percentage<br>of<br>net assets | Market value<br>as a<br>percentage of<br>total value of<br>Investment | Investment as a<br>percentage of<br>paid-up capital of<br>investee company |
|---|-------------|---------------------------|--|------------------------------|-------------------------------|--|---|---|--|---|--|
| Quoted investments                                | Note        | Shares                    |  |                              | Rupees in '000                |  |   | Percentage (%)  |  |   |  |
| <b>OIL AND GAS MARKETING COMPANIES</b>            |             |                           |  |                              |                               |  |   |   |  |   |  |
| Hascol Petroleum Limited                          |             | 27,500                    | -  | (27,500)                     | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
| Pakistan State Oil Company Limited                | 5.3 and 5.4 | 777,915                   | 198,263  | (307,100)                    | 669,078                       | 94,863   | 128,222   | 33,359  | 2.04   | 2.14  | 171.02   |
|   |             |                           |  |                              |                               | 94,863   | 128,222   | 33,359  | 2.04   | 2.14  |  |
| <b>OIL AND GAS EXPLORATION COMPANIES</b>          |             |                           |  |                              |                               |  |   |   |  |   |  |
| Oil & Gas Development Company Limited             | 5.3         | 2,608,152                 | 784,662  | (531,900)                    | 2,860,914                     | 369,285  | 407,165   | 37,880  | 6.47   | 6.81  | 66.52  |
| Pakistan Petroleum Limited                        |             | 1,236,417                 | 642,483  | (311,500)                    | 1,567,400                     | 183,175  | 214,953   | 31,778  | 3.42   | 3.60  | 69.13  |
| Pakistan Oilfields Limited                        |             | 427,548                   | 23,500   | (200,600)                    | 250,448                       | 101,103  | 111,880   | 10,777  | 1.78   | 1.87  | 88.23  |
| National Refinery Limited                         |             | 58,900                    | -  | (47,700)                     | 11,200                        | 1,271  | 1,580   | 309   | 0.03   | 0.03  | 14.01  |
| Mari Petroleum Company Limited                    |             | 372,872                   | 68,837   | (30,500)                     | 411,209                       | 373,459  | 538,725   | 165,266   | 8.56   | 9.01  | 339.07   |
|   |             |                           |  |                              |                               | 1,028,293  | 1,274,304   | 246,011   | 20.25  | 21.31   |  |
| <b>GLASS MANUFACTURING COMPANIES</b>              |             |                           |  |                              |                               |  |   |   |  |   |  |
| Tariq Glass Industries Limited                    |             | -                         | 385,500  | -                            | 385,500                       | 35,168   | 41,249  | 6,080   | 0.66   | 0.69  | 524.79   |
|   |             |                           |  |                              |                               | 35,168   | 41,249  | 6,080   | 0.66   | 0.69  |  |
| <b>FERTILIZER</b>                                 |             |                           |  |                              |                               |  |   |   |  |   |  |
| Engro Corporation Limited                         |             | 1,083,426                 | 71,500   | (404,400)                    | 750,526                       | 200,806  | 259,119   | 58,313  | 4.12   | 4.33  | 130.26   |
| Engro Fertilizers Limited                         | 5.3         | 1,511,301                 | 100,000  | (780,500)                    | 830,801                       | 53,803   | 61,006  | 7,202   | 0.97   | 1.02  | 62.22  |
| Fauji Fertilizer Company Limited                  |             | 1,969,409                 | 614,000  | (372,000)                    | 2,211,409                     | 198,091  | 224,392   | 26,300  | 3.57   | 3.75  | 173.82   |
| Fauji Fertilizer Bin Qasim Limited                |             | 2,663,924                 | -  | (2,663,924)                  | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
|   |             |                           |  |                              |                               | 452,701  | 544,516   | 91,816  | 8.65   | 9.11  |  |
| <b>CHEMICALS</b>                                  |             |                           |  |                              |                               |  |   |   |  |   |  |
| Engro Polymer & Chemicals Limited                 |             | 4,243,398                 | 348,000  | (1,099,500)                  | 3,491,898                     | 94,538   | 115,966   | 21,428  | 1.84   | 1.94  | 384.18   |
| Lotte Chemical Pakistan Limited                   |             | 1,223,000                 | -  | (1,223,000)                  | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
|   |             |                           |  |                              |                               | 94,538   | 115,966   | 21,428  | 1.84   | 1.94  |  |
| <b>CEMENT</b>                                     |             |                           |  |                              |                               |  |   |   |  |   |  |
| Cherat Cement Company Limited                     |             | 893,955                   | -  | (893,455)                    | 500                           | 14   | 27  | 12  | 0.00   | 0.00  | 0.28   |
| Maple Leaf Cement Factory                         |             | 100,000                   | -  | (100,000)                    | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
| Kohat Cement Company Limited                      |             | 2,621,710                 | 1,156,272  | (168,000)                    | 3,609,982                     | 191,063  | 279,413   | 88,349  | 4.44   | 4.67  | 1797.25  |
| Lucky Cement Limited                              | 5.3         | 303,398                   | 92,000   | (113,700)                    | 281,698                       | 104,620  | 120,679   | 16,059  | 1.92   | 2.02  | 87.11  |
| Pioneer Cement Limited                            |             | 940,500                   | -  | (940,500)                    | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
|   |             |                           |  |                              |                               | 295,698  | 400,119   | 104,421   | 6.36   | 6.69  |  |
| <b>PAPER AND BOARD</b>                            |             |                           |  |                              |                               |  |   |   |  |   |  |
| Century Paper and Board Mills                     |             | 1,454,072                 | 220,000  | -                            | 1,674,072                     | 53,192   | 84,842  | 31,650  | 1.35   | 1.42  | 1138.68  |
| Packages Limited                                  |             | 127,600                   | -  | (81,800)                     | 45,800                        | 13,766   | 18,262  | 4,497   | 0.29   | 0.31  | 51.24  |
|   |             |                           |  |                              |                               | 66,957   | 103,104   | 36,147  | 1.64   | 1.72  |  |
| <b>INSURANCE</b>                                  |             |                           |  |                              |                               |  |   |   |  |   |  |
| Adamjee Insurance Company Limited                 |             | 4,765,015                 | 929,744  | (100,000)                    | 5,594,759                     | 198,371  | 235,483   | 37,113  | 3.74   | 3.94  | 1598.50  |
| IGI Holdings Limited                              |             | -                         | 167,000  | -                            | 167,000                       | 29,443   | 34,068  | 4,625   | 0.54   | 0.57  | 117.09   |
|   |             |                           |  |                              |                               | 227,814  | 269,551   | 41,738  | 4.28   | 4.51  |  |
| <b>COMMERICAL BANKS</b>                           |             |                           |  |                              |                               |  |   |   |  |   |  |
| Bank Alfalah Limited                              |             | 8,692,589                 | 1,479,227  | (2,038,500)                  | 8,133,316                     | 354,580  | 371,693   | 17,112  | 5.91   | 6.22  | 457.66   |
| Habib Bank Limited                                |             | 3,595,099                 | 1,192,200  | (1,738,400)                  | 3,048,899                     | 368,857  | 479,958   | 111,101   | 7.63   | 8.03  | 207.85   |
| National Bank Of Pakistan                         |             | 50,326                    | -  | (50,000)                     | 326                           | 11   | 14  | 3   | 0.00   | 0.00  | 0.02   |
| MCB Bank Limited                                  |             | 1,686                     | 100,000  | (100,000)                    | 1,686                         | 286  | 346   | 59  | 0.01   | 0.01  | 0.14   |
| United Bank Limited                               |             | 3,127,891                 | 363,100  | (1,202,000)                  | 2,288,991                     | 335,859  | 376,539   | 40,680  | 5.98   | 6.30  | 186.98   |
| Faysal Bank Limited                               | 5.4         | 44,364                    | -  | -                            | 44,364                        | 955  | 844   | (111)   | 0.01   | 0.01  | 2.92   |
| Allied Bank Limited                               |             | 2,854,226                 | 404,800  | (101,800)                    | 3,157,226                     | 325,256  | 301,831   | (23,425)  | 4.80   | 5.05  | 275.72   |
| Bank Al Habib Limited                             |             | 7,000                     | 3,922,000  | -                            | 3,929,000                     | 276,630  | 299,233   | 22,603  | 4.75   | 5.00  | 353.51   |
|   |             |                           |  |                              |                               | 1,662,433  | 1,830,456   | 168,023   | 29.08  | 30.61   |  |
| <b>TEXTILE COMPOSITE</b>                          |             |                           |  |                              |                               |  |   |   |  |   |  |
| Nishat Mills Limited                              |             | 1,065,031                 | 208,000  | (365,500)                    | 907,531                       | 82,514   | 96,325  | 13,811  | 1.53   | 1.61  | 258.11   |
| Gul Ahmed Textile Mills Limited                   |             | 2,529,121                 | 432,224  | (1,198,000)                  | 1,763,345                     | 69,194   | 76,018  | 6,824   | 1.21   | 1.27  | 494.63   |
| Kohinoor Textile Mills Limited                    | 5.4         | 738,639                   | 2,386,494  | (1,000)                      | 3,124,133                     | 85,635   | 122,060   | 36,425  | 1.94   | 2.04  | 1043.83  |
|   |             |                           |  |                              |                               | 237,343  | 294,403   | 57,060  | 4.68   | 4.92  |  |
| <b>POWER GENERATION AND DISTRIBUTION</b>          |             |                           |  |                              |                               |  |   |   |  |   |  |
| The Hub Power Company Limited                     | 5.3         | 4,826,954                 | 185,000  | (1,415,000)                  | 3,596,954                     | 284,143  | 335,776   | 51,633  | 5.33   | 5.62  | 277.30   |
| Saif Power Limited                                |             | 1,530,316                 | 1,202,903  | (60,000)                     | 2,673,219                     | 48,915   | 56,031  | 7,116   | 0.89   | 0.94  | 691.70   |
| Lalpir Power limited                              |             | 2,001,643                 | 327,000  | (327,000)                    | 2,001,643                     | 26,021   | 29,044  | 3,022   | 0.46   | 0.49  | 526.97   |
| Pak Gen Power Limited                             |             | 2,355,835                 | 1,764,639  | (125,000)                    | 3,995,474                     | 56,657   | 73,197  | 16,540  | 1.16   | 1.22  | 1073.82  |
| K-Electric Limited (face value Rs. 3.5 per share) |             | 6,799,547                 | 705,937  | (3,045,000)                  | 4,460,484                     | 19,313   | 19,492  | 179   | 0.31   | 0.33  | 16.15  |
|   |             |                           |  |                              |                               | 435,050  | 513,540   | 78,490  | 8.16   | 8.59  |  |
| <b>AUTOMOBILE PARTS AND ACCESSORIES</b>           |             |                           |  |                              |                               |  |   |   |  |   |  |
| Thal Limited (face value Rs. 5 per share)         |             | 285,920                   | 138,600  | (38,100)                     | 386,420                       | 136,395  | 130,699   | (5,696)   | 2.08   | 2.19  | 476.89   |
|   |             |                           |  |                              |                               | 136,395  | 130,699   | (5,696)   | 2.08   | 2.19  |  |
| <b>ENGINEERING</b>                                |             |                           |  |                              |                               |  |   |   |  |   |  |
| International Steels Limited                      |             | 17,420                    | -  | (17,420)                     | -                             | -  | -   | -   | 0.00   | 0.00  | 0.00   |
| Pak Eelektron Limited                             |             | 469,500                   | -  | (180,000)                    | 289,500                       | 5,796  | 7,837   | 2,041   | 0.12   | 0.13  | 53.35  |
| International Industries Limited                  |             | 240,800                   | 770,230  | (290,800)                    | 720,230                       | 60,593   | 79,830  | 19,237  | 1.27   | 1.34  | 546.12   |
|   |             |                           |  |                              |                               | 66,389   | 87,667  | 21,278  | 1.39   | 1.47  |  |
| <b>FOOD AND PERSONAL CARE PRODUCTS</b>            |             |                           |  |                              |                               |  |   |   |  |   |  |
| Al Shaheer Corporation                            | 5.4         | 2,233,418                 | 150,000  | -                            | 2,383,418                     | 30,585   | 33,678  | 3,093   | 0.54   | 0.56  | 1677.08  |
|   |             |                           |  |                              |                               | 30,585   | 33,678  | 3,093   | 0.54   | 0.56  |  |
| <b>PHARMACEUTICALS</b>                            |             |                           |  |                              |                               |  |   |   |  |   |  |
| The Searle Company Limited                        | 5.4         | 258,426                   | -  | (184,200)                    | 74,226                        | 10,879   | 14,009  | 3,131   | 0.22   | 0.23  | 34.94  |
|   |             |                           |  |                              |                               | 10,879   | 14,009  | 3,131   | 0.22   | 0.23  |  |
| <b>TECHNOLOGY &amp; COMMUNCATION</b>              |             |                           |  |                              |                               |  |   |   |  |   |  |
| Systems Limited                                   |             | 1,079,100                 | 247,000  | (38,500)                     | 1,287,600                     | 123,462  | 160,049   | 36,587  | 2.54   | 2.68  | 1042.42  |
|   |             |                           |  |                              |                               | 123,462  | 160,049   | 36,587  | 2.54   | 2.68  |  |
| <b>BROKERAGE</b>                                  |             |                           |  |                              |                               |  |   |   |  |   |  |
| Anif Habib Limited                                |             | -                         | 455,000  | -                            | 455,000                       | 23,738   | 25,885  | 2,147   | 0.41   | 0.43  | 689.39   |
|   |             |                           |  |                              |                               | 23,738   | 25,885  | 2,147   | 0.41   | 0.43  |  |
| <b>Total December 31, 2019</b>                    |             |                           |  |                              |                               | <b>5,022,304</b>   | <b>5,967,416</b>                                    | <b>945,112</b>  |  |   |  |
| Total June 30, 2019                               |             |                           |  |                              |                               | 6,183,424  | 5,092,738   | (1,090,686)   |  |   |  |

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
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**5.2 Government securities**

| Issue Date | Tenor | Face value          |                             |                                  |                         | Market value as at December 31, 2019 |
|------------|-------|---------------------|-----------------------------|----------------------------------|-------------------------|--------------------------------------|
|            |       | As at July 01, 2019 | Purchased during the period | Sold / matured during the period | As at December 31, 2019 |                                      |

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

**Market treasury bills**

|             |          |   |                |                |   |   |
|-------------|----------|---|----------------|----------------|---|---|
| 18-Jul-2019 | 3 months | - | 300,000        | 300,000        | - | - |
| 07-Nov-2019 | 3 months | - | 300,000        | 300,000        | - | - |
| 07-Nov-2019 | 3 months | - | 300,000        | 300,000        | - | - |
|             |          | - | <b>900,000</b> | <b>900,000</b> | - | - |

Carrying value before marked to market as at December 31, 2019

-

**5.3** The above equity securities include 0.987 million shares (June 30, 2019: 1.641 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 86.205 million (June 30, 2019: Rs. 117.475 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

**5.4** The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 (ITO 2001) whereby the bonus shares received by a shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other Asset Management Companies (AMCs) and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in ITO 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the ITO 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of aforesaid amendment, withheld shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 11.030 million (June 30, 2019: Rs. 8.792 million) at period end. Such shares have not been deposited by the investee companies in CDC account of income tax department. The Fund has included in its investments the withheld shares and recorded them at fair market value at period end. Through Finance Act, 2018, the tax on bonus shares is withdrawn.

**6. ADVANCE TAX**

The income of the Fund is exempt under clause 99 of Part I of the Second Schedule of the ITO 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the financial year ended June 30, 2016, prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150 and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

| 7. PAYABLE TO UBL FUND MANAGERS LIMITED<br>MANAGEMENT COMPANY | Note | (Unaudited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|-------------------------------------|-------------------------------|
|   |      | -----Rupees in '000'-----           |                               |
| Management fee (including Sindh sales tax there against)      |      | 12,247                              | 10,522                        |
| Sales load and conversion charges                             |      | 1,549                               | 516                           |
| Allocated expenses  | 7.1  | 1,529                               | 999                           |
| Selling and marketing expenses                                | 7.2  | 8,135                               | 5,757                         |
| Other payable   |      | 17                                  | 17                            |
|   |      | <b>23,476</b>                       | <b>17,811</b>                 |

**UBL STOCK ADVANTAGE FUND**  
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**7.1 Allocated expenses**

As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) were chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. SECP vide S.R.O. 639 (I)/2019 has substituted the clause (s) and (v) of sub regulation 3 of regulation 60 and has removed the maximum cap of 0.1%, accordingly the Management Company during the period has charged the expense 0.1% of the average annual net assets.

**7.2 Selling and marketing expenses**

SECP vide S.R.O. 639 (I)/2019 has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.4% per annum of average daily net assets on account of selling & Marketing expenses, provided that total expense ratio remains within the allowed limit.

The Management Company has charged fee and expenses related to selling and marketing expenses at the rate of 1.01% per annum of net assets of the Fund.

|   |             | (Unaudited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|-------------|-------------------------------------|-------------------------------|
| <b>8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b> | <b>Note</b> | <b>-----Rupees in 000'-----</b>     |                               |
| SECP fee  | 8.1         | <u>508</u>                          | <u>6,348</u>                  |

- 8.1** Under the provisions of the NBFC Regulations, a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund. SECP vide S.R.O 685(I)/2019 has revised the rate of annual fees to 0.02% effective from July 01, 2019.

|  |             | (Unaudited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|-------------|-------------------------------------|-------------------------------|
| <b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b> | <b>Note</b> | <b>-----Rupees in 000'-----</b>     |                               |
| Auditors remuneration                            |             | 303                                 | 359                           |
| Zakat deducted at source                         |             | 279                                 | 244                           |
| Brokerage and settlement charges                 |             | 3,121                               | 1,652                         |
| Capital gain tax                                 |             | 2,206                               | 6                             |
| Provision for indirect taxes and duties          | 9.1         | 45,195                              | 45,195                        |
| Provision for Sindh Workers' Welfare Fund        | 9.2         | 69,156                              | 49,389                        |
| Other payables                                   |             | 730                                 | 336                           |
|  |             | <u>120,989</u>                      | <u>97,181</u>                 |

**9.1 Provision for indirect taxes and duties**

This includes provision for federal excise duty (FED) as at December 31, 2019 amounting to Rs. 34.896 million (June 30, 2019: Rs. 34.896 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 45.195 million. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.38 (June 30, 2019: Re. 0.37).

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

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**9.2 Provision for Sindh Workers' Welfare Fund**

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re 0.76 (June 30, 2019: Re. 0.52). The details regarding this provision are disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

Further, as disclosed in note 14.2 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

**10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at period end.

**11. TAXATION**

According to Regulation 63 of the NBFC Regulations, the Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the half year ended December 31, 2019, no provision for taxation has been made in this condensed interim financial information as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the ITO 2001.

**12. EARNINGS PER UNIT**

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

**13. TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 2.03% as on December 31, 2019 (June 30, 2019: 3.20%) and this includes 0.54% (June 30, 2019: 0.40%) representing sales tax, Sindh Workers' Welfare Fund and SECP fee.

**14. FAIR VALUES OF ASSETS AND LIABILITIES**

The carrying values of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.



**UBL STOCK ADVANTAGE FUND****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019****15. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Fund as at June 30, 2019. There has been no change in any risk management policies since the year end.

**16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

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

**16.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, the NBFC regulations and the Trust Deed respectively.

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

**16.5** Details of transactions with related parties / connected persons during the period are as follows:

Half year ended December 31, 2019

| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives* ** | Other connected persons / related parties |
|--------------------|--|---------|-------------------------------|----------------------------------|---|
|--------------------|--|---------|-------------------------------|----------------------------------|---|

(Units in '000)

**Transactions during the period**

|                |       |    |   |   |     |       |
|----------------|-------|----|---|---|-----|-------|
| Units issued   | 3,811 | 54 | - | - | 223 | 6,297 |
| Units redeemed | 4,246 | 70 | - | - | 27  | -     |

(Rupees in '000)

|                                    |         |         |       |   |        |         |
|------------------------------------|---------|---------|-------|---|--------|---------|
| Profit on bank deposits            | -       | 622     | -     | - | -      | -       |
| Bank charges                       | -       | 11      | -     | - | -      | -       |
| Value of units issued              | 215,032 | 3,400   | -     | - | 13,807 | 383,000 |
| Value of units redeemed            | 241,277 | 4,534   | -     | - | 1,550  | -       |
| Purchase of securities             | -       | 512,793 | -     | - | -      | 82,206  |
| Sale of securities                 | -       | 632,690 | -     | - | -      | 185,889 |
| Dividend received                  | -       | 12,121  | -     | - | -      | -       |
| Remuneration (including sales tax) | 57,415  | -       | 3,045 | - | -      | -       |
| Allocation of expenses             | 2,541   | -       | -     | - | -      | -       |
| CDS expenses                       | -       | -       | 71    | - | -      | -       |
| Selling and marketing expense      | 12,730  | -       | -     | - | -      | -       |

**UBL STOCK ADVANTAGE FUND**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

Half year ended December 31, 2018

| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives** * | Other connected persons / related parties |
|--------------------|--|---------|-------------------------------|----------------------------------|---|
|--------------------|--|---------|-------------------------------|----------------------------------|---|

(Units in '000)

Transactions during the period

|                |     |    |   |    |        |
|----------------|-----|----|---|----|--------|
| Units issued   | 317 | -  | - | 43 | 11,096 |
| Units redeemed | 678 | 26 | - | 56 | -      |

(Rupees in '000)

|                                    |        |         |       |       |         |
|------------------------------------|--------|---------|-------|-------|---------|
| Profit on bank deposits            | -      | 2,037   | -     | -     | -       |
| Bank charges                       | -      | 22      | -     | -     | -       |
| Value of units issued              | 20,000 | -       | -     | 2,804 | 750,000 |
| Value of units redeemed            | 45,209 | 1,850   | -     | 3,566 | -       |
| Purchase of securities             | -      | 51,805  | -     | -     | -       |
| Sale of securities                 | -      | 171,701 | -     | -     | -       |
| Dividend received                  | -      | 14,641  | -     | -     | -       |
| Remuneration (including sales tax) | 82,543 | -       | 4,697 | -     | -       |
| Allocation of expenses             | 3,653  | -       | -     | -     | -       |
| CDS expenses                       | -      | -       | 206   | -     | -       |
| Selling And Marketing Expense      | 14,610 | -       | -     | -     | -       |

| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives* ** | Other connected persons / related parties |
|--------------------|--|---------|-------------------------------|----------------------------------|---|
|--------------------|--|---------|-------------------------------|----------------------------------|---|

As at December 31, 2019

(Units in '000)

**Balances held**

|            |       |   |   |     |        |
|------------|-------|---|---|-----|--------|
| Units held | 2,619 | - | - | 408 | 35,276 |
|------------|-------|---|---|-----|--------|

(Rupees in '000)

|                                       |         |         |     |        |           |
|---------------------------------------|---------|---------|-----|--------|-----------|
| Units held                            | 180,936 | -       | -   | 28,186 | 2,437,206 |
| Bank balances                         | -       | 20,443  | -   | -      | -         |
| Deposits                              | -       | -       | 100 | -      | -         |
| Investments                           | -       | 376,539 | -   | -      | 292,797   |
| Profit receivable                     | -       | 284     | -   | -      | -         |
| Remuneration payable                  | 12,247  | -       | 709 | -      | -         |
| Sales load payable                    | 1,194   | 14      | -   | -      | -         |
| Conversion charges payable            | 78      | -       | -   | -      | -         |
| Allocated expenses payable            | 1,529   | -       | -   | -      | -         |
| Selling and marketing expense payable | 8,135   | -       | -   | -      | -         |
| Other Payable                         | 17      | -       | -   | -      | -         |

**UBL STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

| Management Company | Associated companies and others * & ** | Trustee | Funds under common management | Directors and Key Executives** * | Other connected persons / related parties |
|--------------------|--|---------|-------------------------------|----------------------------------|---|
|--------------------|--|---------|-------------------------------|----------------------------------|---|

As at June 30, 2019

(Units in '000)

**Balances held**

|            |       |    |   |   |     |       |
|------------|-------|----|---|---|-----|-------|
| Units held | 3,732 | 69 | - | - | 220 | 7,633 |
|------------|-------|----|---|---|-----|-------|

(Rupees in '000)

|   |        |         |     |   |    |     |
|---|--------|---------|-----|---|----|-----|
| Units held                                | 256    | 5       | -   | - | 15 | 523 |
| Bank balances                             | -      | 51,764  | -   | - | -  | -   |
| Deposits                                  | -      | -       | 100 | - | -  | -   |
| Investments                               | -      | 395,974 | -   | - | -  | -   |
| Profit receivable                         | -      | 472     | -   | - | -  | -   |
| Remuneration payable                      | 13,367 | -       | 761 | - | -  | -   |
| Sales load and conversion charges payable | 311    | 3       | -   | - | -  | -   |
| Allocated expenses payable                | 1,204  | -       | -   | - | -  | -   |
| Selling and marketing expense payable     | 7,248  | -       | -   | - | -  | -   |
| Other Payable                             | 17     | -       | -   | - | -  | -   |

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

\*\* These include transactions and balances in relation to the entities where common directorship exists as at half year end. However, it does not include the transactions and balances whereby the common director resigned from the Board of the Management Company during the period.

\*\*\* These include transactions and balances in relation to those directors and key executives that exist as at half year end. However, it does not include the transactions and balances whereby the director and key executive has resigned from the Management Company during the period.

**17. GENERAL**

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

**17.2** The condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 have not been reviewed.

**18. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on 25 February, 2020 by the Board of Directors of the Management Company.

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

**SD**

Chief Executive Officer

**SD**

Chief Financial Officer

**SD**

Director

# UMMF

## UBL Money Market Fund

### INVESTMENT OBJECTIVE

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

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

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL MONEY MARKET FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Money Market Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **Independent Auditors' Review Report to the unit holders of UBL Money Market Fund**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Money Market Fund** ("the Fund") as at 31 December 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matter**

The figures for the quarter ended 31 December 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 27 February 2020

Karachi

*KPMG Taseer Hadi & Co.*

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KPMG Taseer Hadi & Co.  
Chartered Accountants

**UBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at 31 December 2019*

|   |             | <b>31 December<br/>2019<br/>(Un-Audited)<br/>(Rupees in '000)</b> | <b>30 June<br/>2019<br/>(Audited)</b> |
|---|-------------|---|---------------------------------------|
|   | <i>Note</i> |   |                                       |
| <b>Assets</b>   |             |   |                                       |
| Bank balances   | 6           | <b>3,860,098</b>  | 2,388,715                             |
| Letter of placements  | 7           | <b>400,000</b>  | 340,000                               |
| Investments   | 8           | <b>331,473</b>  | -                                     |
| Profits receivable  |             | <b>53,135</b>   | 21,992                                |
| Deposits, prepayments and other receivables                         |             | <b>7,419</b>  | 1,373                                 |
| Advance tax   | 9           | <b>1,595</b>  | 1,589                                 |
| <b>Total assets</b>   |             | <b>4,653,720</b>  | 2,753,669                             |
| <b>Liabilities</b>  |             |   |                                       |
| Payable to the Management Company                                   | 10          | <b>7,100</b>  | 2,684                                 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11          | <b>249</b>  | 222                                   |
| Payable to Securities and Exchange Commission of Pakistan           | 12          | <b>428</b>  | 1,414                                 |
| Payable against purchase of investments                             |             | <b>331,500</b>  | -                                     |
| Accrued expenses and other payables                                 | 13          | <b>33,221</b>   | 23,918                                |
| <b>Total liabilities</b>  |             | <b>372,498</b>  | 28,238                                |
| <b>Net assets</b>   |             | <b>4,281,222</b>  | 2,725,431                             |
| <b>Unit holders' fund (as per the statement attached)</b>           |             | <b>4,281,222</b>  | 2,725,431                             |
| <b>Contingencies and Commitments</b>                                | 14          |   |                                       |
|   |             | <b>(Number of Units)</b>  |                                       |
| <b>Number of units in issue</b>                                     |             | <b>40,037,639</b>   | 27,071,133                            |
|   |             | <b>(Rupees)</b>   |                                       |
| <b>Net assets value per unit</b>                                    |             | <b>106.9299</b>   | 100.6767                              |

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

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

SD

**Chief Financial Officer**

SD

**Chief Executive Officer**

SD

**Director**



**UBL Money Market Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the half year and quarter ended 31 December 2019*

|   |  | Half year ended  |           | Quarter ended |          |          |
|---|--|------------------|-----------|---------------|----------|----------|
|   |  | 31 December      |           | 31 December   |          |          |
|   |  | 2019             | 2018      | 2019          | 2018     |          |
| Note  |  | (Rupees in '000) |           |               |          |          |
| <b>Income</b>                                       |  |                  |           |               |          |          |
|   | Markup on bank deposits and mark-up / return on investments calculated using the effective interest method | 15               | 293,854   | 76,606        | 142,650  | 51,413   |
|   | Realised loss on sale of investments   |                  | (3,441)   | (1,905)       | (1,763)  | -        |
|   | Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'     |                  | (27)      | -             | (27)     | -        |
|   | Other income   |                  | 32        | 59            | 32       | 59       |
|   |  |                  | 290,418   | 74,760        | 140,892  | 51,472   |
| <b>Total income</b>                                 |  |                  |           |               |          |          |
| <b>Expenses</b>                                     |  |                  |           |               |          |          |
|   | Remuneration of the Management Company   | 10               | 17,033    | 5,634         | 7,037    | 3,756    |
|   | Sindh Sales tax on the Management Company's remuneration   |                  | 2,214     | 732           | 915      | 488      |
|   | Allocation of expenses relating to the Fund  | 10               | 2,138     | 882           | 1,027    | 556      |
|   | Selling and marketing expenses   | 10               | 4,039     | -             | 3,081    | -        |
|   | Remuneration of Central Depository Company of Pakistan Limited - Trustee                                   | 11               | 1,571     | 1,175         | 754      | 685      |
|   | Annual fee of Securities and Exchange Commission of Pakistan   | 12               | 428       | 661           | 206      | 417      |
|   | Bank charges   |                  | 230       | 135           | 126      | 79       |
|   | Auditors' remuneration   |                  | 359       | 468           | 197      | 267      |
|   | Listing fees   |                  | 14        | 14            | 7        | 7        |
|   | Legal and professional charges   |                  | 81        | 82            | 6        | 38       |
|   | Brokerage expenses   |                  | 338       | 157           | 214      | 157      |
|   | Other expenses   |                  | 99        | 145           | -        | 40       |
|   | <b>Total operating expenses</b>  |                  | 28,544    | 10,085        | 13,570   | 6,490    |
|   | <b>Net income from operating activities</b>  |                  | 261,874   | 64,675        | 127,322  | 44,982   |
|   | Provision for Sindh Workers' Welfare Fund  | 13.2             | (5,138)   | (1,269)       | (2,497)  | (849)    |
|   | <b>Net income for the period before taxation</b>   |                  | 256,736   | 63,406        | 124,825  | 44,133   |
|   | Taxation   | 16               | -         | -             | -        | -        |
|   | <b>Net income for the period after taxation</b>  |                  | 256,736   | 63,406        | 124,825  | 44,133   |
| <b>Allocation of net income for the period:</b>     |  |                  |           |               |          |          |
|   | Net income for the period after taxation   |                  | 256,736   | 63,406        | 124,825  | 42,479   |
|   | Income already paid on redemption of units   |                  | (101,702) | (26,267)      | (59,000) | (23,471) |
|   | Accounting income available for distribution   |                  | 155,034   | 37,139        | 65,825   | 19,008   |
| <b>Accounting income available for distribution</b> |  |                  |           |               |          |          |
|   | - Relating to capital gains  |                  | -         | -             | -        | -        |
|   | - Excluding capital gains  |                  | 155,034   | 37,139        | 65,825   | 19,008   |
| <b>Earnings per unit</b>                            |  |                  |           |               |          |          |

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

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

**SD**  
**Chief Financial Officer**

**SD**  
**Chief Executive Officer**

**SD**  
**Director**

# UBL Money Market Fund

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the half year and quarter ended 31 December 2019

|  | <b>Half year ended</b>              |                      | <b>Quarter ended</b>  |                      |
|--|-------------------------------------|----------------------|-----------------------|----------------------|
|  | <b>31 December</b>                  |                      | <b>31 December</b>    |                      |
|  | <b>2019</b>                         | <b>2018</b>          | <b>2019</b>           | <b>2018</b>          |
|  | <b>----- (Rupees in '000) -----</b> |                      |                       |                      |
| <b>Net income for the period after taxation</b>  | <b>256,736</b>                      | <b>63,406</b>        | <b>124,825</b>        | <b>44,133</b>        |
| Other comprehensive income for the period        | -                                   | -                    | -                     | -                    |
| <b>Total comprehensive income for the period</b> | <b><u>256,736</u></b>               | <b><u>63,406</u></b> | <b><u>124,825</u></b> | <b><u>44,133</u></b> |

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

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

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Director**

# UBL Money Market Fund

## Condensed Interim Statement of Movement in Unit holders' Fund (Un-Audited)

For the half year ended 31 December 2019

|   | Half year ended<br>31 December |                         |                  |                  |                         |                  |
|---|--------------------------------|-------------------------|------------------|------------------|-------------------------|------------------|
|   | 2019                           |                         |                  | 2018             |                         |                  |
|   | Capital<br>value               | Undistributed<br>income | Total            | Capital<br>value | Undistributed<br>income | Total            |
|   | (Rupees in '000)               |                         |                  |                  |                         |                  |
| <b>Net assets as at the beginning of the period</b>                           | 2,714,135                      | 11,296                  | 2,725,431        | 1,590,492        | 25,180                  | 1,615,672        |
| <b>Issuance of 76,697,474 units</b><br>(31 December 2018: 32,385,947 units)   |                                |                         |                  |                  |                         |                  |
| - Capital value   | 7,721,650                      | -                       | 7,721,650        | 3,253,685        | -                       | 3,253,685        |
| - Element of income   | 170,785                        | -                       | 170,785          | 52,906           | -                       | 52,906           |
| Total proceeds on issuance of units   | 7,892,435                      | -                       | 7,892,435        | 3,306,591        | -                       | 3,306,591        |
| <b>Redemption of 63,730,968 units</b><br>(31 December 2018: 31,678,390 units) |                                |                         |                  |                  |                         |                  |
| - Capital value   | (6,416,223)                    | -                       | (6,416,223)      | (3,182,604)      | -                       | (3,182,604)      |
| - Element of (loss)   | (75,455)                       | (101,702)               | (177,157)        | (32,141)         | (26,267)                | (58,408)         |
| Total payments on redemption of units   | (6,491,678)                    | (101,702)               | (6,593,380)      | (3,214,745)      | (26,267)                | (3,241,012)      |
| Total comprehensive income for the period                                     | -                              | 256,736                 | 256,736          | -                | 63,406                  | 63,406           |
| Distribution during the period  | -                              | -                       | -                | (59,908)         | (18,746)                | (78,654)         |
| Net income for the period less distribution                                   | -                              | 256,736                 | 256,736          | (59,908)         | 44,660                  | (15,248)         |
| <b>Net assets at end of the period</b>  | <b>4,114,892</b>               | <b>166,330</b>          | <b>4,281,222</b> | <b>1,622,430</b> | <b>43,573</b>           | <b>1,666,003</b> |
| <b>Undistributed income brought forward:</b>                                  |                                |                         |                  |                  |                         |                  |
| - Realised income   |                                | 11,296                  |                  |                  | 25,180                  |                  |
| - Unrealised income   |                                | -                       |                  |                  | -                       |                  |
|   |                                | 11,296                  |                  |                  | 25,180                  |                  |
| <b>Accounting income available for distribution</b>                           |                                |                         |                  |                  |                         |                  |
| - Relating to capital gains   |                                | -                       |                  |                  | -                       |                  |
| - Excluding capital gains   |                                | 155,034                 |                  |                  | 37,139                  |                  |
|   |                                | 155,034                 |                  |                  | 37,139                  |                  |
| Distribution during the period  |                                | -                       |                  |                  | (18,746)                |                  |
| <b>Undistributed income carried forward</b>                                   |                                | <b>166,330</b>          |                  |                  | <b>43,573</b>           |                  |
| <b>Undistributed income carried forward comprise of:</b>                      |                                |                         |                  |                  |                         |                  |
| - Realised income   |                                | 166,357                 |                  |                  | 43,573                  |                  |
| - Unrealised (loss)   |                                | (27)                    |                  |                  | -                       |                  |
|   |                                | 166,330                 |                  |                  | 43,573                  |                  |
|   |                                | (Rupees)                |                  |                  | (Rupees)                |                  |
| <b>Net assets value per unit at beginning of the period</b>                   |                                | <b>100.6767</b>         |                  |                  | <b>105.6073</b>         |                  |
| <b>Net assets value per unit at end of the period</b>                         |                                | <b>106.9299</b>         |                  |                  | <b>104.0834</b>         |                  |

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

**UBL Money Market Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the half year ended 31 December 2019*

|  | Half Year ended     |                     |
|--|---------------------|---------------------|
|  | 31 December<br>2019 | 31 December<br>2018 |
|  | (Rupees in '000)    |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                     |
| Net income for the period before taxation  | 256,736             | 63,406              |
| <b>Adjustments:</b>  |                     |                     |
| Markup on bank deposits and mark-up / return on investments calculated using the effective interest method | (293,854)           | (76,606)            |
| Provision for Sindh Workers' Welfare Fund  | 5,138               | 1,269               |
| Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'     | 27                  | -                   |
| Realised loss on sale of investments   | 3,441               | 1,905               |
|  | (285,248)           | (73,432)            |
| <i>(Increase) / decrease in assets</i>   |                     |                     |
| Investments  | (334,941)           | (1,905)             |
| Deposits, prepayments and other receivables  | (4,707)             | (121)               |
| Advance tax  | (6)                 | (5)                 |
|  | (339,654)           | (2,031)             |
| <i>Increase / (decrease) in liabilities</i>  |                     |                     |
| Payable to the Management Company  | 4,416               | 1,224               |
| Payable to Central Depository Company of Pakistan Limited - Trustee  | 27                  | 41                  |
| Payable to Securities and Exchange Commision of Pakistan   | (986)               | (167)               |
| Payable against purchase of investments  | 331,500             | -                   |
| Accrued expenses and other payables  | 4,165               | 3,875               |
|  | 339,122             | 4,973               |
| Profits received   | 262,711             | 66,495              |
| <b>Net cash generated from operating activities</b>  | <b>233,667</b>      | <b>59,411</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                     |
| Receipts from issuance of units  | 7,891,096           | 3,306,122           |
| Payments on redemption of units  | (6,593,380)         | (3,241,012)         |
| Cash distribution to unit holders  | -                   | (78,654)            |
| <b>Net cash generated from / (used) in financing activities</b>  | <b>1,297,716</b>    | <b>(13,544)</b>     |
| <b>Net increase in cash and cash equivalents</b>   | <b>1,531,383</b>    | <b>45,867</b>       |
| Cash and cash equivalents at beginning of the period   | 2,728,715           | 1,625,596           |
| <b>Cash and cash equivalents at end of the period</b>  | <b>4,260,098</b>    | <b>1,671,463</b>    |
| <b>Cash and cash equivalents</b>   |                     |                     |
| Bank balances  | 3,860,098           | 1,231,463           |
| Letter of placements   | 400,000             | 440,000             |
|  | <b>4,260,098</b>    | <b>1,671,463</b>    |

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

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

**SD**  
**Chief Financial Officer**

**SD**  
**Chief Executive Officer**

**SD**  
**Director**

# UBL Money Market Fund

## Notes to the Condensed Interim Financial Information (Un-Audited)

*For the half year ended 31 December 2019*

### 1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Money Market Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 10 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 14 October 2010.

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

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

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

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 31 December 2019.

The Fund has been rated as AA(f) by VIS on 31 December 2019.

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

**2.1.1** The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting. The accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting comprise of :

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2019.

## **2.2 Basis of measurement**

This condensed interim financial information have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## **2.3 Functional and presentation currency**

This condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended 30 June 2019.

## **4. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual audited financial statements as at and for the year ended 30 June 2019.

## **5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements as at and for the year ended 30 June 2019.

|                         | <i>Note</i> | <b>31 December<br/>2019<br/>(Un-Audited)</b><br>----- (Rupees in '000) ----- | <b>30 June<br/>2019<br/>(Audited)</b><br>----- (Rupees in '000) ----- |
|-------------------------|-------------|--|---|
| <b>6. BANK BALANCES</b> |             |  |   |
| Savings accounts        | 6.1         | <b>3,860,037</b>   | 2,386,541   |
| Current accounts        | 6.2         | <b>61</b>  | 2,174   |
|                         |             | <b><u>3,860,098</u></b>  | <b><u>2,388,715</u></b>   |

**6.1** These carry profit rates ranging from 10.25% to 14.4% (30 June 2019: 4% to 13.4%) per annum. This includes balance with United Bank Limited (holding company of the Management Company) of Rs. 5.91 million (30 June 2019: Rs. 13.61 million) carrying profit rate of 11.75% (30 June 2019: 8.25%) per annum.

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

|                                |     | <b>31 December<br/>2019<br/>(Un-Audited)</b><br>----- (Rupees in '000) ----- | <b>30 June<br/>2019<br/>(Audited)</b><br>----- (Rupees in '000) ----- |
|--------------------------------|-----|--|---|
| <b>7. LETTER OF PLACEMENTS</b> |     |  |   |
| Letter of placements           | 7.1 | <b><u>400,000</u></b>  | <u>340,000</u>  |
|                                |     | <b><u>400,000</u></b>  | <u>340,000</u>  |

**7.1** This has been placed with Zarai Taraqiati Bank Limited at discount at a rate of 13.71% per annum and will mature on 22 January 2020.

## 8. INVESTMENTS

|      |                                  |                           |
|------|----------------------------------|---------------------------|
| Note | 31 December 2019<br>(Un-Audited) | 30 June 2019<br>(Audited) |
|      | ----- (Rupees in '000) -----     |                           |
|      | 331,473                          | -                         |
|      | <u>331,473</u>                   | <u>-</u>                  |

At fair value through profit or loss  
- Market Treasury Bills

8.1

### 8.1 Market Treasury Bills

| Issue date  | Tenor    | Face value                   |                                |                                     |                           | Amortised Cost<br>as at 31<br>December 2019 | Market value as<br>at 31 December<br>2019 | Market value as a<br>percentage of |                           |
|-------------|----------|------------------------------|--------------------------------|-------------------------------------|---------------------------|---|---|------------------------------------|---------------------------|
|             |          | As at 01 July<br>2019        | Purchased<br>during the period | Sold / matured<br>during the period | As at 31<br>December 2019 |   |   | Total<br>investments               | Net assets of the<br>Plan |
|             |          | ----- (Rupees in '000) ----- |                                |                                     |                           |   |   |                                    |                           |
| 23-May-2019 | 3 months | -                            | 285,000                        | 285,000                             | -                         | -   | -   | -                                  |                           |
| 25-Apr-2019 | 3 months | -                            | 1,235,000                      | 1,235,000                           | -                         | -   | -   | -                                  |                           |
| 09-May-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 09-May-2019 | 3 months | -                            | 225,000                        | 225,000                             | -                         | -   | -   | -                                  |                           |
| 09-May-2019 | 3 months | -                            | 280,000                        | 280,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 850,000                        | 850,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 1,000,000                      | 1,000,000                           | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 380,000                        | 380,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 280,000                        | 280,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 40,000                         | 40,000                              | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 280,000                        | 280,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 150,000                        | 150,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 80,000                         | 80,000                              | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 100,000                        | 100,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 100,000                        | 100,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 120,000                        | 120,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 1,244,000                      | 1,244,000                           | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 55,000                         | 55,000                              | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 300,000                        | 300,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 50,000                         | 50,000                              | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 45,000                         | 45,000                              | -                         | -   | -   | -                                  |                           |
| 29-Aug-2019 | 3 months | -                            | 200,000                        | 200,000                             | -                         | -   | -   | -                                  |                           |
| 29-Aug-2019 | 3 months | -                            | 150,000                        | 150,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 3 months | -                            | 175,000                        | 175,000                             | -                         | -   | -   | -                                  |                           |
| 10-Oct-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 10-Oct-2019 | 3 months | -                            | 550,000                        | 550,000                             | -                         | -   | -   | -                                  |                           |
| 01-Aug-2019 | 3 months | -                            | 283,000                        | 283,000                             | -                         | -   | -   | -                                  |                           |
| 16-Aug-2019 | 3 months | -                            | 450,000                        | 450,000                             | -                         | -   | -   | -                                  |                           |
| 01-Aug-2019 | 3 months | -                            | 390,000                        | 390,000                             | -                         | -   | -   | -                                  |                           |
| 24-Oct-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 16-Aug-2019 | 3 months | -                            | 330,000                        | 330,000                             | -                         | -   | -   | -                                  |                           |
| 16-Aug-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 24-Oct-2019 | 3 months | -                            | 180,000                        | 180,000                             | -                         | -   | -   | -                                  |                           |
| 16-Aug-2019 | 3 months | -                            | 300,000                        | 300,000                             | -                         | -   | -   | -                                  |                           |
| 16-Aug-2019 | 3 months | -                            | 300,000                        | 300,000                             | -                         | -   | -   | -                                  |                           |
| 18-Jul-2019 | 6 months | -                            | 300,000                        | 300,000                             | -                         | -   | -   | -                                  |                           |
| 07-Nov-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 07-Nov-2019 | 6 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 07-Nov-2019 | 3 months | -                            | 500,000                        | 500,000                             | -                         | -   | -   | -                                  |                           |
| 07-Nov-2019 | 3 months | -                            | 350,000                        | 350,000                             | -                         | -   | -   | -                                  |                           |
| 07-Nov-2019 | 6 months | -                            | 365,000                        | 365,000                             | -                         | -   | -   | -                                  |                           |
| 21-Nov-2019 | 3 months | -                            | 150,000                        | 150,000                             | -                         | -   | -   | -                                  |                           |
| 21-Nov-2019 | 3 months | -                            | 150,000                        | 150,000                             | -                         | -   | -   | -                                  |                           |
| 19-Dec-2019 | 3 months | -                            | 340,000                        | -                                   | 340,000                   | 331,500                                     | 331,473                                   | 100%                               | 7.74%                     |
|             |          | -                            | 17,062,000                     | 16,722,000                          | 340,000                   | 331,500                                     | 331,473                                   | 100%                               | 7.74%                     |

## 9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A, and 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax year 2020.

## 10. PAYABLE TO MANAGEMENT COMPANY

SECP vide S.R.O. 639 (I)/2019 has substitute regulation 61 where by Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document.

During the period ended 31 December 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

|   | Management<br>Company<br>remuneration (as<br>a % of gross<br>earnings) | Minimum<br>remuneration (as<br>a % per annum<br>of the average<br>daily net assets) | Maximum<br>remuneration (as<br>a % per annum<br>of the average<br>daily net assets) |
|---|--|---|---|
| Charged Up to September 04, 2019            | 7.50%  | 0.25%   | 1.00%   |
| Charged from September 05, 2019 and onwards | 5.00%  | 0.15%   | 1.00%   |

SECP vide S.R.O. 639 (I)/2019 has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% and 0.4% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation & valuation services and selling & Marketing expenses respectively, provided that the total expense ratio remains within the allowed limit.

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services. Furthermore Management Company has also started charging selling and marketing expense of 0.30% from 05 September 2019.

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from 01 July 2019 where by the revised tariff is 0.065% per annum of average daily net assets.

## 12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O. 685 (I)/2019 has revised its annual fee from 0.075% to 0.02% per annum of average daily net assets of the Fund, applicable from 01 July 2019.

|  | Note | 31 December<br>2019<br>(Un-Audited)<br>----- (Rupees in '000) ----- | 30 June<br>2019<br>(Audited) |
|--|------|---|------------------------------|
| <b>13. ACCRUED EXPENSES AND OTHER PAYABLES</b> |      |   |                              |
| Provision for indirect duties and taxes        | 13.1 | 9,499   | 9,499                        |
| Provision for Sindh Worker's Welfare Fund      | 13.2 | 10,765  | 5,627                        |
| Auditors' remuneration payable                 |      | 324   | 471                          |
| Brokerage payable                              |      | 383   | 219                          |
| Capital gains tax payable                      |      | 1,035   | 2,595                        |
| Withholding tax and zakat deducted at source   |      | 569   | 5,329                        |
| Payable against redemption of units            |      | 10,089  | -                            |
| Sales load and Other payables                  |      | 557   | 178                          |
|  |      | <b>33,221</b>   | <b>23,918</b>                |

**13.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 14.1 to the annual audited financial statements for the year ending 30 June 2019. As a matter of abundant caution, the Management Company has maintained full provision for Federal Excise Duty (FED) till 30 June 2019. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 0.2276 per unit (30 June 2019: Rs. 0.3366 per unit).

**13.2** The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 14.2 to the annual audited financial statements for the year ended 30 June 2019.

The Fund has recognised provision for SWWF amounting to 5.13 million in these condensed interim financial information. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.2688 per unit (30 June 2019: Rs. 0.2079 per unit).

#### 14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2019.

|   | Half year ended              |                     | Quarter ended                |                     |
|---|------------------------------|---------------------|------------------------------|---------------------|
|   | 31 December<br>2019          | 31 December<br>2018 | 31 December<br>2019          | 31 December<br>2018 |
| <b>15. MARKUP ON BANK DEPOSITS AND MARK-UP / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE INTEREST METHOD</b> |                              |                     |                              |                     |
|   | (Unaudited)                  |                     | (Unaudited)                  |                     |
|   | ----- (Rupees in '000) ----- |                     | ----- (Rupees in '000) ----- |                     |
| Profits on:   |                              |                     |                              |                     |
| - Bank balances   | 118,842                      | 27,908              | 74,374                       | 19,297              |
| - Term deposit receipts / letter of placement   | 50,084                       | 12,846              | 28,400                       | 11,941              |
| - Market treasury bills   | 124,928                      | 35,852              | 39,876                       | 20,175              |
|   | <b>293,854</b>               | <b>76,606</b>       | <b>142,650</b>               | <b>51,413</b>       |

#### 16. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 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 the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended 30 June 2020 to its unit holders.

#### 17. EARNINGS PER UNIT

Earnings per unit (EPU) for the fund has not been disclosed in this condensed interim financial information as in the opinion of the Management Company, the determination of the cumulative weighted average number of outstanding units is not practicable.

#### 18. TOTAL EXPENSE RATIO

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 December 2019 is 1.57 % which include 0.37% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

#### 19. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration of the Management Company and the trustee is determined in accordance with the provision of Non Banking Finance Companies Rules, 2003, Non Banking Finance Companies and Notified Entities regulations, 2008 and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed terms.



Details of transactions with the related parties and balances with them at the half year ended are as follows:

|   | Management<br>company | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key<br>executives | Other<br>connected<br>persons /<br>related parties |
|---|-----------------------|-------------------------|---------|-------------------------------------|------------------------------------|--|
| ----- (Transaction during the half year ended 31 December 2019) ----- |                       |                         |         |                                     |                                    |  |
| ----- (Rupees in '000) -----  |                       |                         |         |                                     |                                    |  |
| Profit on savings accounts  | -                     | 653                     | -       | -                                   | -                                  | -  |
| Bank charges  | -                     | 49                      | -       | -                                   | -                                  | -  |
| Units issued  | 1,301,530             | 1,200                   | -       | 76,574                              | 59,097                             | -  |
| Units redeemed  | 1,310,401             | 1,205                   | -       | 327,566                             | 25,285                             | -  |
| Purchase of securities  | 299,350               | -                       | -       | 1,948,614                           | -                                  | -  |
| Sale of securities  | 1,878,930             | -                       | -       | 1,989,864                           | -                                  | -  |
| Remuneration  | 17,033                | -                       | 1,390   | -                                   | -                                  | -  |
| Sales tax on remuneration   | 2,214                 | -                       | 181     | -                                   | -                                  | -  |
| Reimbursement of expenses   | 2,138                 | -                       | -       | -                                   | -                                  | -  |
| Marketing and selling expenses  | 4,039                 | -                       | -       | -                                   | -                                  | -  |
| Central Depository Company expense                                    | -                     | -                       | 2       | -                                   | -                                  | -  |
| Dividend Paid   | -                     | -                       | -       | -                                   | -                                  | -  |

|  |       |       |     |         |        |   |
|--|-------|-------|-----|---------|--------|---|
| ----- (Balances held as at 31 December 2019) ----- |       |       |     |         |        |   |
| ----- (Rupees in '000) -----                       |       |       |     |         |        |   |
| Units held (in Units '000)                         | -     | -     | -   | 1,441   | 552    | - |
| Units held   | -     | -     | -   | 154,086 | 59,025 | - |
| Bank balances*                                     | -     | 5,978 | -   | -       | -      | - |
| Profit receivable on savings account               | -     | 87    | -   | -       | -      | - |
| Remuneration payable**                             | 2,729 | -     | 249 | -       | -      | - |
| Sales load and other payable                       | 597   | 231   | -   | -       | -      | - |
| Other payables                                     | 16    | -     | -   | -       | -      | - |
| Reimbursement of expenses payable                  | 678   | -     | -   | -       | -      | - |
| Marketing and selling expenses                     | 3,080 | -     | -   | -       | -      | - |
| Security Deposit                                   | -     | -     | 100 | -       | -      | - |

\* These carry profit rate at 11.75% per annum.

\*\* Remuneration for the half year is inclusive of Sindh Sales Tax.

|   | Management<br>company | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key executives | Other<br>connected<br>persons /<br>related parties |
|---|-----------------------|-------------------------|---------|-------------------------------------|---------------------------------|--|
| ----- Transaction during the half year ended 31 December 2018 ----- |                       |                         |         |                                     |                                 |  |
| ----- (Rupees in '000) -----  |                       |                         |         |                                     |                                 |  |
| Profit on savings accounts  | -                     | 2,412                   | -       | -                                   | -                               | -  |
| Bank charges  | -                     | 32                      | -       | -                                   | -                               | -  |
| Units issued  | 30,955                | 598                     | -       | 548,586                             | 12,107                          | 252,780  |
| Units redeemed  | 605,822               | 23,986                  | -       | 279,279                             | 4,105                           | 11,053   |
| Purchase of securities  | -                     | -                       | -       | 980,283                             | -                               | -  |
| Sale of securities  | -                     | -                       | -       | 395,528                             | -                               | -  |
| Remuneration  | 5,634                 | -                       | 1,040   | -                                   | -                               | -  |
| Sales tax on remuneration   | 732                   | -                       | 135     | -                                   | -                               | -  |
| Reimbursement of expenses   | 882                   | -                       | -       | -                                   | -                               | -  |
| Central Depository Company Expense                                  | -                     | -                       | 3       | -                                   | -                               | -  |
| Divident Paid   | 30,986                | 1,171                   | -       | 7,662                               | 0.45                            | -  |
| ----- (Balances held as at 30 June 2019) -----                      |                       |                         |         |                                     |                                 |  |
| ----- (Rupees in '000) -----  |                       |                         |         |                                     |                                 |  |
| Units held (in Units '000)  | -                     | -                       | -       | 3,862                               | 235                             | 3,979  |
| Units held  | -                     | -                       | -       | 388,767                             | 23,641                          | 400,604  |
| Bank balances*  | -                     | 15,787                  | -       | -                                   | -                               | -  |
| Remuneration payable**  | 2,038                 | -                       | 222     | -                                   | -                               | -  |
| Sales load and other payable  | 466                   | -                       | -       | -                                   | -                               | -  |
| Payable against allocated expenses                                  | 180                   | -                       | -       | -                                   | -                               | -  |
| Receivable from issuance of unit                                    | 1,000                 | -                       | -       | 174                                 | -                               | -  |
| Profit receivable   | -                     | 52                      | -       | -                                   | -                               | -  |
| Security Deposit  | -                     | -                       | 100     | -                                   | -                               | -  |

\* These carry profit rate of 8.25% per annum.

\*\* Remuneration for the half year is inclusive of Sindh Sales Tax.

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

### On-balance sheet financial instruments

#### 31 December 2019

| Note  | Carrying amount                                  |  |   |                |           | Fair value |         |         |         |
|---|--|--|---|----------------|-----------|------------|---------|---------|---------|
|   | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total     | Level 1    | Level 2 | Level 3 | Total   |
| (Rupees in '000)  |  |  |   |                |           |            |         |         |         |
| <b>Financial assets measured at fair value</b>                      |  |  |   |                |           |            |         |         |         |
| Investment in Debt securities                                       | -  | 331,473  | -   | -              | 331,473   | -          | 331,473 | -       | 331,473 |
| <b>Financial assets not measured at fair value</b>                  |  |  |   |                |           |            |         |         |         |
| 20.1  |  |  |   |                |           |            |         |         |         |
| Bank balances   | -  | -  | -   | 3,860,098      | 3,860,098 |            |         |         |         |
| Letter of Placements  | -  | -  | -   | 400,000        | 400,000   |            |         |         |         |
| Profits receivable  | -  | -  | -   | 53,135         | 53,135    |            |         |         |         |
| Deposits, prepayments and other receivables                         | -  | -  | -   | 7,405          | 7,405     |            |         |         |         |
|   | -  | -  | -   | 4,320,638      | 4,320,638 |            |         |         |         |
| <b>Financial liabilities not measured at fair value</b>             |  |  |   |                |           |            |         |         |         |
| 20.1  |  |  |   |                |           |            |         |         |         |
| Payable to the Management Company                                   | -  | -  | -   | 7,100          | 7,100     |            |         |         |         |
| Payable to Central Depository Company of Pakistan Limited - Trustee | -  | -  | -   | 249            | 249       |            |         |         |         |
| Accrued expenses and other payables                                 | -  | -  | -   | 11,353         | 11,353    |            |         |         |         |
|   | -  | -  | -   | 18,702         | 18,702    |            |         |         |         |

#### 30 June 2019

|   | Carrying amount                                  |  |   |                |           | Fair value |         |         |       |
|---|--|--|---|----------------|-----------|------------|---------|---------|-------|
|   | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total     | Level 1    | Level 2 | Level 3 | Total |
| (Rupees in '000)  |  |  |   |                |           |            |         |         |       |
| <b>Financial assets not measured at fair value</b>                  |  |  |   |                |           |            |         |         |       |
| 20.1  |  |  |   |                |           |            |         |         |       |
| Bank balances   | -  | -  | -   | 2,388,715      | 2,388,715 |            |         |         |       |
| Letter of placements  | -  | -  | -   | 340,000        | 340,000   |            |         |         |       |
| Profits receivable  | -  | -  | -   | 21,992         | 21,992    |            |         |         |       |
| Deposits, prepayments and other receivables                         | -  | -  | -   | 1,275          | 1,275     |            |         |         |       |
|   | -  | -  | -   | 2,751,982      | 2,751,982 |            |         |         |       |
| <b>Financial liabilities not measured at fair value</b>             |  |  |   |                |           |            |         |         |       |
| 20.1  |  |  |   |                |           |            |         |         |       |
| Payable to the Management Company                                   | -  | -  | -   | 2,684          | 2,684     |            |         |         |       |
| Payable to Central Depository Company of Pakistan Limited - Trustee | -  | -  | -   | 222            | 222       |            |         |         |       |
| Accrued expenses and other payables                                 | -  | -  | -   | 8,792          | 8,792     |            |         |         |       |
|   | -  | -  | -   | 11,698         | 11,698    |            |         |         |       |

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

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

**21. GENERAL**

- 21.1** All financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- 21.2** Corresponding figure related to net assets value per unit as disclosed in note 13.1 has been corrected to rectify the error related to the prior period. However, the correction is not material to the condensed interim financial information.
- 21.3** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on February 25, 2020.

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

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**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.

|                             |   |
|-----------------------------|---|
| <b>Management Company</b>   | UBL Fund Managers Limited   |
| <b>Trustee</b>              | 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  |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )  |
| <b>Auditor</b>              | Deloitte Yousuf Adil, Chartered Accountants   |
| <b>Bankers</b>              | United Bank Limited<br>Bank Alfalah Limited<br>MCB Bank Limited<br>Faysal Bank Limited<br>Samba Bank Limited<br>Allied Bank Limited<br>Habib Bank Limited<br>Sindh Bank Limited<br>Zarai Taraqiati Bank Ltd<br>Habib Metropolitan Bank Limited<br>Askari Bank Limited<br>National Bank Of Pakistan<br>Meezan Bank Limited |
| <b>Management Co.Rating</b> | AM1 (VIS)   |
| <b>Fund Rating</b>          | AA(f) (VIS)   |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL LIQUIDITY PLUS FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Liquidity Plus Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## **AUDITORS' REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL LIQUIDITY PLUS FUND** (here-in-after referred to as the "Fund") as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Management Company (**UBL Fund Managers Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been subject to limited scope review, as we are only required to review the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matters**

The condensed interim financial information for the half year ended December 31, 2018 and the annual financial statements of the Fund for the year ended June 30, 2019 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 27, 2019 and audit report dated August 30, 2019, expressed an unmodified conclusion and an unmodified opinion respectively.

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

*Deloitte Yousuf Adil*

**Chartered Accountants**

**Date:** February 26, 2020

**Place:** Karachi

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----         |                               |
| <b>ASSETS</b>   |      |                                      |                               |
| Bank balances   | 4    | 8,505,721                            | 5,986,231                     |
| Placements, Commercial Papers and Term Deposit Receipts             | 5    | 1,333,726                            | 850,000                       |
| Investments - net   | 6    | 740,940                              | -                             |
| Mark-up / interest receivable                                       |      | 105,411                              | 66,745                        |
| Security deposits, prepayments and other receivables                |      | 12,357                               | 47,904                        |
| Advance income tax  | 7    | 1,994                                | 1,994                         |
| <b>Total assets</b>   |      | <b>10,700,149</b>                    | 6,952,874                     |
| <b>LIABILITIES</b>  |      |                                      |                               |
| Payable to UBL Fund Managers Limited - Management Company           | 8    | 11,939                               | 6,449                         |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9    | 522                                  | 548                           |
| Payable to Securities and Exchange Commission of Pakistan           | 10   | 909                                  | 8,912                         |
| Payable against purchase of investment                              |      | 740,989                              | -                             |
| Accrued expenses and other liabilities                              | 11   | 110,151                              | 99,639                        |
| <b>Total liabilities</b>  |      | <b>864,510</b>                       | 115,548                       |
| <b>Net Assets</b>   |      | <b>9,835,639</b>                     | 6,837,326                     |
| <b>Unit Holders' Fund</b> (as per statement attached)               |      | <b>9,835,639</b>                     | 6,837,326                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                |      |                                      |                               |
|   | 12   | ----- (Number of units) -----        |                               |
| <b>Number of Units in Issue</b>                                     | 13   | <b>97,289,969</b>                    | 67,843,773                    |
|   |      | ----- (Rupees) -----                 |                               |
| <b>Net Asset Value Per Unit</b>                                     |      | <b>101.0961</b>                      | 100.7804                      |
| <b>Face Value per Unit</b>  |      | <b>100.0000</b>                      | 100.0000                      |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

SD  
 Chief Executive Officer

SD  
 Chief Financial Officer

SD  
 Director

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |      | Half year ended      |                      | Quarter ended        |                      |
|--|------|----------------------|----------------------|----------------------|----------------------|
|  |      | December 31,<br>2019 | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
| Note   |      | (Rupees in '000)     |                      |                      |                      |
| <b>INCOME</b>  |      |                      |                      |                      |                      |
| Financial income   |      | 631,547              | 577,139              | 309,426              | 299,753              |
| Loss on sale of investments - net  |      | (4,969)              | (14,237)             | (1,869)              | (10,591)             |
| Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net |      | (49)                 | -                    | (49)                 | 525                  |
| Other income   |      | 146                  | 197                  | 146                  | 197                  |
| <b>Total income</b>  |      | <b>626,675</b>       | <b>563,099</b>       | <b>307,654</b>       | <b>289,884</b>       |
| <b>EXPENSES</b>  |      |                      |                      |                      |                      |
| Remuneration of UBL Fund Managers Limited - Management Company   | 8.1  | 36,149               | 42,441               | 15,358               | 21,886               |
| Sindh sales tax on remuneration of Management Company  |      | 4,699                | 5,517                | 1,996                | 2,845                |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee   | 9    | 3,338                | 5,916                | 1,623                | 2,835                |
| Annual fee of Securities and Exchange Commission of Pakistan   | 10   | 909                  | 5,126                | 442                  | 2,426                |
| Bank charges   |      | 340                  | 303                  | 196                  | 113                  |
| Auditors' remuneration   |      | 388                  | 542                  | 205                  | 306                  |
| Brokerage and settlement expenses  |      | 621                  | 1,271                | 289                  | 759                  |
| Allocated expenses   | 8.2  | 2,990                | 6,442                | 2,210                | 2,843                |
| Allocated selling and marketing expenses   | 8.3  | 6,279                | -                    | 4,640                | -                    |
| Fees and subscription charges  |      | 137                  | 135                  | 62                   | 60                   |
| Listing fee  |      | 14                   | 14                   | 14                   | 2                    |
| Legal and professional charges   |      | 80                   | 106                  | 80                   | 53                   |
| Printing expenses  |      | -                    | 10                   | -                    | 5                    |
| Other expenses   |      | -                    | 10                   | -                    | 10                   |
| <b>Total expenses</b>  |      | <b>55,944</b>        | <b>67,833</b>        | <b>27,115</b>        | <b>34,143</b>        |
| <b>Net operating income for the period</b>   |      | <b>570,731</b>       | <b>495,266</b>       | <b>280,539</b>       | <b>255,741</b>       |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 11.2 | (11,197)             | (9,717)              | (5,499)              | (5,014)              |
| <b>Net income for the period before taxation</b>   |      | <b>559,534</b>       | <b>485,549</b>       | <b>275,040</b>       | <b>250,727</b>       |
| Taxation   | 14   | -                    | -                    | -                    | -                    |
| <b>Net income for the period after taxation</b>  |      | <b>559,534</b>       | <b>485,549</b>       | <b>275,040</b>       | <b>250,727</b>       |
| <b>Allocation of net income for the period</b>   |      |                      |                      |                      |                      |
| - Net income for the period after taxation   |      | 559,534              | 485,549              | 275,040              | 250,727              |
| - Income already paid on units redeemed  |      | (28,011)             | (12,556)             | (12,240)             | (3,690)              |
| <b>Net income for the period available for distribution</b>  |      | <b>531,523</b>       | <b>472,993</b>       | <b>262,800</b>       | <b>247,037</b>       |
| <b>Net income for the period available for distribution</b>  |      |                      |                      |                      |                      |
| - Relating to capital gains  |      | -                    | -                    | -                    | -                    |
| - Excluding capital gains  |      | 531,523              | 472,993              | 262,800              | 247,037              |
|  |      | <b>531,523</b>       | <b>472,993</b>       | <b>262,800</b>       | <b>247,037</b>       |
| <b>Earnings per unit</b>   | 15   |                      |                      |                      |                      |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director



**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  | <b>Half year ended</b>              |                     | <b>Quarter ended</b> |                     |
|--|-------------------------------------|---------------------|----------------------|---------------------|
|  | <b>December 31,</b>                 | <b>December 31,</b> | <b>December 31,</b>  | <b>December 31,</b> |
|  | <b>2019</b>                         | <b>2018</b>         | <b>2019</b>          | <b>2018</b>         |
|  | <b>----- (Rupees in '000) -----</b> |                     |                      |                     |
| <b>Net income for the period after taxation</b>                      | <b>559,534</b>                      | 485,549             | <b>275,040</b>       | 250,727             |
| <b>Other comprehensive income</b>                                    |                                     |                     |                      |                     |
| Items that may be reclassified subsequently to income statement      | -                                   | -                   | -                    | -                   |
| Items that will not be reclassified subsequently to income statement | -                                   | -                   | -                    | -                   |
| <b>Total comprehensive income for the period</b>                     | <b>559,534</b>                      | 485,549             | <b>275,040</b>       | 250,727             |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | Half year ended   |                      |              |                   |                      |              |
|---|-------------------|----------------------|--------------|-------------------|----------------------|--------------|
|   | December 31, 2019 |                      |              | December 31, 2018 |                      |              |
|   | Capital value     | Undistributed income | Total        | Capital value     | Undistributed income | Total        |
|   | (Rupees. in '000) |                      |              |                   |                      |              |
| <b>Net assets at the beginning of the period</b>                                    | 6,731,381         | 105,945              | 6,837,326    | 14,120,429        | 333,781              | 14,454,210   |
| Amount received on issuance of 167,338,827 units<br>(2018: 155,004,416 units)       |                   |                      |              |                   |                      |              |
| - Capital value   | 16,864,474        | -                    | 16,864,474   | 15,606,372        | -                    | 15,606,372   |
| - Element of income   | 33,745            | -                    | 33,745       | 18,493            | -                    | 18,493       |
| <b>Total amount received on issuance of units</b>                                   | 16,898,219        | -                    | 16,898,219   | 15,624,865        | -                    | 15,624,865   |
| Amount paid on redemption of 137,892,631 units<br>(2018: 188,127,228 units)         |                   |                      |              |                   |                      |              |
| - Capital value   | (13,896,875)      | -                    | (13,896,875) | (18,941,289)      | -                    | (18,941,289) |
| - Element of income   | (6,947)           | (28,011)             | (34,958)     | (6,754)           | (12,556)             | (19,310)     |
| <b>Total amount paid on redemption of units</b>                                     | (13,903,822)      | (28,011)             | (13,931,833) | (18,948,043)      | (12,556)             | (18,960,599) |
| Total comprehensive income for the period   | -                 | 559,534              | 559,534      | -                 | 485,549              | 485,549      |
| <b>Annual distribution:</b>   |                   |                      |              |                   |                      |              |
| Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend                      | -                 | -                    | -            | (501,698)         | (253,759)            | (755,457)    |
| <b>Interim distributions:</b>   |                   |                      |              |                   |                      |              |
| <b>July 2019 to December 2019</b>   |                   |                      |              |                   |                      |              |
| Re. 0.4494 per unit declared on July 14, 2019 as cash dividend                      | (3,064)           | (29,356)             | (32,420)     | -                 | -                    | -            |
| Re. 0.4500 per unit declared on July 28, 2019 as cash dividend                      | (214)             | (32,686)             | (32,900)     | -                 | -                    | -            |
| Re. 0.6064 per unit declared on August 15, 2019 as cash dividend                    | (1,798)           | (52,396)             | (54,194)     | -                 | -                    | -            |
| Re. 0.4712 per unit declared on August 29, 2019 as cash dividend                    | (2,938)           | (43,393)             | (46,331)     | -                 | -                    | -            |
| Re. 0.5675 per unit declared on September 15, 2019 as cash dividend                 | (6,673)           | (56,033)             | (62,706)     | -                 | -                    | -            |
| Re. 0.5009 per unit declared on September 29, 2019 as cash dividend                 | (3,041)           | (50,834)             | (53,875)     | -                 | -                    | -            |
| Re. 0.5173 per unit declared on October 13, 2019 as cash dividend                   | (806)             | (48,876)             | (49,682)     | -                 | -                    | -            |
| Re. 0.4849 per unit declared on October 27, 2019 as cash dividend                   | (1,018)           | (41,355)             | (42,373)     | -                 | -                    | -            |
| Re. 0.4459 per unit declared on November 10, 2019 as cash dividend                  | (715)             | (38,627)             | (39,342)     | -                 | -                    | -            |
| Re. 0.4592 per unit declared on November 24, 2019 as cash dividend                  | (394)             | (34,734)             | (35,128)     | -                 | -                    | -            |
| Re. 0.4805 per unit declared on December 8, 2019 as cash dividend                   | (3,085)           | (36,630)             | (39,715)     | -                 | -                    | -            |
| Re. 0.4946 per unit declared on December 22, 2019 as cash dividend                  | (1,359)           | (37,584)             | (38,943)     | -                 | -                    | -            |
| <b>July 2018 to December 2018</b>   |                   |                      |              |                   |                      |              |
| Re. 0.2669 per unit declared on July 15, 2018 as cash dividend                      | -                 | -                    | -            | (4,803)           | (33,544)             | (38,347)     |
| Re. 0.2539 per unit declared on July 29, 2018 as cash dividend                      | -                 | -                    | -            | (3,678)           | (36,912)             | (40,590)     |
| Re. 0.2629 per unit declared on August 12, 2018 as cash dividend                    | -                 | -                    | -            | (364)             | (36,890)             | (37,254)     |
| Re. 0.2502 per unit declared on August 26, 2018 as cash dividend                    | -                 | -                    | -            | (192)             | (34,310)             | (34,502)     |
| Re. 0.2500 per unit declared on September 09, 2018 as cash dividend                 | -                 | -                    | -            | (481)             | (34,740)             | (35,221)     |
| Re. 0.2461 per unit declared on September 23, 2018 as cash dividend                 | -                 | -                    | -            | (216)             | (33,390)             | (33,606)     |
| Re. 0.2691 per unit declared on October 07, 2018 as cash dividend                   | -                 | -                    | -            | (2,975)           | (34,290)             | (37,265)     |
| Re. 0.2955 per unit declared on October 21, 2018 as cash dividend                   | -                 | -                    | -            | (333)             | (38,315)             | (38,648)     |
| Re. 0.2938 per unit declared on November 04, 2018 as cash dividend                  | -                 | -                    | -            | (2,086)           | (36,837)             | (38,922)     |
| Re. 0.2732 per unit declared on November 18, 2018 as cash dividend                  | -                 | -                    | -            | (916)             | (37,553)             | (38,469)     |
| Re. 0.2746 per unit declared on December 02, 2018 as cash dividend                  | -                 | -                    | -            | (127)             | (35,477)             | (35,603)     |
| Re. 0.3109 per unit declared on December 16, 2018 as cash dividend                  | -                 | -                    | -            | (350)             | (35,167)             | (35,517)     |
| Re. 0.3683 per unit declared on December 30, 2018 as cash dividend                  | -                 | -                    | -            | (1,271)           | (36,664)             | (37,934)     |
| <b>Net income for the period less distribution</b>                                  | (25,102)          | 57,030               | 31,927       | (519,490)         | (232,299)            | (751,789)    |
| <b>Net assets at the end of the period</b>  | 9,700,675         | 134,964              | 9,835,639    | 10,277,760        | 88,926               | 10,366,686   |
| <b>Undistributed income brought forward comprising of:</b>                          |                   |                      |              |                   |                      |              |
| - Realised  | -                 | 105,945              | 105,945      | -                 | 333,781              | 333,781      |
| - Unrealised  | -                 | -                    | -            | -                 | -                    | -            |
| Total undistributed income brought forward  | -                 | 105,945              | 105,945      | -                 | 333,781              | 333,781      |
| <b>Accounting income available for distribution</b>                                 |                   |                      |              |                   |                      |              |
| - Related to capital gain   | -                 | -                    | -            | -                 | -                    | -            |
| - Excluding capital gain  | -                 | 531,523              | 531,523      | -                 | 472,993              | 472,993      |
| <b>Distribution during the period:</b>  |                   |                      |              |                   |                      |              |
| Annual distribution   | -                 | -                    | -            | -                 | (253,759)            | (253,759)    |
| Interim distributions during the half year ended December 31, 2019 as cash dividend | -                 | (502,504)            | (502,504)    | -                 | (464,089)            | (464,089)    |
| <b>Undistributed income carried forward - net</b>                                   | -                 | 134,964              | 134,964      | -                 | 88,926               | 88,926       |
| <b>Undistributed income carried forward comprising of:</b>                          |                   |                      |              |                   |                      |              |
| - Realised  | -                 | 135,013              | 135,013      | -                 | 88,926               | 88,926       |
| - Unrealised  | -                 | (49)                 | (49)         | -                 | -                    | -            |
|   | -                 | 134,964              | 134,964      | -                 | 88,926               | 88,926       |
|   | (Rupees)          |                      |              |                   |                      |              |
| <b>Net assets value per unit at the beginning of the period</b>                     | 100.7804          |                      |              | 106.2344          |                      |              |
| <b>Net assets value per unit at the end of the period</b>                           | 101.0961          |                      |              | 100.7092          |                      |              |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

FOR UBL FUND MANAGERS LIMITED  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

| <b>Half year ended</b>   |                              |
|--|------------------------------|
| <b>December 31,</b>  | <b>December 31,</b>          |
| <b>2019</b>  | <b>2018</b>                  |
| <b>------(Rupees in '000)-----</b>   |                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |
| Net income for the period before taxation  | 559,534 485,549              |
| <b>Adjustments for:</b>  |                              |
| Financial income   | (631,693) (577,336)          |
| Loss on sale of investments - net  | 4,969 14,237                 |
| Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 49 -                         |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 11,197 9,717                 |
|  | (615,478) (553,382)          |
| <b>Cash used in operations before working capital changes</b>  | <b>(55,944) (67,833)</b>     |
| <b>(Increase) / decrease in assets</b>   |                              |
| Placements, Commercial Papers and Term Deposit Receipts  | 500,000 -                    |
| Investments - net  | (745,958) (14,237)           |
| Security deposits, prepayments and other receivables   | 35,547 (43,183)              |
| Advance income tax   | - 500                        |
|  | (210,411) (56,920)           |
| <b>Increase / (decrease) in liabilities</b>  |                              |
| Payable to UBL Fund Managers Limited - Management Company  | 5,490 (1,726)                |
| Payable to Central Depository Company of Pakistan Limited - Trustee  | (26) (300)                   |
| Payable to Securities and Exchange Commission of Pakistan  | (8,003) (1,954)              |
| Payable against purchase of investment   | 740,989 -                    |
| Accrued expenses and other liabilities   | (685) (46,212)               |
|  | 737,765 (50,192)             |
| <b>Cash generated from / (used in) operations</b>  | <b>471,410 (174,945)</b>     |
| Mark-up received on bank balances and investments  | 593,027 519,857              |
| <b>Net cash generated from operating activities</b>  | <b>1,064,437 344,912</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                              |
| Receipts from issuance of units  | 16,898,219 15,624,865        |
| Payments against redemption of units   | (13,931,833) (18,960,599)    |
| Dividend paid  | (527,607) (1,237,338)        |
| <b>Net cash generated from / (used in) financing activities</b>  | <b>2,438,779 (4,573,073)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents during the period</b>  | <b>3,503,216 (4,228,161)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>6,336,231 14,571,421</b>  |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>9,839,447 10,343,260</b>  |
| <b>CASH AND CASH EQUIVALENTS</b>   |                              |
| Bank balances  | 8,505,721 7,643,260          |
| Placements, Commercial Papers and Term Deposit Receipts  | 1,333,726 2,700,000          |
|  | 9,839,447 10,343,260         |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL LIQUIDITY PLUS FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** UBL Liquidity Plus Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the management company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 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) as an open-ended mutual fund. The Fund commenced its operations from June 21, 2009.
- 1.2** 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.
- 1.3** The Fund is an open-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder.
- 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 reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2019 and assigned a stability rating of "AA (f)" to the Fund as on December 31, 2019.
- 1.6** Title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2018.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## 2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1** The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2019.
- 3.3** There are certain standards, interpretations on approved accounting standards and amendments to certain existing standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.4** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|                                    | Note | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|------------------------------------|------|--------------------------------------|-------------------------------|
|                                    |      | -----Rupees in '000-----             |                               |
| <b>4. BANK BALANCES</b>            |      |                                      |                               |
| <b>In local currency:</b>          |      |                                      |                               |
| - Profit and loss sharing accounts |      | 4                                    | 4                             |
| - Current account                  | 4.1  | 8,505,717                            | 5,986,227                     |
|                                    |      | <u>8,505,721</u>                     | <u>5,986,231</u>              |

- 4.1** Mark-up rates on these savings accounts range between 9.00% to 14.40% per annum (June 30, 2019: 4.00% to 13.40% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 28.413 million (June 30, 2019: Rs. 29.278 million) on which return is earned at 11.75% (June 30, 2019: 4.50%) per annum.

## 5. PLACEMENTS, COMMERCIAL PAPERS AND TERM DEPOSIT RECEIPTS

| Particulars                                       | Note       | As at July 1, 2019       | Purchased during the period | Matured during the period | As at December 31, 2019 | Market value as a percentage of net assets of the Fund |
|---|------------|--------------------------|-----------------------------|---------------------------|-------------------------|--|
|   |            | -----Rupees in '000----- |                             |                           | -----%-----             |  |
| Term Deposits Receipts                            | 5.1        | -                        | 1,830,000                   | 1,830,000                 | -                       | 0.00   |
| Letter of Placements                              | 5.2        | 850,000                  | 9,098,292                   | 9,098,292                 | 850,000                 | 8.64   |
| Commercial Papers - at book value                 | 5.3        | -                        | 483,726                     | -                         | 483,726                 | 4.92   |
| <b>Total as at December 31, 2019 (Un-audited)</b> | <b>5.4</b> | <b>850,000</b>           | <b>11,412,018</b>           | <b>10,928,292</b>         | <b>1,333,726</b>        | <b>13.56</b>   |
| Term Deposits Receipts                            |            | 1,580,000                | 2,250,000                   | 3,830,000                 | -                       | 0.00   |
| Letter of Placements                              |            | -                        | 48,383,000                  | 47,533,000                | 850,000                 | 12   |
| Commercial Papers                                 |            | -                        | -                           | -                         | -                       | 0.00   |
| <b>Total as at June 30, 2019 (Audited)</b>        |            | <b>1,580,000</b>         | <b>50,633,000</b>           | <b>51,363,000</b>         | <b>850,000</b>          | <b>12</b>  |

- 5.1. Term Deposit Receipts (TDRs) having face value of Rs. 1,830 million carrying interest rate ranging from 13.75% to 14.45% were acquired and matured during the period.
- 5.2. Letter of Placements (LOPs) having face value of Rs. 9,098 million carrying interest rates ranging from 12.50% to 13.71% were acquired and matured during the period.
- 5.3. Commercial Paper (CP) having a face value of Rs. 500 million carrying interest rate of 15.40% was acquired during the year with a maturity date of March 23, 2020.
- 5.4. This includes LOPs and Commercial Paper carrying interest rate ranging from 13.71% to 15.40% per annum and will mature in January 2020 and March 2020 respectively.

## 6. INVESTMENTS - NET

Government securities classified as financial asset at fair value through profit or loss.

| Name of security                                  | Note | As at July 1, 2019           | Purchased during the period | Sold / matured during the period | As at December 31, 2019 | Total carrying value as at December 31, 2019 | Total market value as at December 31, 2019 | Appreciation / (diminution) as at December 31, 2019 | Market value as a percentage of total investment of the Fund | Market value as a percentage of net assets of the Fund |
|---|------|------------------------------|-----------------------------|----------------------------------|-------------------------|--|--|---|--|--|
|   |      | -----Number of holdings----- |                             |                                  |                         | -----Rupees in '000-----                     |  |   | -----%-----  |  |
| Market Treasury Bills - 3 months                  | 6.1  | -                            | 320,510                     | 312,910                          | 7,600                   | 740,989                                      | 740,940                                    | (49)  | 100  | 8  |
| Market Treasury Bills - 6 months                  | 6.1  | -                            | 15,850                      | 15,850                           | -                       | -  | -  | -   | -  | -  |
| <b>Total as at December 31, 2019 (Un-audited)</b> |      |                              |                             |                                  |                         | <b>740,989</b>                               | <b>740,940</b>                             | <b>(49)</b>   | <b>100</b>   | <b>8</b>   |
| <b>Total as at June 30, 2019 (Audited)</b>        |      |                              |                             |                                  |                         | <b>-</b>                                     | <b>-</b>                                   | <b>-</b>  | <b>-</b>   | <b>-</b>   |
| Pakistan Investment Bonds - 3 years               | 6.1  | -                            | 5,000                       | 5,000                            | -                       | -  | -  | -   | -  | -  |
| <b>Total as at December 31, 2019 (Un-audited)</b> |      |                              |                             |                                  |                         | <b>-</b>                                     | <b>-</b>                                   | <b>-</b>  | <b>-</b>   | <b>-</b>   |
| <b>Total as at June 30, 2019 (Audited)</b>        |      |                              |                             |                                  |                         | <b>-</b>                                     | <b>-</b>                                   | <b>-</b>  | <b>-</b>   | <b>-</b>   |

- 6.1 These T-bills have nominal value of Rs. 100,000 each.

## 7. ADVANCE INCOME TAX

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

| 8. PAYABLE TO UBL FUND MANAGERS LIMITED<br>- MANAGEMENT COMPANY | Note | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   |      | -----Rupees in '000-----             |                               |
| Management fee (including Sindh Sales Tax thereagainst)         | 8.1  | 5,757                                | 6,314                         |
| Allocated expenses  | 8.2  | 1,398                                | -                             |
| Conversion charges payable                                      |      | 127                                  | 118                           |
| Allocated selling and marketing expenses                        | 8.3  | 4,640                                | -                             |
| Other payable   |      | 17                                   | 17                            |
|   |      | <b>11,939</b>                        | <b>6,449</b>                  |

- 8.1** SECP vide S.R.O. 639 (I) / 2019 dated June 20, 2019, has amended Regulation 61 of NBFC Regulations whereby an Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. Moreover it shall disclose in the Offering Document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit.

The remuneration is payable to the Management Company on monthly basis in arrears. During the half year ended December 31, 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

|                                       | Management<br>Company<br>remuneration as a<br>% of gross<br>earnings | Minimum<br>remuneration (as a<br>% per annum of the<br>average daily net<br>assets | Maximum<br>remuneration<br>(as a % per<br>annum of the<br>average daily<br>net assets |
|---------------------------------------|--|--|---|
| Charged up to September 04, 2019      | 7.50%  | 0.25%  | 1.00%   |
| Charged from September 05 and onwards | 5.00%  | 0.15%  | 1.00%   |

## 8.2 Allocated expenses

Startig from September 05, 2019 ,allocated expenses are being charged by the Management Company at 0.1% of daily net assets as per Regulation 60 of the NBFC Regulations amended vide SECP's S.R.O. 639 (I) / 2019 dated June 20, 2019.

The aforementioned S.R.O. has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% per annum of annual net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services, provided total expense ratio remains within the allowed limit.

As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) were chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the management has charged allocated expenses uptill December 18, 2018.

After the implication of aforementioned S.R.O. the management is now charging 0.1% of net assets from September 05, 2019.

## 8.3 Allocated selling and marketing expenses

Started from September 05, 2019 allocated selling and marketing expenses are being charged by the Management Company at 0.21% of daily net assets of the Fund as per SECP Circular No. 40 of 2016 dated December 30, 2016 amended vide SECP's S.R.O. 639 (I) / 2019, dated June 20, 2019.

The aforementioned S.R.O. has amended clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.4% per annum of average annual net assets on account of Selling and Marketing expenses, respectively, provided total expense ratio remain within the allowed limit.

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.065% of net assets.

## 10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O. 685 (I) / 2019, dated June 20, 2019 has revised its annual fee from 0.075% to 0.02% per annum of average daily net assets of the Fund, applicable from July 01, 2019.

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | -----Rupees in '000-----             |                               |
| <b>11. ACCRUED EXPENSES AND OTHER LIABILITIES</b> |      |                                      |                               |
| Auditors' remuneration payable                    |      | 871                                  | 530                           |
| Brokerage expense payable                         |      | 669                                  | 1,112                         |
| Payable against legal charges                     |      | 86                                   | 61                            |
| Capital gains tax payable                         |      | 1,524                                | 520                           |
| Zakat deducted at source payable                  |      | 1,919                                | 1,263                         |
| Withholding tax payable                           |      | 5,538                                | 5,154                         |
| Provision for indirect duties and taxes           | 11.1 | 55,390                               | 55,390                        |
| Provision for Sindh Workers' Welfare Fund         | 11.2 | 44,129                               | 32,932                        |
| Dividend payable                                  |      | -                                    | 2,652                         |
| Other payable                                     |      | 25                                   | 25                            |
|   |      | <b>110,151</b>                       | <b>99,639</b>                 |

### 11.1 Provision for indirect taxes and duties

This represents provision for federal excise duty (FED) as at December 31, 2019 amounting to Rs. 55.390 million (June 30, 2019: Rs. 55.390). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision up to June 30, 2016 for FED aggregating to Rs. 55.390 million until the matter is resolved. Had the provision not been made, the net assets value per unit would have been higher by Re. 0.5693 (June 30, 2019: Re. 0.8164).

### 11.2 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.4536 (June 30, 2019: Re. 0.4854). The details regarding this provision are disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

Further, as disclosed in note 14.2 to the annual financial statements for the year ended June 30, 2019, the provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

## 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.



|   | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|--------------------------------------|-------------------------------|
| <b>13. NUMBER OF UNITS IN ISSUE</b>                 | <b>-----Number of Units-----</b>     |                               |
| Total units in issue at the beginning of the period | <b>67,843,773</b>                    | 136,059,656                   |
| Units issued during the period                      | <b>167,338,827</b>                   | 295,813,917                   |
| Units redeemed during the period                    | <b>(137,892,631)</b>                 | (364,029,800)                 |
| Total units in issue at the end of the period       | <b>97,289,969</b>                    | 67,843,773                    |

#### 14. 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 the form of 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 intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2020 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

#### 15. EARNINGS PER UNIT

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

#### 16. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.48% as on December 31, 2019 (June 30, 2019: 1.21%) and this includes 0.19% (June 30, 2019: 0.34%) representing government levy, worker's welfare fund and SECP fee.

#### 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The table below provides information on financial assets or liabilities carried at fair values, by valuation

| As at December 31, 2019 (un-audited)   |            |         |         |         |
|--|------------|---------|---------|---------|
| ASSETS   | Fair Value |         |         |         |
|  | Level 1    | Level 2 | Level 3 | Total   |
| ----- (Rupees in '000) -----   |            |         |         |         |
| Investment in securities - financial assets at fair value through profit or loss |            |         |         |         |
| - Market Treasury Bills  | 740,940    | -       | -       | 740,940 |

| As at June 30, 2019 (audited)  |            |         |         |       |
|--|------------|---------|---------|-------|
| ASSETS   | Fair Value |         |         |       |
|  | Level 1    | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) -----   |            |         |         |       |
| Investment in securities - financial assets at fair value through profit or loss |            |         |         |       |
| - Market Treasury Bills  | -          | -       | -       | -     |

**17.1** There were no transfers between various levels of fair value hierarchy during the period.

The Fund has not disclosed the fair values for other financial assets and financial liabilities, as their estimated fair value is considered not significantly different from the carrying value as the items are short term in nature.

## **18. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

- 18.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee), Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.
- 18.2** Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.
- 18.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 18.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

**18.5** Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended December 31, 2019 are as follows:

| Management Company                               | Associated Companies and others* | Trustee   | Funds under Common Management | Directors and Key Executives** | Other Connected persons / related parties*** |
|--|----------------------------------|-----------|-------------------------------|--------------------------------|--|
| <b>Transactions during the period</b>            |                                  |           |                               |                                |  |
| Half year ended December 31, 2019                |                                  |           |                               |                                |  |
| (Units in '000)                                  |                                  |           |                               |                                |  |
| Units issued                                     | 77,445                           | 27        | 2,276                         | 85                             | 14,614                                       |
| Units redeemed                                   | 63,002                           | -         | -                             | 132                            | -  |
| (Rupees in '000)                                 |                                  |           |                               |                                |  |
| Value of units issued                            | 7,821,749                        | 2,764     | 230,000                       | 8,556                          | 1,473,989                                    |
| Value of units redeemed                          | 6,369,946                        | -         | -                             | 13,319                         | -  |
| Mark-up on PLS accounts                          | -                                | 878       | -                             | -                              | -  |
| Bank and other charges                           | -                                | 59        | -                             | -                              | -  |
| Purchase of securities                           | -                                | -         | 4,400,291                     | -                              | -  |
| Sale of securities                               | -                                | 4,648,154 | 2,184,868                     | -                              | -  |
| Remuneration (inclusive of SST)                  | 40,848                           | -         | 3,338                         | -                              | -  |
| Allocated selling and marketing expenses         | 6,279                            | -         | -                             | -                              | -  |
| Allocated expense                                | 2,990                            | -         | -                             | -                              | -  |
| Custody fee                                      | -                                | -         | 2                             | -                              | -  |
| Dividend paid                                    | 4,689                            | 4         | -                             | 737                            | 109,190                                      |
| As at December 31, 2019                          |                                  |           |                               |                                |  |
| (Units in '000)                                  |                                  |           |                               |                                |  |
| Units held                                       | 14,443                           | 27        | 2,276                         | 100                            | 21,603                                       |
| (Rupees in '000)                                 |                                  |           |                               |                                |  |
| Value of units held                              | 1,460,128                        | 2,776     | 230,145                       | 10,074                         | 2,183,962                                    |
| Bank Balances                                    | -                                | -         | 28,413                        | -                              | -  |
| Deposits   | -                                | -         | 100                           | -                              | -  |
| Remuneration (inclusive of SST)                  | 5,757                            | -         | 522                           | -                              | -  |
| Allocated expenses payable                       | 1,398                            | -         | -                             | -                              | -  |
| Allocated selling and marketing expenses payable | 4,640                            | -         | -                             | -                              | -  |
| Other payable                                    | 144                              | -         | -                             | -                              | -  |
| Mark-up receivable                               | -                                | 350       | -                             | -                              | -  |

| Management Company                    | Associated Companies and others* | Trustee   | Funds under Common Management | Directors and Key Executives** | Other Connected persons / related parties*** |
|---------------------------------------|----------------------------------|-----------|-------------------------------|--------------------------------|--|
| <b>Transactions during the period</b> |                                  |           |                               |                                |  |
| Half year ended December 31, 2018     |                                  |           |                               |                                |  |
| (Rupees in '000)                      |                                  |           |                               |                                |  |
| Value of units issued                 | 136,779                          | 6,102     | 17,989                        | 3,368                          | 5,234,913                                    |
| Value of units redeemed               | 779,416                          | 16,151    | 175,005                       | 14,744                         | 2,183,343                                    |
| Mark-up on PLS accounts               | -                                | 13,695    | -                             | -                              | -  |
| Bank and other charges                | -                                | 27        | -                             | -                              | -  |
| Purchase of securities                | -                                | 1,100,000 | 1,030,534                     | -                              | -  |
| Sale of securities                    | -                                | -         | 491,649                       | -                              | -  |
| Remuneration (inclusive of SST)       | 47,958                           | -         | 5,916                         | -                              | -  |
| Allocated expense                     | 6,442                            | -         | -                             | -                              | -  |
| Custody fee                           | -                                | -         | 3                             | -                              | -  |
| Dividend paid                         | 38,911                           | 894       | 9,747                         | 1,812                          | 128,867                                      |
| As at June 30, 2019                   |                                  |           |                               |                                |  |
| (Units in '000)                       |                                  |           |                               |                                |  |
| Units held                            | -                                | -         | -                             | 147                            | 24,399                                       |
| (Rupees in '000)                      |                                  |           |                               |                                |  |
| Value of units held                   | -                                | -         | -                             | 14,847                         | 2,458,989                                    |
| Bank Balances                         | -                                | 29,278    | -                             | -                              | -  |
| Deposits                              | -                                | -         | 100                           | -                              | -  |
| Remuneration (inclusive of SST)       | 6,314                            | -         | 548                           | -                              | -  |
| Other payable                         | 135                              | -         | -                             | -                              | -  |
| Mark-up receivable                    | -                                | 279       | -                             | -                              | -  |

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

\*\* These include transactions and balance in relation to those directors and key executives that existed as at half year end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the period.

\*\*\* These include transactions and balances in relation to those directors and key executives that exist as at half year end.

**19. GENERAL**

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

**19.2** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed by auditors.

**20. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
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, and short and long term debt instruments.

|                             |   |
|-----------------------------|---|
| <b>Management Company</b>   | UBL Fund Managers Limited   |
| <b>Trustee</b>              | 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  |
| <b>Distribution Company</b> | United Bank Limited<br>(for detail of others, please visit our website:<br><a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )   |
| <b>Auditors</b>             | Ernst & Young Ford Rhodes, Chartered Accountants  |
| <b>Bankers</b>              | United Bank Limited<br>Bank Alfalah Limited<br>Faysal Bank Limited<br>Telenor MicroFinance Bank<br>Allied Bank Limited<br>Khushhali Bank Ltd.<br>MCB Bank Limited<br>JS Bank Limited<br>Samba Bank Limited<br>Habib Bank Limited<br>Sindh Bank Limited<br>Zarai Taraqati Bank Limited<br>Soneri Bank Limited<br>National bank of Pakistan Limited |
| <b>Management Co.Rating</b> | AM1 - VIS   |
| <b>Fund Rating</b>          | A- (f) - VIS  |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL INCOME OPPORTUNITY FUND**

**Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## TO THE UNIT HOLDERS ON UBL INCOME OPPORTUNITY FUND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Income Opportunity Fund** (the Fund) as at **31 December 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 February 2020

**Karachi**

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |      | (Un-audited)<br>December 31,<br>2019<br>----- (Rupees in '000) ----- | (Audited)<br>June 30,<br>2019 |
|---|------|--|-------------------------------|
|   | Note |  |                               |
| <b>ASSETS</b>   |      |  |                               |
| Bank balances   | 4    | 562,280  | 648,809                       |
| Investments   | 5    | 56,513   | 184,264                       |
| Dividend and mark-up receivable   |      | 10,864   | 8,609                         |
| Advance tax   | 6    | 346  | 236                           |
| Deposits, prepayments and other receivables                                     |      | 29,570   | 4,869                         |
| Receivable against margin trading system (MTS)                                  |      | 7,944  | -                             |
| <b>TOTAL ASSETS</b>   |      | <b>667,517</b>   | <b>846,787</b>                |
| <b>LIABILITIES</b>  |      |  |                               |
| Payable to UBL Fund Managers Limited - Management Company                       | 7    | 2,815  | 1,389                         |
| Payable to Central Depository Company of Pakistan - Trustee                     | 8    | 42   | 131                           |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) | 9    | 44   | 1,090                         |
| Accrued expenses and other payables   | 10   | 6,755  | 10,917                        |
| Payable against purchase of investments   |      | 6,204  | -                             |
| <b>TOTAL LIABILITIES</b>  |      | <b>15,860</b>  | <b>13,527</b>                 |
| <b>NET ASSETS</b>   |      | <b>651,657</b>   | <b>833,260</b>                |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>                           |      | <b>651,657</b>   | <b>833,260</b>                |
| <b>CONTINGENCIES AND COMMITMENTS</b>  | 11   |  |                               |
| <b>----- (Number of units) -----</b>  |      |  |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>   |      | <b>5,534,655</b>   | <b>7,561,461</b>              |
| <b>----- (Rupees) -----</b>   |      |  |                               |
| <b>NET ASSETS VALUE PER UNIT</b>  |      | <b>117.7413</b>  | <b>110.1983</b>               |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director



**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |      | Half year ended      |                      | Quarter ended        |                      |
|--|------|----------------------|----------------------|----------------------|----------------------|
|  |      | December 31,<br>2019 | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
| Note   |      | (Rupees in '000)     |                      |                      |                      |
| <b>INCOME</b>  |      |                      |                      |                      |                      |
| Financial income on:   |      |                      |                      |                      |                      |
| - Bank balances  |      | 22,300               | 72,788               | 13,418               | 46,972               |
| - Term deposit receipts  |      | 3,056                | 337                  | 484                  | 337                  |
| - Government securities  |      | 3,600                | 662                  | 737                  | 352                  |
| - Term finance certificates  |      | 1,501                | 904                  | 809                  | 483                  |
| - Marginal trading system  |      | 300                  | 1,584                | 300                  | 584                  |
| (Loss) / gain on redemption / sale of investments<br>classified as 'at fair value through profit or loss' - net      |      | (2,952)              | 129                  | (2,809)              | -                    |
| Dividend income  |      | 5,483                | -                    | 5,483                | -                    |
| Unrealised (loss) / gain on revaluation of investments<br>classified as 'at fair value through profit or loss' - net |      | (238)                | 317                  | (185)                | 334                  |
| Other income   |      | 298                  | 41                   | 281                  | 9                    |
| <b>Total income</b>  |      | <b>33,348</b>        | <b>76,762</b>        | <b>18,518</b>        | <b>49,071</b>        |
| <b>EXPENSES</b>  |      |                      |                      |                      |                      |
| Remuneration of the Management Company   |      | 2,909                | 7,676                | 1,539                | 4,907                |
| Sales tax on management fee  |      | 378                  | 998                  | 200                  | 638                  |
| Allocation of expenses related to the Fund   |      | 218                  | 840                  | 118                  | 497                  |
| Selling and marketing expenses   |      | 218                  | 497                  | 118                  | 497                  |
| Remuneration of the Trustee  |      | 163                  | 1,139                | 88                   | 636                  |
| Sales tax on remuneration of the Trustee   |      | 21                   | 148                  | 11                   | 83                   |
| Annual fee to Securities and Exchange Commission of Pakistan   |      | 44                   | 630                  | 24                   | 372                  |
| Auditors' remuneration   |      | 220                  | 206                  | 122                  | 112                  |
| Brokerage and settlement expenses  |      | 842                  | 497                  | 664                  | 122                  |
| Listing fee expense  |      | 14                   | 14                   | 7                    | 7                    |
| Legal and professional charges   |      | 80                   | 82                   | 39                   | 38                   |
| Bank charges and other expenses  |      | 126                  | 138                  | 67                   | 72                   |
| <b>Total expenses</b>  |      | <b>5,233</b>         | <b>12,865</b>        | <b>2,997</b>         | <b>7,981</b>         |
| <b>Net operating income for the period</b>   |      | <b>28,115</b>        | <b>63,897</b>        | <b>15,521</b>        | <b>41,090</b>        |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 10.2 | (552)                | (1,255)              | (305)                | (807)                |
| <b>Net income for the period before taxation</b>   |      | <b>27,563</b>        | <b>62,642</b>        | <b>15,216</b>        | <b>40,283</b>        |
| Taxation   | 12   | -                    | -                    | -                    | -                    |
| <b>Net income for the period after taxation</b>  |      | <b>27,563</b>        | <b>62,642</b>        | <b>15,216</b>        | <b>40,283</b>        |
| <i>Allocation of net income for the period</i>   |      |                      |                      |                      |                      |
| Income already paid on units redeemed  |      | (9,340)              | (14,669)             | (4,834)              | (13,403)             |
| <b>Net income for the period available for distribution</b>  |      | <b>18,223</b>        | <b>47,973</b>        | <b>10,382</b>        | <b>26,880</b>        |
| <i>Net income available for distribution:</i>  |      |                      |                      |                      |                      |
| - Relating to capital gains  |      | -                    | 273                  | (1,143)              | 182                  |
| - Excluding capital gains  |      | 18,223               | 47,700               | 11,525               | 26,698               |
|  |      | 18,223               | 47,973               | 10,382               | 26,880               |

Earning per unit 13

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  | Half year ended              |                      | Quarter ended        |                      |
|--|------------------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2019         | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
|  | ----- (Rupees in '000) ----- |                      |                      |                      |
| <b>Net income for the period after taxation</b>      | <b>27,563</b>                | 62,642               | <b>15,216</b>        | 40,283               |
| Other comprehensive income<br>for the period         | -                            | -                    | -                    | -                    |
| <b>Total comprehensive income<br/>for the period</b> | <u><b>27,563</b></u>         | <u>62,642</u>        | <u><b>15,216</b></u> | <u>40,283</u>        |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

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

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | Half year ended              |                      |
|---|------------------------------|----------------------|
|   | December 31,<br>2019         | December 31,<br>2018 |
|   | ----- (Rupees in '000) ----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                              |                      |
| Net income for the period before taxation   | 27,563                       | 62,642               |
| <b>Adjustments for:</b>   |                              |                      |
| Financial income  | (30,757)                     | (76,275)             |
| Loss / (gain) on redemption / sale of investments<br>classified as 'at fair value through profit or loss' - net | 2,952                        | (129)                |
| Dividend income   | (5,483)                      | -                    |
| Unrealised loss / (gain) on revaluation of investments<br>'at fair value through profit or loss' - net          | 238                          | (317)                |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 552                          | 1,255                |
|   | (32,498)                     | (75,466)             |
| <b>Cash used in operations before working capital changes</b>   | (4,935)                      | (12,824)             |
| <b>Working capital changes</b>  |                              |                      |
| <b>Decrease / (increase) in assets</b>  |                              |                      |
| Investments   | 124,561                      | 134                  |
| Advance tax   | (110)                        | (3)                  |
| Deposits, prepayments and other receivables   | (24,701)                     | 14,084               |
| Receivable against margin trading system (MTS)  | (7,944)                      | 185,538              |
|   | 91,806                       | 199,753              |
| <b>Increase / (decrease) in liabilities</b>   |                              |                      |
| Payable to UBL Fund Managers Limited - Management Company   | 1,426                        | 2,774                |
| Payable to Central Depository Company of Pakistan - Trustee   | (89)                         | 158                  |
| Annual fee payable to the Securities and Exchange<br>Commission of Pakistan (SECP)                              | (1,046)                      | 381                  |
| Accrued expenses and other payables   | (4,714)                      | (9,224)              |
| Payable against purchase of investments   | 6,204                        | -                    |
|   | 1,781                        | (5,911)              |
| Dividend and mark-up received   | 33,985                       | 60,684               |
| <b>Net cash flows generated from operating activities</b>   | 122,637                      | 241,702              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                              |                      |
| Net receipt from issuance of units  | 1,102,658                    | 2,366,232            |
| Net payment against redemption of units   | (1,311,824)                  | (734,187)            |
| Distribution during the period  | -                            | (23,043)             |
| <b>Net cash (used in) / generated from financing activities</b>   | (209,166)                    | 1,609,002            |
| <b>Net (decrease) / increase in cash and cash equivalents during the period</b>                                 | (86,529)                     | 1,850,704            |
| Cash and cash equivalents at beginning of the period  | 648,809                      | 326,966              |
| <b>Cash and cash equivalents at end of the period</b>   | 562,280                      | 2,177,670            |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | Half year ended   |                      |                 |                   |                      |                  |
|---|-------------------|----------------------|-----------------|-------------------|----------------------|------------------|
|   | December 31, 2019 |                      |                 | December 31, 2018 |                      |                  |
|   | Capital value     | Undistributed income | Total           | Capital value     | Undistributed income | Total            |
|   | (Rupees in '000)  |                      |                 |                   |                      |                  |
| <b>Net assets at beginning of the period</b>  | 821,353           | 11,907               | 833,260         | 539,431           | 17,837               | 557,268          |
| Amount received on issuance of 9,506,016<br>(2018: 21,200,238) units  |                   |                      |                 |                   |                      |                  |
| Capital value   | 1,047,547         | -                    | 1,047,547       | 2,331,503         | -                    | 2,331,503        |
| Element of income during the period;  |                   |                      |                 |                   |                      |                  |
| - Relating to net income for the period after taxation  | 55,111            | -                    | 55,111          | 34,729            | -                    | 34,729           |
|   | 1,102,658         | -                    | 1,102,658       | 2,366,232         | -                    | 2,366,232        |
| Redemption of 11,532,822 (2018: 6,521,348) units  |                   |                      |                 |                   |                      |                  |
| Capital value   | (1,270,897)       | -                    | (1,270,897)     | (717,187)         | -                    | (717,187)        |
| Element of income during the period;  |                   |                      |                 |                   |                      |                  |
| - Relating to net income for the period after taxation  | (31,587)          | (9,340)              | (40,927)        | (2,331)           | (14,669)             | (17,000)         |
|   | (1,302,484)       | (9,340)              | (1,311,824)     | (719,518)         | (14,669)             | (734,187)        |
| Total comprehensive income for the period   | -                 | 27,563               | 27,563          | -                 | 62,642               | 62,642           |
| Distribution during the period Nil (2018: Rs.4.7439<br>per unit declared on July 02, 2018 as cash dividend) | -                 | -                    | -               | (15,541)          | (7,502)              | (23,043)         |
| <b>Net assets at end of the period</b>  | <b>621,527</b>    | <b>30,130</b>        | <b>651,657</b>  | <b>2,170,604</b>  | <b>58,308</b>        | <b>2,228,912</b> |
| <b>Undistributed income brought forward comprising of:</b>  |                   |                      |                 |                   |                      |                  |
| - Realised  | -                 | 11,907               | 11,907          | -                 | 17,837               | 17,837           |
| - Unrealised  | -                 | -                    | -               | -                 | -                    | -                |
|   | -                 | 11,907               | 11,907          | -                 | 17,837               | 17,837           |
| <b>Accounting income available for distribution:</b>  |                   |                      |                 |                   |                      |                  |
| - Relating to capital gains   | -                 | -                    | -               | -                 | 273                  | 273              |
| - Excluding capital gains   | -                 | 18,223               | 18,223          | -                 | 47,700               | 47,700           |
|   | -                 | 18,223               | 18,223          | -                 | 47,973               | 47,973           |
| Distribution during the period Nil (2018: Rs.4.7439<br>per unit declared on July 02, 2018 as cash dividend) | -                 | -                    | -               | -                 | (7,502)              | (7,502)          |
| <b>Undistributed income carried forward</b>   | <b>-</b>          | <b>30,130</b>        | <b>30,130</b>   | <b>-</b>          | <b>58,308</b>        | <b>58,308</b>    |
| <b>Undistributed income carried forward comprising of:</b>  |                   |                      |                 |                   |                      |                  |
| - Realised  | -                 | 30,368               | 30,368          | -                 | 57,991               | 57,991           |
| - Unrealised (loss) / gain  | -                 | (238)                | (238)           | -                 | 317                  | 317              |
|   | -                 | 30,130               | 30,130          | -                 | 58,308               | 58,308           |
|   |                   |                      | - (Rupees) -    |                   |                      | - (Rupees) -     |
| <b>Net assets value per unit at beginning of the period</b>   |                   |                      | <b>110.1983</b> |                   |                      | <b>114.7192</b>  |
| <b>Net assets value per unit at end of the period</b>   |                   |                      | <b>117.7413</b> |                   |                      | <b>114.0892</b>  |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**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, (wholly owned 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 registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund commenced its operations from March 29, 2013.
- 1.4** 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. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Income Scheme.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and a stability rating of "A-(f)" to the Fund as on December 31, 2019.
- 1.6** 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**

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

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2** The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.4** The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2018.
- 2.1.5** In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

- 3.1** The accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

The preparation of these interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

## **3.2 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|                         |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|-------------------------|------|--------------------------------------|-------------------------------|
|                         | Note | ----- (Rupees in '000) -----         |                               |
| <b>4. BANK BALANCES</b> |      |                                      |                               |
| Current account         |      | 10                                   | -                             |
| Saving accounts         | 4.1  | <u>562,270</u>                       | <u>648,809</u>                |
|                         |      | <u>562,280</u>                       | <u>648,809</u>                |

- 4.1** These carry mark-up at the rates ranging from 5.50% to 14.25% (June 30, 2019: 3.75% to 13.90%) per annum and include balances of Rs.7.05 (June 30, 2019: Rs.2.36) million held with United Bank Limited (a related party).

## 5. INVESTMENTS

### Investments by Category

#### 'At fair value through profit or loss'

|   |     |               |               |
|---|-----|---------------|---------------|
| Government Securities - Market Treasury Bills     | 5.1 | 27,599        | -             |
| Government Securities - Pakistan Investment Bonds | 5.2 | -             | -             |
| Debt securities - Term Finance Certificates       | 5.3 | 21,537        | 21,685        |
| Quoted equity securities - Spread transactions    | 5.4 | <u>7,377</u>  | <u>-</u>      |
|   |     | <u>56,513</u> | <u>21,685</u> |

#### 'At amortised cost'

|                      |  |               |                |
|----------------------|--|---------------|----------------|
| Letter of placement  |  | -             | 60,092         |
| Term deposit receipt |  | -             | 102,487        |
|                      |  | <u>56,513</u> | <u>184,264</u> |

## 5.1 Government Securities - Treasury Bills - 'At Fair Value Through Profit or Loss'

|  |                  |                     |                             |                        |                         | December 31, 2019            |              |                   |                                   |  |
|--|------------------|---------------------|-----------------------------|------------------------|-------------------------|------------------------------|--------------|-------------------|-----------------------------------|--|
| Purchase yield range                       | Maturity upto    | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value               | Market value | Unrealised (loss) | Market value as a % of net assets | Market value as a % of total investments |
| ----- (Number of holding) -----            |                  |                     |                             |                        |                         | ----- (Rupees in '000) ----- |              |                   | ----- % -----                     |  |
| Market Treasury Bills -                    |                  |                     |                             |                        |                         |                              |              |                   |                                   |  |
| 3 months                                   | 13.61% 10-Oct-19 | -                   | 12,250                      | (12,250)               | -                       | -                            | -            | -                 | -                                 | -  |
| 1 year                                     | 13.04% 27-Aug-20 | -                   | 300                         | -                      | 300                     | 27,698                       | 27,599       | (99)              | 4.24                              | 48.84                                    |
| Total as at December 31, 2019 (un-audited) |                  |                     |                             |                        |                         | 27,698                       | 27,599       | (99)              | 4.24                              | 48.84                                    |

## 5.2 Government Securities - Pakistan Investment Bonds - 'At Fair Value Through Profit or Loss'

| Purchase yield range      | Maturity upto    | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value   | Market value | Unrealised Gain / (loss) | Market value as a % of net assets | Market value as a % of total investments |
|---------------------------|------------------|---------------------|-----------------------------|------------------------|-------------------------|------------------|--------------|--------------------------|-----------------------------------|--|
| (Number of holding)       |                  |                     |                             |                        |                         | (Rupees in '000) |              |                          | %                                 |  |
| Pakistan Investment Bonds | 13.43% 12-Jul-23 | -                   | 500                         | (500)                  | -                       | -                | -            | -                        | -                                 | -  |

## 5.3 Debt Securities - Term Finance Certificates - 'At Fair Value Through Profit or Loss'

| Particulars   | Note             | Number of certificates |                             |                                  |                         | December 31, 2019 |               |                          | Market value as a % of net assets | Market value as a % of total investments |
|---|------------------|------------------------|-----------------------------|----------------------------------|-------------------------|-------------------|---------------|--------------------------|-----------------------------------|--|
|   |                  | As at July 01, 2019    | Purchased during the period | Sold / matured during the period | As at December 31, 2019 | Carrying value    | Market value  | Unrealised Gain / (loss) |                                   |  |
| ----- (Rupees in '000) ----- % -----                              |                  |                        |                             |                                  |                         |                   |               |                          |                                   |  |
| <b>Commercial banks</b>   |                  |                        |                             |                                  |                         |                   |               |                          |                                   |  |
| Bank AL Habib Limited - unlisted<br>(Issue date - March 17, 2016) | 5.3.1 &<br>5.3.2 | 2,000                  | -                           | -                                | 2,000                   | 9,886             | 9,811         | (75)                     | 1.51                              | 17.36                                    |
| Habib Bank Limited - unlisted<br>(Issue date - February 19, 2016) | 5.3.1 &<br>5.3.2 | 120                    | -                           | -                                | 120                     | 11,794            | 11,726        | (68)                     | 1.80                              | 20.75                                    |
| <b>Total as at December 31, 2019 (Un-audited)</b>                 |                  |                        |                             |                                  |                         | <b>21,680</b>     | <b>21,537</b> | <b>(143)</b>             | <b>3.31</b>                       | <b>38.11</b>                             |
| Total as at June 30, 2019 (Audited)                               |                  |                        |                             |                                  |                         | 21,899            | 21,685        | (214)                    |                                   |  |

5.3.1 These carry profit rate from 14.58% to 14.67% (June 2019: from 11.34% to 11.58%).

5.3.2 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

| Name of security      | Number of certificates | Redemption Value (Rupees) |            | Interest rate (Per annum) | Maturity          |
|-----------------------|------------------------|---------------------------|------------|---------------------------|-------------------|
|                       |                        | Per certificate           | Total      |                           |                   |
| Bank AL Habib Limited | 2,000                  | 4,993                     | 9,986,000  | 6M KIBOR + 0.75%          | March 17, 2026    |
| Habib Bank Limited    | 120                    | 99,860                    | 11,983,200 | 6M KIBOR + 0.75%          | February 19, 2026 |



## 5.4 Quoted equity securities - Spread transactions

| Name of Investee Company  | Number of shares    |                             |                        |                         | Balance as at December 31, 2019        |                                      |                          | Market value as percentage of total investments | Market value as percentage of net assets | Market value as a percentage of paid-up capital of the investee |
|---|---------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|--------------------------|---|--|---|
|   | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealized gain / (loss) |   |  |   |
|   |                     |                             |                        |                         | ----- (Rupees in '000) -----           |                                      |                          | ----- % -----                                   |  |   |
| Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| <b>Oil and gas exploration companies</b>  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Oil and Gas Development Company   | -                   | 9,500                       | (9,500)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Pakistan Petroleum Limited  | -                   | 24,500                      | (24,500)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Oil and gas marketing companies</b>  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Sui Southern Gas Company Limited  | -                   | 24,500                      | (24,500)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Pharmaceuticals</b>  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| The Searle Company Limited  | -                   | 302,500                     | (302,500)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Engineering</b>  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Amreli Steels Limited   | -                   | 110,500                     | (110,500)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| International Steels Limited  | -                   | 446,000                     | (391,500)              | 54,500                  | 3,136                                  | 3,139                                | 3                        | 5.55  | 0.48                                     | 0.07  |
| Mughal Iron & Steel Industries Limited  | -                   | 43,000                      | (43,000)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | 3,136                                  | 3,139                                | 3                        | 5.55  | 0.48                                     | 0.07  |
| <b>Refinery</b>   |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Atock Refinery Limited  | -                   | 38,000                      | (38,000)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| National Refinery Limited   | -                   | 2,500                       | (2,500)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |

| Name of Investee Company                  | Number of shares    |                             |                        |                         | Balance as at December 31, 2019        |                                      |                          | Market value as percentage of total investments | Market value as percentage of net assets | Market value as a percentage of paid-up capital of the investee |
|---|---------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|--------------------------|---|--|---|
|   | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealized gain / (loss) |   |  |   |
| ----- (Rupees in '000) -----              |                     |                             |                        |                         |  |                                      |                          | ----- % -----                                   |  |   |
| <b>Commercial banks</b>                   |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| The Bank of Punjab                        | -                   | 387,000                     | (319,000)              | 68,000                  | 784                                    | 786                                  | 2                        | 1.39  | 0.12                                     | 0.00  |
| Habib Bank Limited                        | -                   | 5,000                       | (5,000)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| National Bank of Pakistan                 | -                   | 325,000                     | (325,000)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | 784                                    | 786                                  | 2                        | 1.39  | 0.12                                     | 0.00  |
| <b>Chemical</b>                           |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Engro Polymer & Chemicals Limited         | -                   | 92,500                      | (92,500)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Lotte Chemical Pakistan Limited           | -                   | 2,056,500                   | (2,031,500)            | 25,000                  | 350                                    | 350                                  | -                        | 0.62  | 0.05                                     | 0.00  |
|   |                     |                             |                        |                         | 350                                    | 350                                  | -                        | 0.62  | 0.05                                     | 0.00  |
| <b>Food and personal care products</b>    |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Fauji Foods Limited                       | -                   | 1,128,500                   | (951,000)              | 177,500                 | 2,525                                  | 2,522                                | (3)                      | 4.46  | 0.39                                     | 0.05  |
|   |                     |                             |                        |                         | 2,525                                  | 2,522                                | (3)                      | 4.46  | 0.39                                     | 0.05  |
| <b>Textile composite</b>                  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Gul Ahmed Textile Mills Limited           | -                   | 5,000                       | (5,000)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Nishat Mills Limited                      | -                   | 2,000                       | (2,000)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Nishat Chunian Limited                    | -                   | 173,000                     | (173,000)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Automobile assembler</b>               |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Gandhara Industries Limited               | -                   | 13,500                      | (13,500)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Power generation and distribution</b>  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| The Hub Power Company Limited             | -                   | 93,000                      | (92,000)               | 1,000                   | 92                                     | 93                                   | 1                        | 0.16  | 0.01                                     | 0.00  |
| Kot Addu Power Company Limited            | -                   | 8,500                       | (8,500)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| K-Electric Limited (Par value at Rs. 3.5) | -                   | 417,000                     | (417,000)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | 92                                     | 93                                   | 1                        | 0.16  | 0.01                                     | 0.00  |

| Name of Investee Company                          | Number of shares    |                             |                        |                         | Balance as at December 31, 2019        |                                      |                          | Market value as percentage of total investments | Market value as percentage of net assets | Market value as a percentage of paid-up capital of the investee |
|---|---------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|--------------------------|---|--|---|
|   | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealized gain / (loss) |   |  |   |
|   |                     |                             |                        |                         | ----- (Rupees in '000) -----           |                                      |                          | ----- % -----                                   |  |   |
| <b>Technology and communication</b>               |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| NetSol Technologies Limited                       | -                   | 25,500                      | (25,500)               | -                       | -                                      | -                                    | -                        | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -                        | -   | -  | -   |
| <b>Transport</b>                                  |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Pakistan International Bulk Terminal              | -                   | 740,500                     | (739,000)              | 1,500                   | 16                                     | 16                                   | -                        | 0.03  | 0.00                                     | 0.00  |
|   |                     |                             |                        |                         | 16                                     | 16                                   | -                        | 0.03  | 0.00                                     | 0.00  |
| <b>Vanaspati and allied industries</b>            |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Unity Foods Limited                               | -                   | 2,487,500                   | (2,487,000)            | 500                     | 8                                      | 8                                    | -                        | 0.01  | 0.00                                     | 0.00  |
|   |                     |                             |                        |                         | 8                                      | 8                                    | -                        | 0.01  | 0.00                                     | 0.00  |
| <b>Fertilizer</b>                                 |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| Fauji Fertilizer Company Limited                  | -                   | 500                         | (500)                  | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Engro Fertilizers Limited                         | -                   | 295,000                     | (295,000)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Engro Corporation Limited                         | -                   | 1,500                       | (1,500)                | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Fauji Fertilizer Bin Qasim Limited                | -                   | 123,000                     | (108,000)              | 15,000                  | 293                                    | 293                                  | -                        | 0.52  | 0.04                                     | 0.00  |
|   |                     |                             |                        |                         | 293                                    | 293                                  | -                        | 0.52  | 0.04                                     | 0.00  |
| <b>Cement</b>                                     |                     |                             |                        |                         |  |                                      |                          |   |  |   |
| D.G. Khan Cement Company Limited                  | -                   | 115,000                     | (115,000)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Fauji Cement Company Limited                      | -                   | 325,000                     | (320,000)              | 5,000                   | 78                                     | 78                                   | -                        | 0.14  | 0.01                                     | 0.00  |
| Cherat Cement Company Limited                     | -                   | 276,500                     | (276,500)              | -                       | -                                      | -                                    | -                        | -   | -  | -   |
| Pioneer Cement Limited                            | -                   | 104,000                     | (101,000)              | 3,000                   | 91                                     | 92                                   | 1                        | 0.16  | 0.01                                     | -   |
|   |                     |                             |                        |                         | 169                                    | 170                                  | 1                        | 0.30  | 0.02                                     | 0.00  |
| <b>Total as at December 31, 2019 (Un-audited)</b> |                     |                             |                        |                         | <b>7,373</b>                           | <b>7,377</b>                         | <b>4</b>                 |   |  |   |
| <b>Total as at June 30, 2019 (Audited)</b>        |                     |                             |                        |                         | -                                      | -                                    | -                        |   |  |   |

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
| 7. PAYABLE TO UBL FUND MANAGERS LIMITED -<br>MANAGEMENT COMPANY | Note | ---- (Rupees in '000) ----           |                               |
| Remuneration payable to the Management Company                  | 7.1  | 636                                  | 881                           |
| Sales tax on management fee                                     | 7.2  | 83                                   | 114                           |
| Payable against allocated expenses                              | 7.3  | 87                                   | 68                            |
| Selling and marketing expenses                                  | 7.4  | 117                                  | 226                           |
| Sales load and other payables                                   |      | 1,892                                | 100                           |
|   |      | <u>2,815</u>                         | <u>1,389</u>                  |

**7.1** The Management Company is entitled to remuneration for services rendered to the Fund at the rate of 10% of the daily gross earnings with minimum cap of 0.25% and maximum cap of 1.5% of average daily net assets. The remuneration is paid to the Management Company on monthly basis in arrears.

**7.2** Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2019: 13%)

**7.3** Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

**7.4** The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

## 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets.

## 9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 2019: 0.075%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

## 10. ACCRUED EXPENSES AND OTHER PAYABLES

|  |      |              |               |
|--|------|--------------|---------------|
| Provision for indirect duties and taxes            | 10.1 | 1,597        | 1,597         |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 10.2 | 3,605        | 3,053         |
| Zakat deducted at source payable                   |      | 10           | 10            |
| Auditors' remuneration                             |      | 204          | 261           |
| Withholding tax deducted at source payable         |      | -            | 5,614         |
| Tax payable on capital gain on redemption of units |      | 269          | 45            |
| Legal and professional charges payable             |      | 115          | 61            |
| Brokerage payable                                  |      | 404          | 55            |
| Other payables                                     |      | 551          | 221           |
|  |      | <b>6,755</b> | <b>10,917</b> |

**10.1** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 15.1 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2019 would have been higher by Re.0.28 (June 30, 2019: Re.0.21) per unit.

**10.2** The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in 15.2 annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided, the net assets value per unit of the Fund would have been higher by Re.0.65 (June 30, 2019: Re.0.40).

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

## 12. 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 the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains to the unitholders.

The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statement.

### **13. EARNINGS PER UNIT**

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

### **14. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 2.66% as on December 31, 2019 (2018: 0.85%), this includes 0.46% (2018: 0.18%) representing Government Levy, Sindh Workers' Welfare Fund and SECP Fee and 0.03% (2018: 0.03%) representing expenses related to MTS. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an income scheme.

### **15. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Financial Services (Private) Limited, being entity under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended December 31, 2019 are as follows:

|   | Management<br>company                                    | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|---|--|-------------------------|---------|-------------------------------------|------------------------------------|---|
|   | (Rupees in '000)   |                         |         |                                     |                                    |   |
|   | For The Half Yearly Ended December 31, 2019 (Un-audited) |                         |         |                                     |                                    |   |
| <b>Transactions during the period</b>           |  |                         |         |                                     |                                    |   |
| Mark-up on saving accounts                      | -  | 341                     | -       | -                                   | -                                  | -   |
| Bank charges                                    | -  | 19                      | -       | -                                   | -                                  | -   |
| Units issued                                    | 150,000  | -                       | -       | -                                   | 6,092                              | 114,729   |
| Units redeemed                                  | 679,325  | -                       | -       | -                                   | 451                                | -   |
| Sale of investment                              | -  | -                       | -       | 486,113                             | -                                  | -   |
| Remuneration *                                  | 3,287  | -                       | 184     | -                                   | -                                  | -   |
| Central Depository System<br>(CDS) charges      | -  | -                       | 2       | -                                   | -                                  | -   |
| Allocated expenses by the<br>Management Company | 218  | -                       | -       | -                                   | -                                  | -   |
| Selling and marketing expenses                  | 218  | -                       | -       | -                                   | -                                  | -   |

|   | For The Half Yearly Ended December 31, 2018 (Un-audited) |     |       |         |       |        |
|---|--|-----|-------|---------|-------|--------|
| <b>Transactions during the period</b>           |  |     |       |         |       |        |
| Mark-up on saving accounts                      | -  | 124 | -     | -       | -     | -      |
| Bank charges                                    | -  | 10  | -     | -       | -     | -      |
| Units issued                                    | 1,992,347  | -   | -     | -       | 877   | 49,013 |
| Units redeemed                                  | 490,000  | -   | -     | -       | 2,045 | 60,093 |
| Sale of investment                              | -  | -   | -     | 734,375 | -     | -      |
| Dividend paid                                   | -  | -   | -     | -       | 600   | 11,566 |
| Remuneration *                                  | 8,674  | -   | 1,287 | -       | -     | -      |
| CDS charges                                     | -  | -   | 63    | -       | -     | -      |
| Allocated expenses by the<br>Management Company | 840  | -   | -     | -       | -     | -      |
| Selling and marketing expenses                  | 497  | -   | -     | -       | -     | -      |

|  | Management<br>company                | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|--|--------------------------------------|-------------------------|---------|-------------------------------------|------------------------------------|---|
|  | (Rupees in '000)                     |                         |         |                                     |                                    |   |
|  | As at December 31, 2019 (Un-audited) |                         |         |                                     |                                    |   |
| <b>Balances held</b>                     |                                      |                         |         |                                     |                                    |   |
| Units held (units in '000)               | -                                    | -                       | -       | -                                   | 160                                | 964   |
| Units held (Rupees in '000)              | -                                    | -                       | -       | -                                   | 18,839                             | 113,503   |
| Bank balances                            | -                                    | 7,048                   | -       | -                                   | -                                  | -   |
| Remuneration payable*                    | 719                                  | -                       | 42      | -                                   | -                                  | -   |
| Security deposit                         | -                                    | -                       | 100     | -                                   | -                                  | -   |
| Sales load and other payable             | 1,892                                | -                       | -       | -                                   | -                                  | -   |
| Mark-up receivable                       | -                                    | 88                      | -       | -                                   | -                                  | -   |
| Payable against allocated expenses       | 87                                   | -                       | -       | -                                   | -                                  | -   |
| Selling and marketing<br>expense payable | 117                                  | -                       | -       | -                                   | -                                  | -   |

|  | As at June 30, 2019 (Audited) |       |     |   |        |   |
|--|-------------------------------|-------|-----|---|--------|---|
| <b>Balances held</b>                     |                               |       |     |   |        |   |
| Units held (units in '000)               | 4,765                         | -     | -   | - | 112    | - |
| Units held (Rupees in '000)              | 525,095                       | -     | -   | - | 12,342 | - |
| Bank balances                            | -                             | 2,357 | -   | - | -      | - |
| Remuneration payable*                    | 995                           | -     | 132 | - | -      | - |
| Security deposit                         | -                             | -     | 100 | - | -      | - |
| Sales load and other payables            | 100                           | -     | -   | - | -      | - |
| Mark-up receivable                       | -                             | 23    | -   | - | -      | - |
| Payable against allocated expenses       | 68                            | -     | -   | - | -      | - |
| Selling and marketing<br>expense payable | 226                           | -     | -   | - | -      | - |

\* Remuneration for the period is inclusive of sales tax.

## 16. FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

|  | Fair value                   |               |          |
|--|------------------------------|---------------|----------|
|  | Level 1                      | Level 2       | Level 3  |
|  | ----- (Rupees in '000) ----- |               |          |
| <b><u>December 31, 2019 (Un-audited)</u></b>   |                              |               |          |
| <b>Financial assets measured at fair value</b> |                              |               |          |
| Debt securities                                | -                            | 21,537        | -        |
| Government securities                          | -                            | 27,599        | -        |
| Quoted equity securities - spread transactions | 7,377                        | -             | -        |
|  | <u>7,377</u>                 | <u>49,136</u> | <u>-</u> |

|  | Fair value                   |         |         |
|--|------------------------------|---------|---------|
|  | Level 1                      | Level 2 | Level 3 |
|  | ----- (Rupees in '000) ----- |         |         |
| <b><u>June 30, 2019 (Audited)</u></b>          |                              |         |         |
| <b>Financial assets measured at fair value</b> |                              |         |         |
| Debt securities                                | -                            | 21,685  | -       |

## 17. GENERAL

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

**17.2** 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 period.



**18. DATE OF AUTHORISATION FOR ISSUE**

These interim financial statements were authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**

# UGSF

## UBL Government Securities Fund

### INVESTMENT OBJECTIVE

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

|                              |  |
|------------------------------|--|
| <b>Management Company</b>    | UBL Fund Managers Limited  |
| <b>Trustee</b>               | 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   |
| <b>Distribution Company</b>  | United Bank Limited<br>(for detail of others, please visit our website:<br><a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )  |
| <b>Auditors</b>              | BDO Ebrahim & Co., Chartered Accountants   |
| <b>Bankers</b>               | United Bank Limited<br>Bank Alfalah Limited<br>MCB Bank Limited<br>Faysal Bank Limited<br>Allied Bank Limited<br>Habib Bank Limited - Islamic Banking<br>Habib Metropolitan Bank Limited<br>JS Bank Limited<br>Meezan Bank Limited<br>Samba Bank Limited<br>Sindh Bank Limited<br>Askari Bank Limited<br>National Bank of Pakistan Limited<br>Zarai Taraqati Bank Limited<br>Soneri Bank Limited |
| <b>Management Co. Rating</b> | AM 1 (VIS Credit Rating Company Limited)   |
| <b>Fund Rating</b>           | A+ (f) (VIS Credit Rating Company Limited)   |

**Head Office**

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URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL GOVERNMENT SECURITIES FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Government Securities Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL GOVERNMENT SECURITIES FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of UBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). UBL Fund Managers Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 25 FEB 2020



BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |             | <b>December 31,<br/>2019<br/>(Unaudited)</b> | <b>June 30,<br/>2019<br/>(Audited)</b> |
|---|-------------|--|--|
|   | <b>Note</b> | <b>----- (Rupees in '000) -----</b>          |  |
| <b>ASSETS</b>   |             |  |  |
| Bank balances   | 4           | 860,641                                      | 1,109,748                              |
| Term deposit receipts   | 5           | -  | -                                      |
| Investments   | 6           | 1,786,434                                    | 525,571                                |
| Mark up / interest receivable                                       |             | 21,223                                       | 25,236                                 |
| Prepayments and other receivables                                   |             | 1,142  | 1,325                                  |
| Advance tax   | 7           | 5,175  | 5,175                                  |
| <b>TOTAL ASSETS</b>   |             | <b>2,674,615</b>                             | <b>1,667,055</b>                       |
| <b>LIABILITIES</b>  |             |  |  |
| Payable to UBL Fund Managers Limited - Management Company           |             | 3,864  | 2,265                                  |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8           | 161  | 190                                    |
| Payable to Securities and Exchange Commission of Pakistan           | 9           | 189  | 1,270                                  |
| Accrued expenses and other liabilities                              | 10          | 80,730                                       | 129,816                                |
| <b>TOTAL LIABILITIES</b>  |             | <b>84,944</b>                                | <b>133,541</b>                         |
| <b>NET ASSETS</b>   |             | <b>2,589,671</b>                             | <b>1,533,514</b>                       |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>               |             | <b>2,589,671</b>                             | <b>1,533,514</b>                       |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                | 11          |  |  |
|   |             | <b>----- (Number of units) -----</b>         |  |
| <b>NUMBER OF UNITS IN ISSUE</b>                                     |             | <b>23,063,712</b>                            | <b>14,496,497</b>                      |
|   |             | <b>----- (Rupees) -----</b>                  |  |
| <b>NET ASSETS VALUE PER UNIT</b>                                    |             | <b>112.2834</b>                              | <b>105.7851</b>                        |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|   |  | Half Year ended              |                              | Quarter ended                |                              |
|---|--|------------------------------|------------------------------|------------------------------|------------------------------|
|   |  | December 31,<br>2019         | December 31,<br>2018         | December 31,<br>2019         | December 31,<br>2018         |
| Note  |  | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>INCOME</b>   |  |                              |                              |                              |                              |
|   | Financial income   | 131,073                      | 76,031                       | 76,116                       | 40,161                       |
|   | Capital loss on sale of investments - net  | (1,032)                      | (4,424)                      | (232)                        | (1,961)                      |
|   | Unrealised loss on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net | (809)                        | (2,445)                      | (2,753)                      | (1,878)                      |
|   | Other income   | 47                           | 27                           | 47                           | 27                           |
| <b>TOTAL INCOME</b>   |  | 129,279                      | 69,189                       | 73,178                       | 36,349                       |
| <b>EXPENSES</b>   |  |                              |                              |                              |                              |
|   | Remuneration of UBL Fund Managers Limited - Management Company   | 11,419                       | 8,987                        | 6,627                        | 4,379                        |
|   | Sindh Sales tax on Management Company's remuneration   | 1,484                        | 1,169                        | 861                          | 569                          |
|   | Allocated expenses   | 945                          | 886                          | 554                          | 428                          |
| 8   | Remuneration of Central Depository Company of Pakistan Limited - Trustee   | 695                          | 1,178                        | 364                          | 576                          |
| 9   | Annual fee of Securities and Exchange Commission of Pakistan   | 189                          | 665                          | 111                          | 321                          |
|   | Bank charges   | 85                           | 76                           | 35                           | 31                           |
|   | Auditors' remuneration   | 156                          | 304                          | 22                           | 170                          |
|   | Brokerage and settlement expenses  | 810                          | 255                          | 361                          | 92                           |
|   | Legal and professional charges   | 77                           | 107                          | 38                           | 56                           |
|   | Fee and subscription charges   | 156                          | 156                          | 78                           | 78                           |
|   | Other expenses   | -                            | 27                           | -                            | 6                            |
| <b>Total operating expenses</b>                             |  | 16,016                       | 13,810                       | 9,051                        | 6,706                        |
| <b>Operating income for the period</b>                      |  | 113,263                      | 55,379                       | 64,127                       | 29,643                       |
| 10.2  | Provision for Sindh Workers' Welfare Fund  | (2,223)                      | (1,087)                      | (1,258)                      | (581)                        |
| <b>Net income for the period before taxation</b>            |  | 111,040                      | 54,292                       | 62,869                       | 29,062                       |
| 12  | Taxation   | -                            | -                            | -                            | -                            |
| <b>Net income for the period after taxation</b>             |  | 111,040                      | 54,292                       | 62,869                       | 29,062                       |
| <b>Allocation of net income for the period</b>              |  |                              |                              |                              |                              |
|   | Income already paid on units redeemed  | (14,396)                     | (6,125)                      | (11,958)                     | (4,885)                      |
| <b>Net income for the period available for distribution</b> |  | 96,644                       | 48,167                       | 50,911                       | 24,177                       |
|   | Relating to capital gains  | -                            | -                            | -                            | -                            |
|   | Excluding capital gains  | 96,644                       | 48,167                       | 50,911                       | 24,177                       |
| <b>Earnings per unit</b>                                    |  | 96,644                       | 48,167                       | 50,911                       | 24,177                       |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  | Half year ended              |               | Quarter ended                |               |
|--|------------------------------|---------------|------------------------------|---------------|
|  | December 31,                 | December 31,  | December 31,                 | December 31,  |
|  | 2019                         | 2018          | 2019                         | 2018          |
|  | ----- (Rupees in '000) ----- |               | ----- (Rupees in '000) ----- |               |
| Net income for the period after taxation                             | 111,040                      | 54,292        | 62,869                       | 29,062        |
| Other comprehensive income   |                              |               |                              |               |
| Items that will be reclassified subsequently to income statement     | -                            | -             | -                            | -             |
| Items that will not be reclassified subsequently to income statement | -                            | -             | -                            | -             |
| Total comprehensive income for the period                            | <u>111,040</u>               | <u>54,292</u> | <u>62,869</u>                | <u>29,062</u> |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

| CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) |                              |                      | -----Half year ended----- |                              |                      |                  |
|--|------------------------------|----------------------|---------------------------|------------------------------|----------------------|------------------|
| FOR THE HALF YEAR ENDED DECEMBER 31, 2019                                  |                              |                      |                           |                              |                      |                  |
|  | December 31, 2019            |                      |                           | December 31, 2018            |                      |                  |
|  | Capital value                | Undistributed income | Total                     | Capital value                | Undistributed income | Total            |
|  | ----- (Rupees in '000) ----- |                      |                           | ----- (Rupees in '000) ----- |                      |                  |
| Net assets at the beginning of the year                                    | 1,324,250                    | 209,264              | 1,533,514                 | 1,609,216                    | 267,824              | 1,877,040        |
| Issuance of 15,303,869 units (2018: 7,002,296 units)                       |                              |                      |                           |                              |                      |                  |
| Capital value of units   | 1,618,921                    | -                    | 1,618,921                 | 419,745                      | -                    | 419,745          |
| Element of income  |                              |                      |                           |                              |                      |                  |
| Due to net income earned   | 68,581                       | -                    | 68,581                    | 4,402                        | -                    | 4,402            |
| <b>Total proceeds on issuance of units</b>                                 | 1,687,502                    | -                    | 1,687,502                 | 424,147                      | -                    | 424,147          |
| Redemption of 6,736,654 units (2018: 12,354,514 units)                     |                              |                      |                           |                              |                      |                  |
| Capital value of units   | (712,638)                    | -                    | (712,638)                 | (655,561)                    | -                    | (655,561)        |
| Element of loss  |                              |                      |                           |                              |                      |                  |
| Due to net income earned   | (15,351)                     | (14,396)             | (29,747)                  | (3,451)                      | (6,125)              | (9,576)          |
| <b>Total payments on redemption of units</b>                               | (727,989)                    | (14,396)             | (742,385)                 | (659,012)                    | (6,125)              | (665,137)        |
| Total comprehensive income for the year                                    | -                            | 111,040              | 111,040                   | -                            | 54,292               | 54,292           |
| Distributions during the period:   |                              |                      |                           |                              |                      |                  |
| Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend              | -                            | -                    | -                         | (23,040)                     | (61,316)             | (84,356)         |
| <b>Net income for the period less distribution</b>                         | -                            | 111,040              | 111,040                   | (23,040)                     | (7,024)              | (30,064)         |
| <b>Net assets at the end of the period</b>                                 | <u>2,283,763</u>             | <u>305,908</u>       | <u>2,589,671</u>          | <u>1,351,311</u>             | <u>254,675</u>       | <u>1,605,986</u> |
| Undistributed income brought forward comprises of:                         |                              |                      |                           |                              |                      |                  |
| Realised gain  |                              | 212,437              | 212,437                   |                              | 268,218              | 268,218          |
| Unrealised (loss)  |                              | (3,173)              | (3,173)                   |                              | (394)                | (394)            |
| Total undistributed income brought forward                                 |                              | 209,264              | 209,264                   |                              | 267,824              | 267,824          |
| <b>Income available for distribution:</b>                                  |                              |                      |                           |                              |                      |                  |
| Relating to capital gains  |                              | -                    | -                         |                              | -                    | -                |
| Excluding capital gains  |                              | 96,644               | 96,644                    |                              | 48,167               | 48,167           |
|  |                              | 96,644               | 96,644                    |                              | 48,167               | 48,167           |
| Distribution during the period:  |                              |                      |                           |                              |                      |                  |
| Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend              |                              | -                    | -                         |                              | (61,316)             | (61,316)         |
| <b>Undistributed income carried forward</b>                                |                              | <u>305,908</u>       | <u>305,908</u>            |                              | <u>254,675</u>       | <u>254,675</u>   |
| <b>Undistributed income carried forward comprises of:</b>                  |                              |                      |                           |                              |                      |                  |
| Realised gain  |                              | 306,717              | 306,717                   |                              | 257,120              | 257,120          |
| Unrealised loss  |                              | (809)                | (809)                     |                              | (2,445)              | (2,445)          |
| <b>Total undistributed income carried forward</b>                          |                              | <u>305,908</u>       | <u>305,908</u>            |                              | <u>254,675</u>       | <u>254,675</u>   |
|  |                              | (Rupees)             |                           |                              | (Rupees)             |                  |
| Net assets value per unit at the beginning of the period                   |                              | <u>105.7851</u>      |                           |                              | <u>110.5634</u>      |                  |
| Net assets value per unit at the end of the period                         |                              | <u>112.2834</u>      |                           |                              | <u>108.9260</u>      |                  |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**



**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | <b>Half year ended</b>              |                              |
|--|-------------------------------------|------------------------------|
|  | <b>December 31,<br/>2019</b>        | <b>December 31,<br/>2018</b> |
|  | <b>----- (Rupees in '000) -----</b> |                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                     |                              |
| Net income for the period before taxation  | 111,040                             | 54,292                       |
| Adjustments for:   |                                     |                              |
| Financial income   | (131,073)                           | (76,031)                     |
| Unrealised loss on revaluation of investments at fair value through profit or loss - net | 809                                 | 2,445                        |
| Capital loss on sale of investments - net  | 1,032                               | 4,424                        |
| Provision for Sindh Workers' Welfare Fund  | 2,223                               | 1,087                        |
|  | (127,009)                           | (68,075)                     |
| <b>Cash used in operations before working capital changes</b>                            | <b>(15,969)</b>                     | <b>(13,783)</b>              |
| <b>Working capital changes</b>   |                                     |                              |
| <b>(Increase) / decrease in assets</b>   |                                     |                              |
| Investments - net  | (1,262,704)                         | (203,733)                    |
| Prepayments and other receivables  | 183                                 | 2,493                        |
| Advance tax  | -                                   | (51)                         |
|  | (1,262,521)                         | (201,291)                    |
| <b>Increase / (decrease) in liabilities</b>  |                                     |                              |
| Payable to UBL Fund Managers Limited - Management Company                                | 1,599                               | (446)                        |
| Payable to Central Depository Company of Pakistan Limited - Trustee                      | (29)                                | (16)                         |
| Annual fee payable to Securities and Exchange Commission of Pakistan                     | (1,081)                             | (1,380)                      |
| Accrued expenses and other liabilities   | (51,309)                            | (1,126,745)                  |
|  | (50,820)                            | (1,128,587)                  |
| <b>Cash used in operations</b>   | <b>(1,329,310)</b>                  | <b>(1,343,661)</b>           |
| Profit received on bank balances and investments   | 135,086                             | 69,685                       |
| <b>Net cash flow (used in) operating activities</b>                                      | <b>(1,194,224)</b>                  | <b>(1,273,976)</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                                     |                              |
| Receipts from issuance of units  | 1,687,502                           | 424,147                      |
| Payments against redemption of units   | (742,385)                           | (665,137)                    |
| Dividend paid  | -                                   | (84,356)                     |
| <b>Net cash generated from / (used in) financing activities</b>                          | <b>945,117</b>                      | <b>(325,346)</b>             |
| <b>Net decrease in cash and cash equivalents</b>   | <b>(249,107)</b>                    | <b>(1,599,322)</b>           |
| <b>Cash and cash equivalents at the beginning of the period</b>                          | <b>1,109,748</b>                    | <b>4,101,409</b>             |
| <b>Cash and cash equivalents at the end of the period</b>                                | <b>860,641</b>                      | <b>2,502,087</b>             |
| <b>CASH AND CASH EQUIVALENTS</b>   |                                     |                              |
| Bank balances  | 860,641                             | 1,458,856                    |
| Market Treasury Bills  | -                                   | 1,043,231                    |
|  | <b>860,641</b>                      | <b>2,502,087</b>             |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
**CHIEF EXECUTIVE OFFICER**

SD  
**CHIEF FINANCIAL OFFICER**

SD  
**DIRECTOR**

**UBL GOVERNMENT SECURITIES FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 UBL Government Securities Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. It was constituted under the Trust Deed, dated May 19, 2011 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The Fund commenced its operations from July 7, 2011. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an income scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended income scheme in accordance with Circular No. 7 of 2009 issued by the SECP.
- 1.4 The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 31, 2019 and a stability rating of "A+(f)" to the Fund as at December 31, 2019.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN**

- 3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|                     |                      | December 31,<br>2019<br>(Unaudited) | June 30,<br>2019<br>(Audited) |
|---------------------|----------------------|-------------------------------------|-------------------------------|
|                     | Note                 | ----- (Rupees in '000) -----        |                               |
| <b>4</b>            | <b>BANK BALANCES</b> |                                     |                               |
| Cash at bank        |                      |                                     |                               |
| In current accounts |                      | 10                                  | -                             |
| In savings accounts |                      | 860,631                             | 1,109,748                     |
|                     |                      | <u>860,641</u>                      | <u>1,109,748</u>              |

- 4.1 Profit rates on these savings accounts range from 3.75% to 13.85% per annum (June 30, 2019: 3.75% to 13.4% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 6.743 million (June 30, 2019: Rs. 1.992 million) on which return is earned at 12.25% (June 30, 2019: 8.25%) per annum.

## 5 TERM DEPOSIT RECEIPTS

|                            |     |           |          |
|----------------------------|-----|-----------|----------|
| Opening balance            |     | -         | -        |
| Acquired during the period | 5.1 | 130,000   | -        |
| Matured during the period  | 5.1 | (130,000) | -        |
| Closing balance            |     | <u>-</u>  | <u>-</u> |

- 5.1 This term deposit receipt carried interest at the rate of 13.75% per annum and matured on September 30, 2019.

## 6 INVESTMENTS

|                           |           |                  |                |
|---------------------------|-----------|------------------|----------------|
| Pakistan Investment Bonds | 6.1 & 6.2 | 342,900          | 519,324        |
| Market Treasury Bills     | 6.1 & 6.3 | 1,437,099        | -              |
| GOP Ijarah Sukuk          | 6.1 & 6.4 | 6,435            | 6,247          |
|                           |           | <u>1,786,434</u> | <u>525,571</u> |

### 6.1 Details of Government Securities are as follows:

| Name of security                 |      | At the beginning<br>of the period | Acquired during<br>the period | Sold / matured<br>during period | At the end of the<br>period | Market value as at<br>December 31, 2019<br>(Un-Audited) | Market value as<br>at June 30, 2019<br>(Audited) | Percentage of<br>investment |
|----------------------------------|------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------|---|--|-----------------------------|
|                                  | Note | ----- No. of holdings -----       |                               |                                 |                             | ----- (Rupees in '000) -----                            |  |                             |
| <b>Pakistan Investment Bonds</b> |      |                                   |                               |                                 |                             |   |  |                             |
| PIB-3 Years                      | 6.3  | 3,600                             | 7,700                         | 9,800                           | 1,500                       | 139,620   | 319,804  | 7.82%                       |
| PIB-5 Years                      | 6.3  | -                                 | 3,750                         | 3,750                           | -                           | -   | -  | 0.00%                       |
| PIB- 10 Years                    | 6.3  | 2,000                             | -                             | -                               | 2,000                       | 203,280   | 199,520  | 11.38%                      |
| <b>Market Treasury Bills</b>     |      |                                   |                               |                                 |                             |   |  |                             |
| T-bill 3 months                  | 6.4  | -                                 | 60,500                        | 60,500                          | -                           | -   | -  | 0.00%                       |
| T-bill 6 months                  | 6.4  | -                                 | 12,560                        | 12,300                          | 260                         | 25,726  | -  | 1.44%                       |
| T-bill 12 months                 | 6.4  | -                                 | 27,060                        | 11,500                          | 15,560                      | 1,411,373   | -  | 79.01%                      |
| <b>GOP Ijarah Sukuk</b>          |      |                                   |                               |                                 |                             |   |  |                             |
| 3 Year                           | 6.5  | 65                                | -                             | -                               | 65                          | 6,435   | 6,247  | 0.36%                       |
|                                  |      | <u>5,665</u>                      | <u>111,570</u>                | <u>97,850</u>                   | <u>19,385</u>               | <u>1,786,434</u>  | <u>525,571</u>                                   | <u>100.00%</u>              |

- 6.2 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 150.000 million and Rs. 200.000 million respectively (June 30, 2019: Rs. 360.00 and Rs. 200.00 million respectively) and carry interest rates ranging from 7.25% to 9.00% and 14.64% respectively (June 30, 2019: 12.50% to 13.88% and 8.55% respectively).
- 6.3 These represent Market Treasury Bills (MTBs) having a face value of Rs. 1,582.000 million (June 30, 2019: Nil) and carrying purchase yield of 13.083% per annum (June 30, 2019: Nil).
- 6.4 These represent Government of Pakistan (GOP) Ijarah Sukuk having face value of Rs. 6.500 million (June 30, 2019: Rs 6.500 million) and carry purchase yield of 5.24% per annum (June 30, 2019: 5.24% per annum).

## 7 ADVANCE TAX

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

| December 31,<br>2019<br>(Un-Audited) | June 30,<br>2019<br>(Audited) |
|--------------------------------------|-------------------------------|
| -----Rupees in '000-----             |                               |

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

|                     |            |            |
|---------------------|------------|------------|
| Trustee fee payable | 161        | 190        |
|                     | <u>161</u> | <u>190</u> |

- 8.1 Earlier, the Trustee fee was charged as per the details disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC, vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.06% of the average annual net assets of the Fund.
- 8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

|          |  | December 31,<br>2019<br>(Un-Audited) | June 30,<br>2019<br>(Audited) |
|----------|--|--------------------------------------|-------------------------------|
|          |  | -----Rupees in '000-----             |                               |
| <b>9</b> | <b>PAYABLE TO SECURITIES AND<br/>EXCHANGE COMMISSION OF PAKISTAN</b> |                                      |                               |
|          | Annual fee payable   | 9.1                                  | 189                           |
|          |  |                                      | 1,270                         |

- 9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

## **10 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **10.1 Provision for indirect taxes and duties**

Provision for Federal Excise Duty (FED) as at December 31, 2019 amounted to Rs. 52.558 million (June 30, 2019: Rs. 52.558). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has retained full provision for FED aggregating to Rs. 52.558 million till June 30, 2016. Had the amount not been provided for, the net assets value per unit would have been higher by Rs. 2.0950 per unit (June 30, 2019: Rs.3.3333 per unit).

### **10.2 Provision For Sindh Workers' Welfare Fund**

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 21.678 million (June 30, 2019: Rs. 19.455 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.9399 per unit (June 30, 2019: Rs. 1.3420 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

## **12 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 the form of 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 intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2020 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## **13 EARNINGS PER UNIT**

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

## **14 TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan (SECP), the Total Expense Ratio of the Fund is 1.93% as on December 31, 2019 and this includes 0.43% representing Government levy, Sindh Workers Welfare Fund and SECP fee.

## **15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, 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 half year end are as follows:

|   | Management<br>Company | Associated<br>Companies | Trustee | Funds under<br>Common<br>Management | Directors<br>and Key<br>Executives | Other<br>Connected<br>persons /<br>related parties |
|---|-----------------------|-------------------------|---------|-------------------------------------|------------------------------------|--|
|   | (Rupees in '000)      |                         |         |                                     |                                    |  |
| <b>Transactions during the half year ended December 31, 2019 (Un-Audited)</b> |                       |                         |         |                                     |                                    |  |
| Profit on savings accounts  | -                     | 681                     | -       | -                                   | -                                  | -  |
| Bank charges  | -                     | 30                      | -       | -                                   | -                                  | -  |
| Units issued  | -                     | -                       | -       | -                                   | 1,201                              | 840,687  |
| Units redeemed  | -                     | -                       | -       | -                                   | 8,123                              | -  |
| Sales load paid   | 164                   | 311                     | -       | -                                   | -                                  | -  |
| Purchase of securities  | -                     | -                       | -       | 44,208                              | -                                  | -  |
| Sale of securities  | -                     | -                       | -       | 1,021,312                           | -                                  | -  |
| Remuneration (including Sindh sales tax)                                      | 12,903                | -                       | 695     | -                                   | -                                  | -  |
| Allocated expenses  | 945                   | -                       | -       | -                                   | -                                  | -  |
| <b>Transactions during the half year ended December 31, 2018 (Un-Audited)</b> |                       |                         |         |                                     |                                    |  |
| Profit on savings accounts  | -                     | 99                      | -       | -                                   | -                                  | -  |
| Bank charges  | -                     | 16                      | -       | -                                   | -                                  | -  |
| Units issued  | -                     | -                       | -       | -                                   | 4                                  | 14,731   |
| Units redeemed  | -                     | -                       | -       | -                                   | 1                                  | 15,000   |
| Sales load paid   | 247                   | 10                      | -       | -                                   | -                                  | -  |
| Purchase of securities  | -                     | -                       | -       | 491,649                             | -                                  | -  |
| Sale of securities  | -                     | -                       | -       | -                                   | -                                  | -  |
| Remuneration (including Sindh sales tax)                                      | 10,156                | -                       | 1,178   | -                                   | -                                  | -  |
| Allocated expenses  | 886                   | -                       | -       | -                                   | -                                  | -  |
| Dividend paid   | -                     | -                       | -       | -                                   | 5                                  | 19,810   |
| <b>Balances held as at December 31, 2019 (Un-Audited)</b>                     |                       |                         |         |                                     |                                    |  |
| Units held (in Units '000)  | -                     | -                       | -       | -                                   | 1                                  | 11,581   |
| Units held (in Rupees '000)   | -                     | -                       | -       | -                                   | 108                                | 1,300,313  |
| Bank balances   | -                     | 6,743                   | -       | -                                   | -                                  | -  |
| Remuneration payable  | 2,930                 | -                       | 161     | -                                   | -                                  | -  |
| Sales load payable  | 356                   | 211                     | -       | -                                   | -                                  | -  |
| Conversion charges payable  | 157                   | -                       | -       | -                                   | -                                  | -  |
| Allocated expenses payable  | 404                   | -                       | -       | -                                   | -                                  | -  |
| Other payables  | 17                    | -                       | -       | -                                   | -                                  | -  |
| Profit receivable   | -                     | 80                      | -       | -                                   | -                                  | -  |
| <b>Balances held as at June 30, 2019 (Audited)</b>                            |                       |                         |         |                                     |                                    |  |
| Units held (in Units '000)  | -                     | -                       | -       | -                                   | 63                                 | 3,987  |
| Units held (in Rupees '000)   | -                     | -                       | -       | -                                   | 6,664                              | 421,765  |
| Bank balances   | -                     | 1,992                   | -       | -                                   | -                                  | -  |
| Remuneration payable  | 1,881                 | -                       | 190     | -                                   | -                                  | -  |
| Sales load payable  | 126                   | 282                     | -       | -                                   | -                                  | -  |
| Conversion charges payable  | 151                   | -                       | -       | -                                   | -                                  | -  |
| Allocated expenses payable  | 142                   | -                       | -       | -                                   | -                                  | -  |
| Other payables  | 17                    | -                       | -       | -                                   | -                                  | -  |
| Profit receivable   | -                     | 45                      | -       | -                                   | -                                  | -  |

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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.

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

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

| Carrying Amount   |                | Fair value                          |           |           |
|---|----------------|-------------------------------------|-----------|-----------|
| ----- As at December 31, 2019 -----                     |                | ----- As at December 31, 2019 ----- |           |           |
| Fair value through profit or loss                       | Amortized cost | Level 1                             | Level 2   | Level 3   |
| (Un-Audited)  |                |                                     |           |           |
| ----- Rupees in '000-----                               |                |                                     |           |           |
| <b>Financial assets measured at fair value</b>          |                |                                     |           |           |
| Pakistan Investment Bonds                               | 342,900        | -                                   | 342,900   | -         |
| Market Treasury Bills                                   | 1,437,099      | -                                   | 1,437,099 | -         |
| Government of Pakistan Ijara Sukuk                      | 6,435          | -                                   | 6,435     | -         |
|   | 1,786,434      | -                                   | 1,786,434 | -         |
| <b>Financial assets not measured at fair value</b>      |                |                                     |           |           |
| Bank balances   | -              | 860,641                             | -         | -         |
| Mark up / interest receivable                           | -              | 21,223                              | -         | -         |
| Other receivables                                       | -              | 892                                 | -         | -         |
|   | -              | 882,756                             | -         | -         |
|   | 1,786,434      | 882,756                             | -         | 1,786,434 |
| <b>Financial liabilities not measured at fair value</b> |                |                                     |           |           |
| Payable to Management Company                           | -              | 3,527                               | -         | -         |
| Payable to Trustee                                      | -              | 142                                 | -         | -         |
| Accrued expenses and other liabilities                  | -              | 5,705                               | -         | -         |
|   | -              | 9,374                               | -         | -         |

| Carrying Amount   |                | Fair value                      |         |         |
|---|----------------|---------------------------------|---------|---------|
| ----- As at June 30, 2019 -----                         |                | ----- As at June 30, 2019 ----- |         |         |
| Fair value through profit or loss                       | Amortised cost | Level 1                         | Level 2 | Level 3 |
| (Audited)   |                |                                 |         |         |
| ----- Rupees in '000-----                               |                |                                 |         |         |
| <b>Financial assets measured at fair value</b>          |                |                                 |         |         |
| Pakistan Investment Bonds                               | 519,324        | -                               | 519,324 | -       |
| Market Treasury Bills                                   | -              | -                               | -       | -       |
| Government of Pakistan Ijara Sukuk                      | 6,247          | -                               | 6,247   | -       |
|   | 525,571        | -                               | 525,571 | -       |
| <b>Financial assets not measured at fair value</b>      |                |                                 |         |         |
| Bank balances   | -              | 1,109,748                       | -       | -       |
| Mark up / interest receivable                           | -              | 25,236                          | -       | -       |
| Other receivables                                       | -              | 1,261                           | -       | -       |
|   | -              | 1,136,245                       | -       | -       |
|   | 525,571        | 1,136,245                       | -       | 525,571 |
| <b>Financial liabilities not measured at fair value</b> |                |                                 |         |         |
| Payable to Management Company                           | -              | 2,049                           | -       | -       |
| Payable to Trustee                                      | -              | 168                             | -       | -       |
| Accrued expenses and other liabilities                  | -              | 45,361                          | -       | -       |
|   | -              | 47,578                          | -       | -       |

## **16.1 Valuation techniques**

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

16.2 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.

## **16.3 Transfers during the period**

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

## **17 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 period.

## **18 GENERAL**

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

## **19 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 25 February 2020.

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

SD  
**CHIEF EXECUTIVE OFFICER**

SD  
**CHIEF FINANCIAL OFFICER**

SD  
**DIRECTOR**

# UGIF

## UBL Growth and Income Fund

### 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, long-term, risk-adjusted returns while preserving capital over the long-term.

|                             |  |
|-----------------------------|--|
| <b>Management Company</b>   | UBL Fund Managers Limited  |
| <b>Trustee</b>              | 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   |
| <b>Distribution Company</b> | United Bank Limited<br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )   |
| <b>Auditors</b>             | Ernst & Young Ford Rhodes, Chartered Accountants   |
| <b>Bankers</b>              | Allied Bank Limited<br>Bank Alfalah Limited<br>Faysal Bank Limited<br>Habib Bank Limited<br>JS Bank Limited<br>Khushhali Bank Ltd.<br>MCB Bank Limited<br>National Bank of Pakistan<br>Samba Bank Limited<br>Silk Bank Limited<br>Sindh Bank Limited<br>Summit Bank Limited<br>Telenor Microfinance Bank Limited<br>The Bank of Punjab<br>United Bank Limited<br>Zarai Taraqiati Bank Limited<br>Soneri Bank Limited |
| <b>Management Co.Rating</b> | AM1 (VIS)  |
| <b>Fund Rating</b>          | A(f) (VIS)   |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



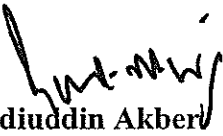
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL GROWTH & INCOME FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Growth & 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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## **TO THE UNIT HOLDERS OF UBL GROWTH AND INCOME FUND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Growth and Income Fund** (the Fund) as at **31 December 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 February 2020

**Karachi**

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----         |                               |
| <b>ASSETS</b>   |      |                                      |                               |
| Bank balances   | 4    | 245,037                              | 1,100,418                     |
| Investments   | 5    | 636,832                              | 633,787                       |
| Mark-up receivable  |      | 27,339                               | 27,775                        |
| Advance tax   | 6    | 3,829                                | 3,408                         |
| Deposits, prepayments and other receivables                                 |      | 31,266                               | 17,805                        |
| Receivable against settlement of spread transactions                        |      | -                                    | 6,106                         |
| <b>TOTAL ASSETS</b>   |      | <b>944,303</b>                       | <b>1,789,299</b>              |
| <b>LIABILITIES</b>  |      |                                      |                               |
| Payable to UBL Fund Managers Limited - Management Company                   | 7    | 4,837                                | 4,396                         |
| Payable to Central Depository Company of Pakistan - Trustee                 | 8    | 137                                  | 243                           |
| Annual fee payable to Securities and Exchange Commission of Pakistan (SECP) | 9    | 154                                  | 980                           |
| Accrued expenses and other payables   | 10   | 42,245                               | 48,891                        |
| <b>TOTAL LIABILITIES</b>  |      | <b>47,373</b>                        | <b>54,510</b>                 |
| <b>NET ASSETS</b>   |      | <b>896,930</b>                       | <b>1,734,789</b>              |
| <b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>                      |      | <b>896,930</b>                       | <b>1,734,789</b>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>  | 11   |                                      |                               |
|   |      | ----- (Number of units) -----        |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>   |      | <b>10,031,216</b>                    | <b>20,397,520</b>             |
|   |      | ----- (Rupees) -----                 |                               |
| <b>NET ASSETS VALUE PER UNIT</b>  |      | <b>89.4139</b>                       | <b>85.0490</b>                |

The annexed notes from 1 to 18 form an integral part of these interim financial statements

For UBL Fund Managers Limited  
(Management Company)

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)**

|   |       | Half year ended      |                      | Quarter ended        |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | December 31,<br>2019 | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
|   | Note  | (Rupees in '000)     |                      |                      |                      |
| <b>INCOME</b>   |       |                      |                      |                      |                      |
| Financial income on:  |       |                      |                      |                      |                      |
| - Bank balances   |       | 68,254               | 23,718               | 46,158               | 7,519                |
| - Term deposit receipts   |       | 1,647                | -                    | 1,647                | -                    |
| - Letter of placement   |       | 3,529                | -                    | 118                  | -                    |
| - Government securities   |       | 15,231               | 498                  | 8,351                | -                    |
| - Term finance certificates   |       | 16,149               | 20,029               | 5,721                | 9,764                |
| Dividend income   |       | 2,458                | -                    | 2,413                | -                    |
| Unrealised loss on revaluation of investments<br>classified as 'at fair value through profit or loss' - net |       | (1,188)              | (8,017)              | (1,143)              | (4,174)              |
| Loss on sale and redemption of investments<br>classified as 'at fair value through profit or loss' - net    |       | (13,104)             | (1,344)              | (12,330)             | (1,343)              |
| Loss on spread transactions - net   |       | (497)                | -                    | (497)                | -                    |
| Other income / (loss)   |       | 2,236                | 2,585                | 1,225                | (2,971)              |
| <b>Total income</b>   |       | <b>94,715</b>        | <b>37,469</b>        | <b>51,663</b>        | <b>8,795</b>         |
| Reversal of provision against debt securities - net   | 5.6.1 | 3,888                | 5,834                | 2,974                | 5,832                |
| <b>EXPENSES</b>   |       |                      |                      |                      |                      |
| Remuneration of the Management Company  |       | 8,259                | 7,632                | 4,891                | 2,756                |
| Sales tax on management fee   |       | 1,074                | 992                  | 636                  | 358                  |
| Allocated expenses by the Management Company  |       | 770                  | 509                  | 460                  | 184                  |
| Remuneration of the Trustee   |       | 653                  | 904                  | 390                  | 350                  |
| Annual fee to SECP  |       | 154                  | 382                  | 92                   | 158                  |
| Selling and marketing expenses  |       | 3,081                | 2,035                | 1,840                | 735                  |
| Auditors' remuneration  |       | 167                  | 391                  | 64                   | 228                  |
| Legal and professional charges  |       | 73                   | 76                   | 35                   | 38                   |
| Brokerage and settlement charges  |       | 888                  | 434                  | 689                  | 240                  |
| Bank charges and other expenses   |       | 194                  | 204                  | 95                   | 54                   |
| <b>Total expenses</b>   |       | <b>15,313</b>        | <b>13,559</b>        | <b>9,192</b>         | <b>5,101</b>         |
| <b>Net operating income for the period</b>  |       | <b>83,290</b>        | <b>29,744</b>        | <b>45,445</b>        | <b>9,526</b>         |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 10.2  | (1,635)              | (584)                | (892)                | (202)                |
| <b>Net income for the period before taxation</b>  |       | <b>81,655</b>        | <b>29,160</b>        | <b>44,553</b>        | <b>9,324</b>         |
| Taxation  | 12    | -                    | -                    | -                    | -                    |
| <b>Net income for the period after taxation</b>   |       | <b>81,655</b>        | <b>29,160</b>        | <b>44,553</b>        | <b>9,324</b>         |
| <i>Allocation of net income for the period:</i>   |       |                      |                      |                      |                      |
| Income already paid on units redeemed   |       | (46,203)             | (15,965)             | (36,777)             | (12,739)             |
| Accounting income available for distribution:   |       | 35,452               | 13,195               | 7,776                | (3,415)              |
| - Relating to capital gains   |       | -                    | -                    | -                    | -                    |
| - Excluding capital gains   |       | 35,452               | 13,195               | 7,776                | -                    |
|   |       | 35,452               | 13,195               | 7,776                | -                    |
| <b>Earnings per unit</b>  |       |                      |                      |                      |                      |

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The annexed notes from 1 to 18 form an integral part of these interim financial statements

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director



**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)**

|  | Half year ended              |                      | Quarter ended        |                      |
|--|------------------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2019         | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
|  | ----- (Rupees in '000) ----- |                      |                      |                      |
| <b>Net income for the<br/>period after taxation</b>  | <b>81,655</b>                | 29,160               | <b>44,553</b>        | 9,324                |
| Other comprehensive income                           | -                            | -                    | -                    | -                    |
| <b>Total comprehensive income<br/>for the period</b> | <u><b>81,655</b></u>         | <u>29,160</u>        | <u><b>44,553</b></u> | <u>9,324</u>         |

The annexed notes from 1 to 18 form an integral part of these interim financial statements

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

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)**

|   | December 31,<br>2019         | December 31,<br>2018 |
|---|------------------------------|----------------------|
|   | ----- (Rupees in '000) ----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                              |                      |
| Net income for the period before taxation   | 81,655                       | 29,160               |
| <b>Adjustments for:</b>   |                              |                      |
| Financial income  | (104,810)                    | (44,245)             |
| Dividend income   | (2,458)                      | -                    |
| Unrealised loss on revaluation of investments<br>classified as 'at fair value through profit or loss' - net | 1,188                        | 8,017                |
| Loss on sale and redemption of investments<br>classified as 'at fair value through profit or loss' - net    | 13,104                       | 1,344                |
| Loss on spread transactions - net   | 497                          | -                    |
| Reversal of provision against debt securities - net   | (3,888)                      | (5,834)              |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 1,635                        | 584                  |
|   | (94,732)                     | (40,134)             |
| <b>(Increase) / decrease in assets</b>  |                              |                      |
| Investments   | (163,946)                    | 137,515              |
| Advance tax   | (421)                        | (5)                  |
| Deposits, prepayments and other receivables   | (13,461)                     | (990)                |
| Receivable against settlement of spread transactions  | 6,106                        | -                    |
|   | (171,722)                    | 136,520              |
| <b>(Decrease) / increase in liabilities</b>   |                              |                      |
| Payable to UBL Fund Managers Limited - Management Company   | 441                          | 552                  |
| Payable to Central Depository Company of Pakistan - Trustee   | (106)                        | (97)                 |
| Annual fee payable to Securities and Exchange<br>Commission of Pakistan (SECP)                              | (826)                        | (2,036)              |
| Accrued expenses and other payables   | (8,281)                      | (156)                |
|   | (8,772)                      | (1,737)              |
| Dividend and mark up received   | 107,704                      | 49,184               |
| <b>Net cash (used in) / generated from operating activities</b>   | (85,867)                     | 172,993              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                              |                      |
| Receipts from issuance of units   | 2,557,150                    | 469,016              |
| Payments against redemption of units  | (3,476,664)                  | (1,205,463)          |
| Cash distribution to unit holders   | -                            | (64,536)             |
| <b>Net cash used in financing activities</b>  | (919,514)                    | (800,983)            |
| <b>Net decrease in cash and cash equivalents</b>  | (1,005,381)                  | (627,990)            |
| Cash and cash equivalents at the beginning of the period  | 1,250,418                    | 811,972              |
| <b>Cash and cash equivalents at the end of the period</b>   | 245,037                      | 183,982              |

The annexed notes from 1 to 18 form an integral part of these interim financial statements

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

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Director**

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019 ( UN-AUDITED)**

|  | December 31, 2019 |                               |  |                  | December 31, 2018 |                               |  |                  |
|--|-------------------|-------------------------------|--|------------------|-------------------|-------------------------------|--|------------------|
|  | Capital value     | Undistributed (loss) / income | Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net | Total            | Capital value     | Undistributed (loss) / income | Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net | Total            |
|  | (Rupees in '000)  |                               |  |                  |                   |                               |  |                  |
| <b>Net assets at beginning of the period</b>                         | <b>2,215,081</b>  | <b>(480,531)</b>              | <b>239</b>   | <b>1,734,789</b> | <b>1,742,360</b>  | <b>(440,998)</b>              | <b>239</b>   | <b>1,301,602</b> |
| Amount received on issuance of 29,369,437<br>(2018: 5,468,010) units |                   |                               |  |                  |                   |                               |  |                  |
| Capital value  | 2,497,841         | -                             | -  | 2,497,841        | 464,194           | -                             | -  | 464,194          |
| Element of income during the period;                                 |                   |                               |  |                  |                   |                               |  |                  |
| - Relating to net income for the period after taxation               | 59,309            | -                             | -  | 59,309           | 4,822             | -                             | -  | 4,822            |
|  | 2,557,150         | -                             | -  | 2,557,150        | 469,016           | -                             | -  | 469,016          |
| Amount paid on redemption of 39,735,741<br>(2018: 13,976,921) units  |                   |                               |  |                  |                   |                               |  |                  |
| Capital value  | (3,379,485)       | -                             | -  | (3,379,485)      | (1,186,539)       | -                             | -  | (1,186,539)      |
| Element of income during the period;                                 |                   |                               |  |                  |                   |                               |  |                  |
| - Relating to net income for the period after taxation               | (50,976)          | (46,203)                      | -  | (97,179)         | (2,959)           | (15,965)                      | -  | (18,924)         |
|  | (3,430,461)       | (46,203)                      | -  | (3,476,664)      | (1,189,498)       | (15,965)                      | -  | (1,205,463)      |
| Total comprehensive income for the period                            | -                 | 81,655                        | -  | 81,655           | -                 | 29,160                        | -  | 29,160           |
| Distribution during the period                                       | -                 | -                             | -  | -                | (21,945)          | (42,591)                      | -  | (64,537)         |
| Net income / (loss) for the period less distribution                 | -                 | 81,655                        | -  | 81,655           | (21,945)          | (13,431)                      | -  | (35,377)         |
| <b>Net assets at end of the period</b>                               | <b>1,341,770</b>  | <b>(445,079)</b>              | <b>239</b>   | <b>896,930</b>   | <b>999,933</b>    | <b>(470,394)</b>              | <b>239</b>   | <b>529,778</b>   |
| <b>Undistributed loss brought forward:</b>                           |                   |                               |  |                  |                   |                               |  |                  |
| - Realised   | -                 | (471,676)                     | -  | (471,676)        | -                 | (440,855)                     | -  | (440,855)        |
| - Unrealised   | -                 | (8,855)                       | 239  | (8,616)          | -                 | (143)                         | 239  | 96               |
|  | -                 | (480,531)                     | 239  | (480,292)        | -                 | (440,998)                     | 239  | (440,759)        |
| <b>Accounting income available for distribution:</b>                 |                   |                               |  |                  |                   |                               |  |                  |
| - Relating to capital gains  | -                 | -                             | -  | -                | -                 | -                             | -  | -                |
| - Excluding capital gains  | -                 | 35,452                        | -  | 35,452           | -                 | 13,195                        | -  | 13,195           |
|  | -                 | 35,452                        | -  | 35,452           | -                 | 13,195                        | -  | 13,195           |
| Distribution during the period                                       | -                 | -                             | -  | -                | -                 | (42,591)                      | -  | (42,591)         |
| <b>Undistributed (loss) / income carried forward</b>                 | <b>-</b>          | <b>(445,079)</b>              | <b>239</b>   | <b>(444,840)</b> | <b>-</b>          | <b>(470,394)</b>              | <b>239</b>   | <b>(470,155)</b> |
| <b>Undistributed (loss) / income carried forward</b>                 |                   |                               |  |                  |                   |                               |  |                  |
| - Realised   | -                 | (443,891)                     | -  | (443,891)        | -                 | (462,377)                     | -  | (462,377)        |
| - Unrealised   | -                 | (1,188)                       | 239  | (949)            | -                 | (8,017)                       | 239  | (7,778)          |
|  | -                 | (445,079)                     | 239  | (444,840)        | -                 | (470,394)                     | 239  | (470,155)        |
|  |                   |                               |  | - (Rupees) -     |                   |                               |  | - (Rupees) -     |
| <b>Net assets value per unit at beginning of the period</b>          |                   |                               |  | <b>85.0490</b>   |                   |                               |  | <b>89.3150</b>   |
| <b>Net assets value per unit at end of the period</b>                |                   |                               |  | <b>89.4139</b>   |                   |                               |  | <b>87.3607</b>   |

The annexed notes from 1 to 18 form an integral part of these interim financial statements

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL GROWTH AND INCOME FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** UBL Growth and Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and 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 (SECP). It was constituted under the Trust Deed, dated 21 December 2004 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. 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 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.
- 1.4** 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.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and a stability rating of "A(f)" to the Fund as on December 31, 2019.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**2.1.2** The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

**2.1.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended December 31, 2019 and December 31, 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

**2.1.4** The comparative statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited interim financial statements for the period ended December 31, 2018.

**2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

The preparation of these interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

## **3.2 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|                         |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|-------------------------|------|--------------------------------------|-------------------------------|
|                         | Note | ----- (Rupees in '000) -----         |                               |
| <b>4. BANK BALANCES</b> |      |                                      |                               |
| Current accounts        |      | 60                                   | 50                            |
| Saving accounts         | 4.1  | 244,977                              | 1,100,368                     |
|                         | 4.2  | 245,037                              | 1,100,418                     |

- 4.1** These carry mark-up at rates ranging from 11% to 14.40% per annum (June 30, 2019: 4.00% to 13.15%) per annum.

- 4.2** These include balances of Rs.1.57 (June 30, 2019: Rs.3.31) million held with United Bank Limited and Rs.0.02 (June 30, 2019: Rs.0.02) million held with Khushhali Bank Limited (related parties).

## 5. INVESTMENTS

### Investments by category

#### Fair value through profit or loss

|   |     |         |         |
|---|-----|---------|---------|
| Government securities - Treasury Bills            | 5.1 | 272,272 | -       |
| Government securities - Pakistan Investment Bonds | 5.2 | 92,779  | 133,252 |
| Quoted equity securities (Spread Transactions)    | 5.3 | 18,126  | -       |
| Debt securities - quoted                          | 5.4 | 83,842  | 20,774  |
| Debt securities - unquoted                        | 5.4 | 116,207 | 275,953 |
|   |     | 583,226 | 429,979 |

#### Fair value through other comprehensive income

|                                     |     |   |   |
|-------------------------------------|-----|---|---|
| Debt securities - quoted            | 5.5 | - | - |
| Debt securities - unquoted          | 5.5 | - | - |
| Debt securities - Pre-IPO placement | 5.6 | - | - |
|                                     |     | - | - |

#### At amortised cost

|                      |     |         |         |
|----------------------|-----|---------|---------|
| Letter of placement  | 5.7 | 53,606  | 50,079  |
| Term deposit receipt |     | -       | 153,729 |
|                      |     | 53,606  | 203,808 |
|                      |     | 636,832 | 633,787 |

## 5.1 Government Securities - Treasury Bills - 'at fair value through profit or loss'

|  |               |                     |                             |                        |                         | December 31, 2019 |              |                 | Market value as a % of net assets | Market value as a % of total investments |       |
|--|---------------|---------------------|-----------------------------|------------------------|-------------------------|-------------------|--------------|-----------------|-----------------------------------|--|-------|
| Purchase yield range                       | Maturity upto | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value    | Market value | Unrealised loss |                                   |  |       |
| (Number of holding)                        |               |                     |                             |                        |                         | (Rupees in '000)  |              |                 | %                                 |  |       |
| Market Treasury Bills - 3 months           | 13.62%        | 30-Jan-20           | -                           | 51,000,000             | (51,000,000)            | -                 | -            | -               | -                                 | -  |       |
| Market Treasury Bills - 6 months           | 13.50%        | 7-May-20            | -                           | 1,000,000              | (1,000,000)             | -                 | -            | -               | -                                 | -  |       |
| Market Treasury Bills - 1 year             | 13.01%        | 22-Oct-20           | -                           | 3,000,000              | -                       | 3,000,000         | 273,151      | 272,272         | (879)                             | 30.36                                    | 42.75 |
| Total as at December 31, 2019 (Un-audited) |               |                     |                             |                        |                         | 273,151           | 272,272      | (879)           | 30.36                             | 42.75                                    |       |
| Total as at June 30, 2019 (Audited)        |               |                     |                             |                        |                         | -                 | -            | -               |                                   |  |       |

## 5.2 Government Securities - Pakistan Investment Bonds - 'at fair value through profit or loss'

|  | Purchase<br>yield range         | Maturity<br>upto | As at July<br>01, 2019 | Purchased<br>during the<br>period | Sold during<br>the period | As at<br>December<br>31, 2019 | Carrying<br>value            | Market<br>value | Unrealised<br>loss | Market<br>value as a<br>% of net<br>assets | Market value<br>as a % of<br>total<br>investments |
|--|---------------------------------|------------------|------------------------|-----------------------------------|---------------------------|-------------------------------|------------------------------|-----------------|--------------------|--|---|
|  | ----- (Number of holding) ----- |                  |                        |                                   |                           |                               | ----- (Rupees in '000) ----- |                 |                    | ----- % -----                              |   |
| Pakistan Investment<br>Bonds - 3 years     | 12.50%                          | 12-Jul-21        | 1,500,000              | 1,500,000                         | (2,000,000)               | 1,000,000                     | 92,913                       | 92,779          | (134)              | 10.34                                      | 14.57   |
| Pakistan Investment<br>Bonds - 5 years     | 13.61%                          | 12-Jul-23        | -                      | 2,250,000                         | (2,250,000)               | -                             | -                            | -               | -                  | -  | -   |
| Total as at December 31, 2019 (Un-audited) |                                 |                  |                        |                                   |                           |                               | 92,913                       | 92,779          | (134)              | 10.34                                      | 14.57   |
| Total as at June 30, 2019 (Audited)        |                                 |                  |                        |                                   |                           |                               | 136,323                      | 133,252         | (3,071)            |  |   |

## 5.3 Quoted equity securities - Spread transactions

| Name of Investee Company   | Number of shares    |                             |                        |                         | Balance as at December 31, 2019        |                                      |                 | Market value as percentage of total investments | Market value as percentage of net assets | Market value as a percentage of paid-up capital of the investee |
|--|---------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|-----------------|---|--|---|
|  | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealised gain |   |  |   |
| ----- (Rupees in '000) ----- % -----   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise: |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Oil and gas exploration companies</b>   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Oil and Gas Development Company  | -                   | 222,000                     | 222,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Pakistan Oilfields Limited   | -                   | 3,000                       | 3,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Pakistan Petroleum Limited   | -                   | 85,000                      | 85,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Oil and gas marketing companies</b>   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Pakistan State Oil Company Limited   | -                   | 122,000                     | 122,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Sui Southern Gas Company Limited   | -                   | 275,000                     | 275,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Pharmaceuticals</b>   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| The Searle Company Limited   | -                   | 238,000                     | 238,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Engineering</b>   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Amreli Steels Limited  | -                   | 426,000                     | 401,000                | 25,000                  | 918                                    | 918                                  | -               | 0.14  | 0.10                                     | 0.03  |
| International Steels Limited   | -                   | 778,000                     | 778,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Mughal Iron & Steel Industries Limited   | -                   | 34,000                      | 34,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Refinery</b>  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Atock Refinery Limited   | -                   | 176,000                     | 176,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| National Refinery Limited  | -                   | 130,000                     | 130,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Commercial banks</b>  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| The Bank of Punjab   | -                   | 1,924,000                   | 1,924,000              | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Habib Bank Limited   | -                   | 9,000                       | 9,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
| National Bank of Pakistan  | -                   | 501,000                     | 480,000                | 21,000                  | 916                                    | 918                                  | 2               | 0.14  | 0.10                                     | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Chemical</b>  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Descon Oxychem Limited   | -                   | 65,000                      | 65,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Engro Polymer & Chemicals Limited  | -                   | 10,000                      | 10,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Lotte Chemical Pakistan Limited  | -                   | 2,477,000                   | 2,477,000              | -                       | -                                      | -                                    | -               | -   | -  | -   |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Food and personal care products</b>   |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Frieslandcampins Engro Foods Limited   | -                   | 2,000                       | 2,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Fauji Foods Limited  | -                   | 1,052,500                   | 285,000                | 767,500                 | 10,924                                 | 10,937                               | 13              | 1.72  | 1.22                                     | 0.21  |
|  |                     |                             |                        |                         |  |                                      |                 |   |  |   |



| Name of Investee Company                          | Number of shares    |                             |                        |                         | Balance as at December 31, 2019        |                                      |                 | Market value as percentage of total investments | Market value as percentage of net assets | Market value as a percentage of paid-up capital of the investee |
|---|---------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|-----------------|---|--|---|
|   | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealised gain |   |  |   |
| ----- (Rupees in '000) ----- % -----              |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| <b>Textile composite</b>                          |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Gul Ahmed Textile Mills Limited                   | -                   | 28,000                      | 28,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Nishat Mills Limited                              | -                   | 2,000                       | 2,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Automobile assembler</b>                       |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Gandhara Industries Limited                       | -                   | 3,000                       | 3,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Automobile parts and accessories</b>           |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| The General Tyre & Rubber                         | -                   | 46,000                      | 46,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Power generation and distribution</b>          |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| The Hub Power Company Limited                     | -                   | 40,000                      | 40,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Kot Addu Power Company Limited                    | -                   | 36,000                      | 36,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| K-Electric Limited (Par value at Rs. 3.5)         | -                   | 2,566,000                   | 2,566,000              | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Technology and communication</b>               |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| NetSol Technologies Limited                       | -                   | 1,000                       | 1,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Transport</b>                                  |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Pakistan International Bulk Terminal              | -                   | 387,000                     | 378,000                | 9,000                   | 101                                    | 102                                  | 1               | 0.02  | 0.01                                     | -   |
|   |                     |                             |                        |                         | 101                                    | 102                                  | 1               | 0.02  | 0.01                                     | -   |
| <b>Vanaspati and allied industries</b>            |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Unity Foods Limited                               | -                   | 3,522,000                   | 3,193,000              | 329,000                 | 5,221                                  | 5,251                                | 30              | 0.82  | 0.59                                     | 0.10  |
|   |                     |                             |                        |                         | 5,221                                  | 5,251                                | 30              | 0.82  | 0.59                                     | 0.10  |
| <b>Fertilizer</b>                                 |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| Fauji Fertilizer Company Limited                  | -                   | 155,000                     | 155,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Engro Fertilizers Limited                         | -                   | 233,000                     | 233,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Fauji Fertilizer Bin Qasim Limited                | -                   | 327,000                     | 327,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Cement</b>                                     |                     |                             |                        |                         |  |                                      |                 |   |  |   |
| D.G. Khan Cement Company Limited                  | -                   | 274,000                     | 274,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Fauji Cement Company Limited                      | -                   | 64,000                      | 64,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Cherat Cement Company Limited                     | -                   | 75,000                      | 75,000                 | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Kohat Cement Company Limited                      | -                   | 7,000                       | 7,000                  | -                       | -                                      | -                                    | -               | -   | -  | -   |
| Pioneer Cement Limited                            | -                   | 180,000                     | 180,000                | -                       | -                                      | -                                    | -               | -   | -  | -   |
|   |                     |                             |                        |                         | -                                      | -                                    | -               | -   | -  | -   |
| <b>Total as at December 31, 2019 (Un-audited)</b> |                     |                             |                        |                         | <b>18,080</b>                          | <b>18,126</b>                        | <b>46</b>       |   |  |   |
| <b>Total as at June 30, 2019 (Audited)</b>        |                     |                             |                        |                         | -                                      | -                                    | -               |   |  |   |

5.4 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'  
(face value of Rs. 5,000 each unless otherwise stated)

| Face value of Net Asset each unless otherwise stated   |       |                           |                                   |                           |                               |  |   |                             |   |   |
|--|-------|---------------------------|-----------------------------------|---------------------------|-------------------------------|--|---|-----------------------------|---|---|
| Particulars  | Note  | As at<br>July 01,<br>2019 | Purchased<br>during the<br>period | Sold during<br>the period | As at<br>December<br>31, 2019 | Carrying value as<br>at December 31,<br>2019 | Market value<br>as at<br>December 31,<br>2019 | Unrealised<br>gain / (loss) | Market value<br>as a<br>percentage<br>of total<br>investments | Market value<br>as a<br>percentage<br>of net assets |
| (Number of certificates)   |       |                           |                                   |                           |                               | (Rupees in '000)                             |   | %                           |   |   |
| <b>Quoted</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| <b>Personal goods</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| Azgard Nine Limited - TFC (September 20, 2005)   | 5.5.1 | 1,000                     | -                                 | -                         | 1,000                         | 1,366  |   |                             |   |   |
| Less: Provision for impairment   |       |                           |                                   |                           |                               | (1,366)                                      |   |                             |   |   |
|  |       |                           |                                   |                           |                               | -  | -   | -                           | -   | -   |
| <b>Commercial banks</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| Soneri Bank Limited - TFC (July 08, 2015)  |       | 770                       | -                                 | (770)                     | -                             | -  | -   | -                           | -   | -   |
| Dawood Hercules Corporation Limited -<br>Sukuk (November 16, 2017) (Face value at<br>Rs.80,000 each) |       | 190                       | -                                 | -                         | 190                           | 15,150                                       | 15,160  | 10                          | 2.38  | 1.69  |
| Bank AL Habib Limited - TFC (March 17, 2016)<br>(Face value at Rs.4,993 each)                        |       | -                         | 1,200                             | -                         | 1,200                         | 5,881  | 5,887   | 6                           | 0.92  | 0.66  |
| Dawood Hercules Corporation Limited -<br>Sukuk (March 01, 2018) (Face value at Rs.<br>90,000 each)   |       | -                         | 700                               | -                         | 700                           | 62,791                                       | 62,795  | 4                           | 9.86  | 7.00  |
| <b>Total as at December 31, 2019 (Un-audited)</b>  |       |                           |                                   |                           |                               | <b>83,822</b>                                | <b>83,842</b>                                 | <b>20</b>                   | <b>13.16</b>  | <b>9.35</b>   |
| Total as at June 30, 2019 (Audited)  |       |                           |                                   |                           |                               | 21,050                                       | 20,774  | (276)                       |   |   |
| <b>Unquoted</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| <b>Personal goods</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| Azgard Nine Limited - PPTFC (December 04, 2007)  | 5.5.1 | 7,000                     | -                                 | -                         | 7,000                         | 13,181                                       |   |                             |   |   |
| Less: Provision for impairment   |       |                           |                                   |                           |                               | (13,181)                                     |   |                             |   |   |
|  |       |                           |                                   |                           |                               | -  | -   | -                           | -   | -   |
| <b>Household goods</b>   |       |                           |                                   |                           |                               |  |   |                             |   |   |
| New Allied Electronics Industries Limited -<br>TFC (May 15, 2007)                                    | 5.5.1 | 18,000                    | -                                 | -                         | 18,000                        | 18,094                                       |   |                             |   |   |
| Less: Provision for impairment   |       |                           |                                   |                           |                               | (18,094)                                     |   |                             |   |   |
|  |       |                           |                                   |                           |                               | -  | -   | -                           | -   | -   |
| New Allied Electronics Industries Limited -<br>Sukuk (December 03, 2007)                             | 5.5.1 | 10,000                    | -                                 | -                         | 10,000                        | 35,000                                       |   |                             |   |   |
| Less: Provision for impairment   |       |                           |                                   |                           |                               | (35,000)                                     |   |                             |   |   |
|  |       |                           |                                   |                           |                               | -  | -   | -                           | -   | -   |
| <b>Commercial banks</b>  |       |                           |                                   |                           |                               |  |   |                             |   |   |
| JS Bank Limited - TFC (December 14, 2016)  |       | 9,000                     | -                                 | (9,000)                   | -                             | -  | -   | -                           | -   | -   |
| Habib Bank Limited - TFC (February 19, 2016)<br>(Face value at Rs. 99,860 each)                      |       | 424                       | -                                 | -                         | 424                           | 41,673                                       | 41,432  | (241)                       | 6.51  | 4.62  |
| JS Bank Limited - TFC (December 29, 2017)*   |       | 1,000                     | -                                 | (1,000)                   | -                             | -  | -   | -                           | -   | -   |

| Particulars  | Note  | As at<br>July 01,<br>2019            | Purchased<br>during the<br>period | Sold during<br>the period | As at<br>December<br>31, 2019 | Carrying value as<br>at December 31,<br>2019 | Market value<br>as at<br>December 31,<br>2019 | Unrealised<br>gain / (loss) | Market value<br>as a<br>percentage<br>of total<br>investments | Market value<br>as a<br>percentage<br>of net assets |
|--|-------|--------------------------------------|-----------------------------------|---------------------------|-------------------------------|--|---|-----------------------------|---|---|
|  |       | ----- (Number of certificates) ----- |                                   |                           | ----- (Rupees in '000) -----  |  |   | ----- % -----               |   |   |
| <b>Investment banks</b>  |       |                                      |                                   |                           |                               |  |   |                             |   |   |
| Jahangir Siddiqui & Co. Ltd. - TFC (July 18, 2017)<br>(Face value at Rs. 3,750 each) |       | 20,000                               | -                                 | -                         | 20,000                        | 74,775                                       | 74,775  | -                           | 11.74   | 8.34  |
| <b>Chemical</b>  |       |                                      |                                   |                           |                               |  |   |                             |   |   |
| Ghani Gases Limited - Sukuk (February 02, 2017)                                      |       | 93                                   | -                                 | (93)                      | -                             | -  | -   | -                           | -   | -   |
| <b>Financial services</b>  |       |                                      |                                   |                           |                               |  |   |                             |   |   |
| Security Leasing Corporation Limited -<br>Sukuk II (September 19, 2007)              | 5.5.1 | 5,000                                | -                                 | -                         | 5,000                         | 5,574  |   |                             |   |   |
| Less: Provision for impairment   |       |                                      |                                   |                           |                               | (5,574)                                      |   |                             |   |   |
|  |       |                                      |                                   |                           |                               | -  | -   | -                           | -   | -   |
| <b>Total as at December 31, 2019 (Un-audited)</b>                                    |       |                                      |                                   |                           |                               | <b>116,448</b>                               | <b>116,207</b>                                | <b>(241)</b>                | <b>18.25</b>  | <b>12.96</b>  |
| Total as at June 30, 2019 (Audited)  |       |                                      |                                   |                           |                               | 281,461                                      | 275,953                                       | (5,508)                     |   |   |

|       |   |                               |                                |                   |
|-------|---|-------------------------------|--------------------------------|-------------------|
| 5.4.1 | <b>Name of security</b>                                 | <b>Number of certificates</b> | <b>Interest rate per annum</b> | <b>Maturity</b>   |
|       | Dawood Hercules Corporation Limited (November 16, 2017) | 190                           | 3M KIBOR + 1.00%               | November 16, 2022 |
|       | Bank AL Habib Limited (March 17, 2016)                  | 1,200                         | 6M KIBOR + 0.75%               | March 17, 2026    |
|       | Dawood Hercules Corporation Limited (March 01, 2018)    | 700                           | 3M KIBOR + 1.00%               | March 1, 2023     |
|       | Habib Bank Limited (February 19, 2016)                  | 424                           | 6M KIBOR + 0.50%               | February 19, 2026 |
|       | Jahangir Siddiqui & Co. Ltd. (July 18, 2017)            | 20,000                        | 6M KIBOR + 1.40%               | July 18, 2022     |

**5.5 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through Other Comprehensive Income'**  
(face value of Rs. 5,000 each unless otherwise stated)

|  |       | As at July<br>01, 2019               | Purchased<br>during the<br>period | Sold<br>during<br>the<br>period | As at<br>December<br>31, 2019 | Carrying<br>value as at<br>December<br>31, 2019 | Market<br>value as at<br>December<br>31, 2019 | Unrealised<br>gain | Market value<br>as a<br>percentage<br>of total<br>investment | Market value<br>as a<br>percentage<br>of net assets |
|--|-------|--------------------------------------|-----------------------------------|---------------------------------|-------------------------------|---|---|--------------------|--|---|
| Name of security                                       | Note  | ----- (Number of certificates) ----- |                                   |                                 |                               | ----- (Rupees in '000) -----                    |   |                    |  |   |
| <b><u>Quoted</u></b>                                   |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| <b>Personal goods</b>                                  |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| Azgard Nine Limited -<br>TFC (September 20, 2005)      | 5.5.1 | 21,150                               | -                                 | -                               | 21,150                        | 28,890  |   |                    |  |   |
| Less: Provision for impairment                         |       |                                      |                                   |                                 |                               | (28,890)  |   |                    |  |   |
|  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| Azgard Nine Limited -<br>TFC (May 17, 2010)            | 5.5.1 | 10,000                               | -                                 | -                               | 10,000                        | 29,375  |   |                    |  |   |
| Less: Provision for impairment                         |       |                                      |                                   |                                 |                               | (29,375)  |   |                    |  |   |
|  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Financial services</b>                              |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| Trust Investment Bank Limited -<br>TFC (July 04, 2008) | 5.5.1 | 23,877                               | -                                 | -                               | 23,877                        | 44,499  |   |                    |  |   |
| Less: Provision for impairment                         |       |                                      |                                   |                                 |                               | (44,499)  |   |                    |  |   |
|  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Total as at December 31, 2019 (Un-audited)</b>      |       |                                      |                                   |                                 |                               | <b>-</b>  | <b>-</b>                                      | <b>-</b>           | <b>-</b>   | <b>-</b>  |
| Total as at June 30, 2019 (Audited)                    |       |                                      |                                   |                                 |                               | -   | -   | -                  |  |   |

|   |       | As at July<br>01, 2019               | Purchased<br>during the<br>period | Sold<br>during<br>the<br>period | As at<br>December<br>31, 2019 | Carrying<br>value as at<br>December<br>31, 2019 | Market<br>value as at<br>December<br>31, 2019 | Unrealised<br>gain | Market value<br>as a<br>percentage<br>of total<br>investment | Market value<br>as a<br>percentage<br>of net assets |
|---|-------|--------------------------------------|-----------------------------------|---------------------------------|-------------------------------|---|---|--------------------|--|---|
| Name of security  | Note  | ----- (Number of certificates) ----- |                                   |                                 | ----- (Rupees in '000) -----  |   |   |                    |  |   |
| <b>Unquoted</b>   |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| <b>Household goods</b>  |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| New Allied Electronics Industries<br>(Private) Limited (May 15, 2007)   | 5.5.1 | 13,000                               | -                                 | -                               | 13,000                        | 13,068<br>(13,068)                              |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Chemicals</b>  |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| Agritech Limited - PPTFC<br>(January 14, 2008)                          | 5.5.1 | 147,000                              | -                                 | -                               | 147,000                       | 558,988<br>(558,988)                            |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| Agritech Limited - PPTFC<br>(November 30, 2007)                         | 5.5.1 | 58,000                               | -                                 | -                               | 58,000                        | 254,223<br>(254,223)                            |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| Agritech Limited - Sukuk<br>(August 06, 2008)                           | 5.5.1 | 3,800                                | -                                 | -                               | 3,800                         | 14,453<br>(14,453)                              |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Personal goods</b>   |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| Azgard Nine Limited - PPTFC<br>(December 04, 2007)                      | 5.5.1 | 33,000                               | -                                 | -                               | 33,000                        | 62,137<br>(62,137)                              |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Financial services</b>   |       |                                      |                                   |                                 |                               |   |   |                    |  |   |
| Security Leasing Corporation Limited -<br>Sukuk II (September 19, 2007) | 5.5.1 | 15,000                               | -                                 | -                               | 15,000                        | 16,454<br>(16,454)                              |   |                    |  |   |
| Less: Provision for impairment  |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| <b>Total as at December 31, 2019 (Un-audited)</b>                       |       |                                      |                                   |                                 |                               | -   | -   | -                  | -  | -   |
| Total as at June 30, 2019 (Audited)                                     |       |                                      |                                   |                                 |                               | -   | -   | -                  |  |   |

5.5.1 Due to non-recoverability of these investments, the Fund has classified these as non-performing securities and recognized full provision there against.

|  |       | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|-------|--------------------------------------|-------------------------------|
|  | Note  | ----- (Rupees in '000) -----         |                               |
| <b>5.6 Debt securities - Pre-IPO placement</b> |       |                                      |                               |
| Pre - IPO placement                            | 5.6.1 | <b>64,168</b>                        | 68,056                        |
| Less: Provision for impairment                 |       | <b>(64,168)</b>                      | (68,056)                      |
|  |       | <b>-</b>                             | <b>-</b>                      |

**5.6.1** This represents Pre-IPO disbursement to Cement Company (the Company) made on January 14, 2008. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement, however, the Company has not yet arranged the IPO. Accordingly, the Management Company decided to suspend mark-up on this placement from October 29, 2008 and has recorded full provision against the said placement (including principal and interest) in accordance with circular no. 33 of 2012 issued by the SECP.

During the period, the Company has paid Rs.5.554 million against the said disbursement out of which Rs.1.666 million and Rs.3.888 million relates to interest and principal. Accordingly, the Management Company has reversed the provision for impairment with the amount received.

**5.7** This carries mark-up of 14.00% (June 30, 2019: 14.00%) held with Pak Brunei Investment Company and will mature by January 02, 2020.

**5.8 Disclosure of non compliant investments as at 31 December 2019**

| Name of security               | Note  | As at July<br>01, 2019 | Purchased<br>during the<br>period | Sold during<br>the period | As at<br>December 31,<br>2019 | Carrying value<br>as at 31<br>December 2019<br>(Rupees in '000) | Percentage of<br>total investment | Percentage of<br>net assets |
|--------------------------------|-------|------------------------|-----------------------------------|---------------------------|-------------------------------|---|-----------------------------------|-----------------------------|
| ----- (Number of shares) ----- |       |                        |                                   |                           |                               |   |                                   |                             |
| <b>Personal goods</b>          |       |                        |                                   |                           |                               |   |                                   |                             |
| Azgard Nine Limited            | 5.8.1 | <u>200,000</u>         | <u>-</u>                          | <u>-</u>                  | <u>200,000</u>                | <u>-</u>  | <u>0.00%</u>                      | <u>0.00%</u>                |

**5.8.1** These represents cumulative, non-voting, convertible and redeemable preference shares having 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 has made full provision of Rs.0.85 million against the outstanding amount.

| Name of non-compliant investment                                   | Exposure Type | % of Issue | Limit | Excess |
|--|---------------|------------|-------|--------|
| Trust Investment Bank Limited (July 04, 2008)                      | Per Issue     | 20%        | 10%   | 10%    |
| Agritech Limited (November 30, 2007)                               | Per Issue     | 19%        | 10%   | 9%     |
| New Allied Electronics Industries (private) Limited (May 15, 2007) | Per Issue     | 17%        | 10%   | 7%     |
| Security Leasing Corporation Limited (September 19, 2007)          | Per Issue     | 13%        | 10%   | 3%     |
| Agritech Limited (January 14, 2008)                                | Per Issue     | 11%        | 10%   | 1%     |

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A and 151 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----         |                               |
| <b>7. PAYABLE TO UBL FUND MANAGERS LIMITED -<br/>MANAGEMENT COMPANY</b> |      |                                      |                               |
| Remuneration payable to the Management Company                          | 7.1  | <b>1,792</b>                         | 1,688                         |
| Sales tax on management fee   | 7.2  | <b>233</b>                           | 219                           |
| Allocated expenses payable  | 7.3  | <b>327</b>                           | 171                           |
| Selling and marketing expenses payable                                  | 7.4  | <b>1,840</b>                         | 2,094                         |
| Sales load payable  |      | <b>559</b>                           | 141                           |
| Other payables  |      | <b>86</b>                            | 83                            |
|   |      | <b>4,837</b>                         | 4,396                         |

**7.1** The Management Company is entitled to remuneration for services rendered to the Fund at the rate of 8% of the daily gross earnings with minimum cap of 0.25% and maximum cap of 1.5% of average daily net assets. The remuneration is paid to the Management Company on monthly basis in arrears.

**7.2** Sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

**7.3** Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of upto 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

**7.4** The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

#### 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets.

#### 9. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.075%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

|  |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|------|--------------------------------------|-------------------------------|
|  | Note | ----- (Rupees in '000) -----         |                               |
| <b>10. ACCRUED EXPENSES AND OTHER PAYABLES</b>     |      |                                      |                               |
| Provision for indirect duties and taxes            | 10.1 | 24,359                               | 24,359                        |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 10.2 | 13,772                               | 12,137                        |
| Auditors' remuneration                             |      | 148                                  | 258                           |
| Brokerage payable                                  |      | 1,008                                | 568                           |
| Withholding tax / zakat deducted at source payable |      | 528                                  | 9,246                         |
| Capital gains tax payable                          |      | 714                                  | 706                           |
| Legal and professional charges payable             |      | 123                                  | 76                            |
| Custodian fee payable                              |      | 83                                   | 45                            |
| Transaction charges payable to NCCPL               |      | 91                                   | 90                            |
| Sales load and other payables                      |      | 1,419                                | 1,406                         |
|  |      | <b>42,245</b>                        | <b>48,891</b>                 |

**10.1** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 15.1 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2019 would have been higher by Rs.2.43 (June 30, 2019: Rs.1.19) per unit.

**10.2** The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 15.2 to the annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided, the net assets value per unit of the Fund would have been higher by Rs.1.37 (June 30, 2019: Re.0.60).

#### 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.



**12. 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 intends to distribute through cash at least 90% of the Fund's net accounting income by the year-end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

**13. EARNINGS PER UNIT**

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

**14. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 2.20% as on December 31, 2019 (2018: 1.40%), this includes 0.39% (2018: 0.21%) representing Government Levy, Sindh Workers' Welfare Fund and SECP fee and 0.00% (2018: Nil) representing expenses relating to spread transactions. This ratio is within the maximum limit of 2.5% prescribed under the NBFC regulation 60 (5) for a collective investment scheme categorised as income scheme.

**15. TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES**

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Financial Services (Private) Limited, being entity under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions with related parties / connected persons and balances with them at the period end, other than those which have been specifically disclosed elsewhere in these interim financial statements are as follows:

| Management company   | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|--|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) -----   |                      |         |                               |                              |   |
| ----- (For the half year ended December 31, 2019) (Un-audited) ----- |                      |         |                               |                              |   |

**Transactions during the period**

|  |           |         |           |       |         |
|--|-----------|---------|-----------|-------|---------|
| Profit on bank balances                      | -         | 287     | -         | -     | -       |
| Units issued                                 | 1,955,823 | -       | -         | 4,480 | 70,506  |
| Units redeemed                               | 2,657,065 | -       | -         | 3,009 | 216,513 |
| Bank charges                                 | -         | 5       | -         | -     | -       |
| Purchase of securities                       | -         | -       | 486,656   | -     | -       |
| Sale of securities                           | -         | 133,081 | 1,197,612 | -     | -       |
| Remuneration *                               | 9,333     | -       | 653       | -     | -       |
| Expenses allocated by the Management Company | 770       | -       | -         | -     | -       |
| Selling and marketing expenses               | 3,081     | -       | -         | -     | -       |
| Central Depository Service charges           | -         | -       | 2         | -     | -       |
| Dividend paid                                | -         | -       | -         | -     | -       |

----- (Rupees in '000) -----  
 ----- (For the half year ended December 31, 2018) (Un-audited) -----

**Transactions during the period**

|  |       |       |         |    |        |
|--|-------|-------|---------|----|--------|
| Profit on bank balances                      | -     | 1,529 | -       | -  | -      |
| Units issued                                 | -     | -     | -       | 11 | 9,905  |
| Units redeemed                               | -     | -     | -       | 6  | 47,869 |
| Bank charges                                 | -     | 11    | -       | -  | -      |
| Purchase of securities                       | -     | -     | -       | -  | -      |
| Sale of securities                           | -     | -     | 636,681 | -  | -      |
| Remuneration *                               | 8,624 | -     | 904     | -  | -      |
| Expenses allocated by the Management Company | 509   | -     | -       | -  | -      |
| Selling and marketing expenses               | 2,035 | -     | -       | -  | -      |
| Central Depository Service charges           | -     | -     | 54      | -  | -      |
| Dividend paid                                | -     | -     | -       | 6  | 10,780 |

|   | Management<br>company                              | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors and<br>key executives | Other connected<br>persons / related<br>parties |
|---|--|-------------------------|---------|-------------------------------------|---------------------------------|---|
|   | ----- (Rupees in '000) -----                       |                         |         |                                     |                                 |   |
|   | ----- (As at December 31, 2019) (Un-audited) ----- |                         |         |                                     |                                 |   |
| <b>Balances held</b>                            |  |                         |         |                                     |                                 |   |
| Units held (units in '000)                      | -  | -                       | -       | -                                   | 72                              | 4,063   |
| Units held (Rupees in '000)                     | -  | -                       | -       | -                                   | 6,438                           | 363,292   |
| Bank balances                                   | -  | 1,594                   | -       | -                                   | -                               | -   |
| Deposits  | -  | -                       | 100     | -                                   | -                               | -   |
| Markup receivable - bank balances               | -  | 208                     | -       | -                                   | -                               | -   |
| Remuneration payable                            | 2,025  | -                       | 137     | -                                   | -                               | -   |
| Expenses allocated by<br>the Management Company | 327  | -                       | -       | -                                   | -                               | -   |
| Sales load and other payable                    | 645  | 95                      | -       | -                                   | -                               | -   |
| Selling and marketing expenses                  | 1,840  | -                       | -       | -                                   | -                               | -   |
| CDC fee payable                                 | -  | -                       | 45      | -                                   | -                               | -   |
|   | ----- (Rupees in '000) -----                       |                         |         |                                     |                                 |   |
|   | ----- (As at June 30, 2019) (Audited) -----        |                         |         |                                     |                                 |   |
| <b>Balances held</b>                            |  |                         |         |                                     |                                 |   |
| Units held (number of units in '000)            | 7,850  | -                       | -       | -                                   | 55                              | 5,715   |
| Units held (Rupees in '000)                     | 667,635  | -                       | -       | -                                   | 4,678                           | 486,055   |
| Bank balances                                   | -  | 3,328                   | -       | -                                   | -                               | -   |
| Deposits  | -  | -                       | 100     | -                                   | -                               | -   |
| Mark-up receivable - bank balances              | -  | 118                     | -       | -                                   | -                               | -   |
| Remuneration payable                            | 1,907  | -                       | 243     | -                                   | -                               | -   |
| Expenses allocated by<br>the Management Company | 171  | -                       | -       | -                                   | -                               | -   |
| Sales load and other payable                    | 141  | 42                      | -       | -                                   | -                               | -   |
| Selling and marketing expenses                  | 2,094  | -                       | -       | -                                   | -                               | -   |
| CDC fee payable                                 | -  | -                       | 45      | -                                   | -                               | -   |
| Other payable                                   | 84   | -                       | -       | -                                   | -                               | -   |

\* Remuneration for the period is inclusive of sales tax

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

As at December 31, 2019 and June 30, 2019, the Fund held the following instruments measured at fair values:

17.1 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

**17.2** Figures have been rounded off to the nearest thousand rupee.

**18. DATE OF AUTHORISATION FOR ISSUE**

These interim financial statements was authorised for issue by the Board of Directors of the Management Company on 25 February, 2020

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

SD

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**Chief Executive Officer**

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
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 dividends yield potential preferably in the Financial Sector.

|                              |   |
|------------------------------|---|
| <b>Management Company</b>    | UBL Fund Managers Limited   |
| <b>Trustee</b>               | 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    |
| <b>Distribution Company</b>  | United Bank Limited<br>(for detail of others, please visit our website:<br><a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditors</b>              | BDO Ebrahim & Co., Chartered Accountants  |
| <b>Bankers</b>               | Allied Bank Limited<br>United Bank Limited<br>Soneri Bank Limited   |
| <b>Management Co. Rating</b> | AM 1 (VIS Credit Rating Company 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](http://www.cdcPakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL FINANCIAL SECTOR FUND**

**Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL FINANCIAL SECTOR FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of UBL FINANCIAL SECTOR FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). UBL Fund Managers Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 25 FEB 2020



BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |             | <b>December 31,<br/>2019<br/>(Unaudited)</b> | <b>June 30,<br/>2019<br/>(Audited)</b> |
|---|-------------|--|--|
|   | <b>Note</b> | <b>----- (Rupees in '000) -----</b>          |  |
| <b>ASSETS</b>   |             |  |  |
| Bank balances   | 4           | 58,522                                       | 64,596                                 |
| Investments   | 5           | 931,332                                      | 798,595                                |
| Mark-up / interest receivable                                       |             | 1,365  | 3,141                                  |
| Deposits, prepayments and other receivables                         |             | 2,583  | 2,518                                  |
| Preliminary expenses and floatation costs                           |             | 781  | 902                                    |
| Advance tax   | 6           | 39   | 39                                     |
| <b>TOTAL ASSETS</b>   |             | <b>994,622</b>                               | <b>869,791</b>                         |
| <b>LIABILITIES</b>  |             |  |  |
| Payable to UBL Fund Managers Limited - Management Company           |             | 6,350  | 3,957                                  |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 7           | 193  | 167                                    |
| Payable to Securities and Exchange Commission of Pakistan           | 8           | 82   | 605                                    |
| Accrued expenses and other liabilities                              | 9           | 4,651  | 3,709                                  |
| <b>TOTAL LIABILITIES</b>  |             | <b>11,276</b>                                | <b>8,438</b>                           |
| <b>NET ASSETS</b>   |             | <b>983,346</b>                               | <b>861,353</b>                         |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>               |             | <b>983,346</b>                               | <b>861,353</b>                         |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                | 10          |  |  |
|   |             | <b>----- (Number of units) -----</b>         |  |
| <b>NUMBER OF UNITS IN ISSUE</b>                                     |             | <b>10,907,536</b>                            | <b>10,745,730</b>                      |
|   |             | <b>----- (Rupees) -----</b>                  |  |
| <b>NET ASSETS VALUE PER UNIT</b>                                    |             | <b>90.1529</b>                               | <b>80.1577</b>                         |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**



**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |    | Half year ended<br>December 31,<br>2019 | Half Year ended<br>December 31,<br>2018 | Quarter ended<br>December 31,<br>2019 | Quarter ended<br>December 31,<br>2018 |
|--|----|---|---|---------------------------------------|---------------------------------------|
| Note ----- (Rupees in '000) -----  |    |   |   |                                       |                                       |
| <b>INCOME</b>  |    |   |   |                                       |                                       |
| Financial income   |    | 1,741                                   | 1,188                                   | 849                                   | 593                                   |
| Dividend income  |    | 23,607                                  | 9,965                                   | 10,962                                | 3,616                                 |
| Capital gain/(loss) on sale of investments - net   |    | 10,561                                  | (7,828)                                 | 10,402                                | (7,928)                               |
| Unrealised gain/(loss) on revaluation of investments<br>classified as financial asset 'at fair value through profit or loss' - net |    | 79,743                                  | (52,222)                                | 153,296                               | (37,098)                              |
| Other income   |    | -                                       | 29                                      | -                                     | 29                                    |
| <b>Total income/(loss)</b>   |    | <b>115,652</b>                          | <b>(48,868)</b>                         | <b>175,509</b>                        | <b>(40,788)</b>                       |
| <b>EXPENSES</b>  |    |   |   |                                       |                                       |
| Remuneration of UBL Fund Managers Limited - Management Company   |    | 8,170                                   | 4,529                                   | 4,332                                 | 2,240                                 |
| Sindh Sales Tax on Management Company's remuneration   |    | 1,062                                   | 589                                     | 563                                   | 291                                   |
| Allocated expenses   |    | 409                                     | 226                                     | 217                                   | 112                                   |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee   | 7  | 922                                     | 512                                     | 488                                   | 253                                   |
| Annual fee of Securities and Exchange Commission of Pakistan   | 8  | 82                                      | 215                                     | 44                                    | 106                                   |
| Bank charges   |    | 16                                      | 22                                      | 12                                    | 9                                     |
| Auditors' remuneration   |    | 197                                     | 117                                     | 146                                   | 66                                    |
| Brokerage and settlement expenses  |    | 913                                     | 938                                     | 512                                   | 388                                   |
| Listing fee  |    | 14                                      | 14                                      | 7                                     | 7                                     |
| Legal and professional charges   |    | 77                                      | 107                                     | 38                                    | 56                                    |
| Amortization of preliminary expenses and floatation costs  |    | 121                                     | 121                                     | 60                                    | 60                                    |
| Selling and marketing expenses   |    | 1,985                                   | 906                                     | 1,217                                 | 448                                   |
| Other expenses   |    | -                                       | 10                                      | -                                     | 5                                     |
| <b>Total operating expenses</b>  |    | <b>13,968</b>                           | <b>8,306</b>                            | <b>7,636</b>                          | <b>4,041</b>                          |
| <b>Operating profit / (loss) for the period</b>  |    | <b>101,684</b>                          | <b>(57,174)</b>                         | <b>167,873</b>                        | <b>(44,829)</b>                       |
| Provision for Sindh Workers' Welfare Fund  | 9  | (1,996)                                 | -                                       | (1,996)                               | -                                     |
| <b>Net profit / (loss) for the period before taxation</b>  |    | <b>99,688</b>                           | <b>(57,174)</b>                         | <b>165,877</b>                        | <b>(44,829)</b>                       |
| Taxation   | 11 | -                                       | -                                       | -                                     | -                                     |
| <b>Net profit / (loss) for the period after taxation</b>   |    | <b>99,688</b>                           | <b>(57,174)</b>                         | <b>165,877</b>                        | <b>(44,829)</b>                       |
| <b>Allocation of net income for the period</b>   |    |   |   |                                       |                                       |
| Income already paid on units redeemed  |    | (16,377)                                | -                                       | (16,377)                              | -                                     |
| <b>Net profit / (loss) for the period</b>  |    | <b>83,311</b>                           | <b>(57,174)</b>                         | <b>149,500</b>                        | <b>(44,829)</b>                       |
| <b>Income available for distribution:</b>  |    |   |   |                                       |                                       |
| Relating to capital gains  |    | 73,854                                  | -                                       | 147,248                               | -                                     |
| Excluding capital gains  |    | 9,457                                   | -                                       | 2,252                                 | -                                     |
|  |    | <b>83,311</b>                           | <b>-</b>                                | <b>149,500</b>                        | <b>-</b>                              |
| <b>Earnings per unit</b>   | 12 |   |   |                                       |                                       |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  | Half year ended<br>December 31,<br>2019 | Half year ended<br>December 31,<br>2018 | Quarter ended<br>December 31,<br>2019 | Quarter ended<br>December 31,<br>2018 |
|--|---|---|---------------------------------------|---------------------------------------|
|  | ----- (Rupees in '000) -----            |   |                                       |                                       |
| Net profit/(loss) for the period                                     | 99,688                                  | (57,174)                                | 144,517                               | (44,829)                              |
| Other comprehensive income   |   |   |                                       |                                       |
| Items that will be reclassified subsequently to income statement     | -                                       | -                                       |                                       | -                                     |
| Items that will not be reclassified subsequently to income statement | -                                       | -                                       |                                       | -                                     |
| Total comprehensive income/(loss) for the period                     | <u>99,688</u>                           | <u>(57,174)</u>                         | <u>144,517</u>                        | <u>(44,829)</u>                       |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | Half year ended<br>December 31,<br>2019 | Half year ended<br>December 31,<br>2018 |
|--|---|---|
|  | (Rupees in '000)                        |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |   |
| Net profit/(loss) for the period before taxation   | 99,688                                  | (57,174)                                |
| Adjustments for:   |   |   |
| Financial income   | (1,741)                                 | (1,188)                                 |
| Dividend income  | (23,607)                                | (9,965)                                 |
| Capital (gain)/loss on sale of investments - net   | (10,561)                                | 7,828                                   |
| Unrealised (gain)/loss on revaluation of investments<br>classified as 'at fair value through profit or loss' - net | (79,743)                                | 52,222                                  |
| Provision for Sindh Workers' Welfare Fund  | (1,996)                                 | -                                       |
| Amortization of preliminary expenses and floatation costs  | 121                                     | 121                                     |
|  | (117,527)                               | 49,018                                  |
| <b>Cash used in operations before working capital changes</b>  | (17,839)                                | (8,156)                                 |
|  | SD                                      |   |
| <b>Working capital changes</b>   |   |   |
| <b>(Increase) in assets</b>  |   |   |
| Investments - net  | (42,433)                                | (115,858)                               |
| Advance tax  | -                                       | (39)                                    |
| Deposits, prepayments and other receivables  | (65)                                    | (2,810)                                 |
|  | (42,498)                                | (118,707)                               |
| <b>Increase / (decrease) in liabilities</b>  |   |   |
| Payable to UBL Fund Managers Limited - Management Company  | 2,393                                   | (365)                                   |
| Payable to Central Depository Company of Pakistan Limited - Trustee  | 26                                      | 38                                      |
| Annual fee payable to Securities and Exchange Commission of Pakistan   | (523)                                   | 175                                     |
| Accrued expenses and other liabilities   | 2,938                                   | (29,865)                                |
|  | 4,834                                   | (30,017)                                |
| Profit received on bank balances   | 3,517                                   | 439                                     |
| Dividend received  | 23,607                                  | 9,965                                   |
| <b>Net cash used in operating activities</b>   | (28,379)                                | (146,476)                               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |
| Receipts from issuance of units  | 402,314                                 | 315,487                                 |
| Payment against redemption of units  | (380,009)                               | (263,467)                               |
| <b>Net cash generated from financing activities</b>  | 22,305                                  | 52,020                                  |
| <b>Net decrease in cash and cash equivalents</b>   | (6,074)                                 | (94,456)                                |
| Cash and cash equivalents at the beginning of the period   | 64,596                                  | 112,287                                 |
| <b>Cash and cash equivalents at the end of the period</b>  | 58,522                                  | 17,831                                  |
| <b>CASH AND CASH EQUIVALENT</b>  |   |   |
| Bank balances  | 58,522                                  | 17,831                                  |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

SD

SD

SD

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | -----Half year ended December 31, 2019----- |                    |                 | -----Half year ended December 31, 2018----- |                    |   |                 |
|---|---|--------------------|-----------------|---|--------------------|---|-----------------|
|   | Capital value                               | Undistributed loss | Total           | Capital value                               | Undistributed loss | Unrealised diminution on re-measurement of investments classified as 'available for sale' - net | Total           |
|   | ----- (Rupees in '000) -----                |                    |                 | ----- (Rupees in '000) -----                |                    |   |                 |
| Net assets at the beginning of the period   | 981,918                                     | (120,565)          | 861,353         | 387,846                                     | (119)              | (15,574)  | 372,153         |
| Transfer of unrealised diminution on re-measurement of investments classified as 'available for sale' - net to undistributed loss upon adoption of IFRS-9 | -   | -                  | -               | -   | (15,574)           | 15,574  | -               |
| Issuance of 4,824,699 units   |   |                    |                 |   |                    |   |                 |
| Capital value of units  | 386,737                                     | -                  | 386,737         | 323,206                                     | -                  | -   | 323,206         |
| Element of income/(loss)  |   |                    |                 |   |                    |   |                 |
| Due to net income earned / (loss) incurred  | 15,577                                      | -                  | 15,577          | (7,719)                                     | -                  | -   | (7,719)         |
| <b>Total proceeds on issuance of units</b>  | 402,314                                     | -                  | 402,314         | 315,487                                     | -                  | -   | 315,487         |
| Redemption of 4,662,893 units   |   |                    |                 |   |                    |   |                 |
| Capital value of units  | (373,767)                                   | -                  | (373,767)       | (275,601)                                   | -                  | -   | (275,601)       |
| Element of (loss) / income  | -   | -                  | -               | -   | -                  | -   | -               |
| Due to net income earned / (loss) incurred  | 10,135                                      | (16,377)           | (6,242)         | 12,134                                      | -                  | -   | 12,134          |
| <b>Total payments on redemption of units</b>  | (363,632)                                   | (16,377)           | (380,009)       | (263,467)                                   | -                  | -   | (263,467)       |
| Total comprehensive income/(loss) for the period  | -   | 99,688             | 99,688          | -   | (57,174)           | -   | (57,174)        |
| <b>Net assets at the end of the period</b>  | <u>1,020,600</u>                            | <u>(37,254)</u>    | <u>983,346</u>  | <u>439,866</u>                              | <u>(72,867)</u>    | <u>-</u>  | <u>366,999</u>  |
| Undistributed loss / Unrealised diminution on re-measurement of investments classified as 'available for sale' brought forward comprises of:              |   |                    |                 |   |                    |   |                 |
| Realised loss   |   | (9,249)            | (9,249)         |   | (119)              | -   | (119)           |
| Unrealised loss   |   | (111,316)          | (111,316)       |   | -                  | (15,574)  | (15,574)        |
| Total undistributed loss brought forward  |   | (120,565)          | (120,565)       |   | (119)              | (15,574)  | (15,693)        |
| Transfer of unrealised diminution on re-measurement of investments classified as 'available for sale' - net to undistributed loss upon adoption of IFRS-9 |   | -                  | -               |   | (15,574)           | 15,574  | -               |
| <b>Income available for distribution:</b>   |   |                    |                 |   |                    |   |                 |
| Relating to capital gains   | 73,854                                      |                    | 73,854          | -   |                    | -   | -               |
| Excluding capital gains   | 9,457                                       |                    | 9,457           | -   |                    | -   | -               |
|   | 83,311                                      |                    | 83,311          | -   |                    | -   | -               |
| <b>Net loss for the period</b>  | -   | -                  | -               | (57,174)                                    | -                  | -   | (57,174)        |
| <b>Undistributed loss carried forward</b>   | <u>(37,254)</u>                             | <u>(37,254)</u>    | <u>(37,254)</u> | <u>(72,867)</u>                             | <u>-</u>           | <u>-</u>  | <u>(72,867)</u> |
| <b>Undistributed loss carried forward comprises of:</b>   |   |                    |                 |   |                    |   |                 |
| Realised loss   |   | (116,997)          | (116,997)       |   | (20,645)           | -   | (20,645)        |
| Unrealised gain   |   | 79,743             | 79,743          |   | (52,222)           | -   | (52,222)        |
| <b>Total undistributed loss carried forward</b>   | <u>(37,254)</u>                             | <u>(37,254)</u>    | <u>(37,254)</u> | <u>(72,867)</u>                             | <u>-</u>           | <u>-</u>  | <u>(72,867)</u> |
|   |   | (Rupees)           |                 |   |                    | (Rupees)  |                 |
| Net assets value per unit at the beginning of the period  |   | 80.1577            |                 |   |                    | 91.2211   |                 |
| Net assets value per unit at the end of the period  |   | 90.1529            |                 |   |                    | 79.7557   |                 |

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

**SD**

**CHIEF EXECUTIVE OFFICER**

**SD**

**CHIEF FINANCIAL OFFICER**

**SD**

**DIRECTOR**

**UBL FINANCIAL SECTOR FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 UBL Financial Sector Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated February 21, 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on March 12, 2018 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an equity scheme (sector specific) 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 were initially offered to public on IPO dated April 05, 2018 and are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended sector (equity) scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund 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 financial sector.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2019.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the audited financial statements of the Fund for the year ended June 30, 2019. The comparative information for condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cashflows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN**

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the audited financial statements as at and for the year ended June 30, 2019.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in audited financial statements of the Fund for the year ended June 30, 2019.

|     |  | December 31,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | June 30,<br>2019<br>(Audited) |
|-----|--|---|-------------------------------|
|     | Note   |   |                               |
| 4   | <b>BANK BALANCES</b>   |   |                               |
|     | Cash at bank   |   |                               |
|     | In savings accounts  | 4.1   | <u>58,522</u> <u>64,596</u>   |
| 4.1 | Profit rates on these savings accounts range between 8% to 12% per annum (June 30, 2019: 8% to 10.25%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 58.508 million (June 30, 2019: Rs. 63.897 million) on which profit is earned at 12.25% per annum. |   |                               |
| 5   | <b>INVESTMENTS IN EQUITY SHARES</b>  |   |                               |
|     | Financial assets classified as at fair value through profit or loss  | 5.1   | <u>931,332</u> <u>798,595</u> |



5.1 Financial asset classified as Fair value through profit or loss  
(Shares of listed company - fully paid up ordinary shares of Rs. 10 each unless otherwise stated)

| Name of investee company          | Number of shares           |                             |                        |                         | Balance as at December 31, 2019        |                                      |  |                                  | As at December 31, 2019                    |   |   |
|-----------------------------------|----------------------------|-----------------------------|------------------------|-------------------------|--|--------------------------------------|--|----------------------------------|--|---|---|
|                                   | As at July 1, 2019         | Purchased during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealised gain / (loss) on revaluation of investments | Market value as at June 30, 2019 | Market value as a percentage of net assets | Market value as a percentage of total value of investment | Investment as percentage of paid up capital of investee company |
|                                   | -----Number of shares----- |                             |                        |                         | ----- (Rupees in '000) -----           |                                      |  |                                  |  |   |   |
| COMMERCIAL BANKS                  |                            |                             |                        |                         |  |                                      |  |                                  |  |   |   |
| Allied Bank Limited               | 1,322,800                  | 321,900                     | -                      | 1,644,700               | 169,346                                | 157,233                              | (12,113)   | 138,920                          | 15.99%                                     | 16.88%  | 1.37%   |
| Bank Al Falah Limited             | 3,379,400                  | 221,000                     | 788,000                | 2,812,400               | 123,156                                | 128,527                              | 5,371  | 147,308                          | 13.07%                                     | 13.80%  | 0.72%   |
| United Bank Limited               | 543,800                    | 35,100                      | 99,500                 | 479,400                 | 70,452                                 | 78,861                               | 8,409  | 80,145                           | 8.02%                                      | 8.47%   | 0.64%   |
| Habib Bank Limited                | 1,246,400                  | 206,400                     | 433,300                | 1,019,500               | 123,185                                | 160,490                              | 37,305   | 141,168                          | 16.32%                                     | 17.23%  | 1.09%   |
| MCB Bank Limited                  | 476,600                    | 65,000                      | 116,100                | 425,500                 | 75,710                                 | 87,202                               | 11,492   | 83,143                           | 8.87%                                      | 9.36%   | 0.74%   |
| Arif Habib limited                | -                          | 193,500                     | -                      | 193,500                 | 11,613                                 | 11,008                               | (605)  | -                                | 1.12%                                      | 1.18%   | 0.07%   |
| Bank Al Habib Limited             | 679,000                    | 1,179,000                   | 67,500                 | 1,790,500               | 133,212                                | 136,365                              | 3,153  | 53,220                           | 13.87%                                     | 14.64%  | 1.23%   |
| National Bank of Pakistan         | 543,500                    | 49,000                      | 503,000                | 89,500                  | 2,977                                  | 3,875                                | 898  | 18,294                           | 0.39%                                      | 0.42%   | 0.02%   |
|                                   | 8,191,500                  | 2,270,900                   | 2,007,400              | 8,455,000               | 709,651                                | 763,561                              | 53,910   | 662,198                          | 77.65%                                     | 81.99%  |   |
| INSURANCE                         |                            |                             |                        |                         |  |                                      |  |                                  |  |   |   |
| Adamjee Insurance Company Limited | 3,891,500                  | 444,500                     | 350,000                | 3,986,000               | 141,938                                | 167,771                              | 25,833   | 136,397                          | 17.06%                                     | 18.01%  | 4.79%   |
|                                   | 3,891,500                  | 444,500                     | 350,000                | 3,986,000               | 141,938                                | 167,771                              | 25,833   | 136,397                          | 17.06%                                     | 18.01%  |   |
| Total - December 31, 2019         | 12,083,000                 | 2,715,400                   | 2,357,400              | 12,441,000              | 851,589                                | 931,332                              | 79,743   | 798,595                          | 94.71%                                     | 100.00%   |   |

5.1.1 The above securities include 590,000 shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 37.01 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

## 6 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 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 Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time.

|   |  |
|---|--|
| <b>December 31,<br/>2019<br/>(Un-Audited)</b> | <b>June 30,<br/>2019<br/>(Audited)</b> |
| -----Rupees in '000-----                      |  |

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

|                     |            |            |
|---------------------|------------|------------|
| Trustee fee payable | <u>193</u> | <u>167</u> |
|---------------------|------------|------------|

- 7.1 As per the Trust Deed and Offering Document, the tariff applicable to the Fund in respect of the Trustee fee during the year ended December 31, 2019 is as follows:

| Net assets                               | Tariff per annum   |
|--|--|
| Upto Rs. 1,000 million                   | Rs. 0.7 million or 0.20% p.a. of NAV,<br>whichever is higher |
| On an amount exceeding Rs. 1,000 million | Rs. 2.0 million plus 0.10% p.a. of NAV                       |

- 7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

|                    |     |           |            |
|--------------------|-----|-----------|------------|
| Annual fee payable | 8.1 | <u>82</u> | <u>605</u> |
|--------------------|-----|-----------|------------|

- 8.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

## **9 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **9.1 Provision for Sindh Workers' Welfare Fund**

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 1.996 million (June 30, 2019: Rs. Nil). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.1830 per unit (June 30, 2019: Rs. Nil).

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

## **11 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 the form of 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 intends to distribute by way of cash dividend at least 90% of the income as reduced by capital gain whether realized or unrealized earned by the end of this year to the unit holders. Accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## 12 EARNINGS PER UNIT

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

## 13 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.97% as on December 31, 2019 and this includes 0.41% representing Government levy, Sindh Workers' Welfare Fund and SECP fee.

## 14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Other transactions with the related parties / connected persons have been carried out at agreed terms.

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

|  | Management<br>Company        | Associated<br>Companies | Trustee | Directors and<br>Key Executives | Other<br>Connected<br>persons / related<br>parties |
|--|------------------------------|-------------------------|---------|---------------------------------|--|
|  | ----- (Un-Audited) -----     |                         |         |                                 |  |
|  | ----- (Rupees in '000) ----- |                         |         |                                 |  |
| <b>Transactions during the half year ended December 31, 2019</b> |                              |                         |         |                                 |  |
| Profit on savings accounts                                       | -                            | 1,741                   | -       | -                               | -  |
| Bank charges   | -                            | 16                      | -       | -                               | -  |
| Units issued   | 212,000                      | 2,596                   | -       | -                               | -  |
| Units redeemed   | 145,527                      | 1,393                   | -       | 1,960                           | -  |
| Purchase of equity securities                                    | -                            | 4,943                   | -       | -                               | -  |
| Sale of equity securities  | -                            | 15,927                  | -       | -                               | -  |
| Sales load paid  | 1,335                        | 2                       | -       | -                               | -  |
| Dividend received  | -                            | 2,864                   | -       | -                               | -  |
| Remuneration (including sales tax)                               | 9,232                        | -                       | 922     | -                               | -  |
| Allocated expenses   | 409                          | -                       | -       | -                               | -  |
| Selling and marketing expenses                                   | 1,985                        | -                       | -       | -                               | -  |
| CDS expense  | -                            | -                       | 8       | -                               | -  |

|  | Management<br>Company        | Associated<br>Companies | Trustee | Directors and<br>Key Executives | Other<br>Connected<br>persons / related<br>parties |
|--|------------------------------|-------------------------|---------|---------------------------------|--|
|  | ----- (Un-Audited) -----     |                         |         |                                 |  |
|  | ----- (Rupees in '000) ----- |                         |         |                                 |  |
| <b>Transactions during the half year<br/>ended December 31, 2018</b> |                              |                         |         |                                 |  |
| Profit on savings accounts   | -                            | 1,188                   | -       | -                               | -  |
| Bank charges   | -                            | 21                      | -       | -                               | -  |
| Units issued   | 75,000                       | -                       | -       | 7,100                           | -  |
| Units redeemed   | 75,604                       | -                       | -       | 1,863                           | -  |
| Purchase of equity securities  | -                            | 36,215                  | -       | -                               | -  |
| Sale of equity securities  | -                            | 24,232                  | -       | -                               | -  |
| Sales load paid  | 3,008                        | -                       | -       | -                               | -  |
| Dividend received  | -                            | 1,350                   | -       | -                               | -  |
| Remuneration (including sales tax)                                   | 5,118                        | -                       | 512     | -                               | -  |
| Allocated expenses   | 226                          | -                       | -       | -                               | -  |
| Selling and marketing expenses                                       | 906                          | -                       | -       | -                               | -  |
| <b>Balances held as at December 31, 2019</b>                         |                              |                         |         |                                 |  |
| Units held (in Units '000)   | 2,296                        | 5,107                   | -       | 46                              | -  |
| Units held (in Rupees '000)  | 206,985                      | 460,445                 | -       | 4,159                           | -  |
| Bank balances  | -                            | 58,508                  | -       | -                               | -  |
| Profit receivable  | -                            | 1,365                   | -       | -                               | -  |
| Investments  | -                            | 78,861                  | -       | -                               | -  |
| Remuneration payable   | 1,947                        | -                       | 193     | -                               | -  |
| Allocated expenses payable   | 153                          | -                       | -       | -                               | -  |
| Selling and marketing expense payable                                | 1,218                        | -                       | -       | -                               | -  |
| Sales load payable   | 3,025                        | -                       | -       | -                               | -  |
| Conversion charges payable   | 7                            | -                       | -       | -                               | -  |
| <b>Balances held as at June 30, 2019</b>                             |                              |                         |         |                                 |  |
|  | ----- (Audited) -----        |                         |         |                                 |  |
| Units held (in Units '000)   | 1,496                        | 5,096                   | -       | 67                              | -  |
| Units held (in Rupees '000)  | 119,948                      | -                       | -       | 5,375                           | -  |
| Bank balances  | -                            | 64,583                  | -       | -                               | -  |
| Profit receivable  | -                            | 3,141                   | -       | -                               | -  |
| Investments  | -                            | 80,145                  | -       | -                               | -  |
| Remuneration payable   | 1,671                        | -                       | 167     | -                               | -  |
| Allocated expenses payable   | 74                           | -                       | -       | -                               | -  |
| Selling and marketing expense payable                                | 917                          | -                       | -       | -                               | -  |
| Sales load payable   | 1,311                        | -                       | -       | -                               | -  |
| Conversion charges payable   | 5                            | -                       | -       | -                               | -  |

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price 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.

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

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

| Carrying Amount                   |                | Fair value                          |         |         |
|-----------------------------------|----------------|-------------------------------------|---------|---------|
| As at December 31, 2019           |                | ----- As at December 31, 2019 ----- |         |         |
| Fair value through profit or loss | Amortised cost | Level 1                             | Level 2 | Level 3 |

----- (Un-Audited)-----

----- Rupees in '000-----

**Financial assets measured at fair value**

Investments

|         |   |         |   |   |
|---------|---|---------|---|---|
| 931,332 | - | 931,332 | - | - |
|---------|---|---------|---|---|

**Financial assets not measured at fair value**

Bank balances

Mark-up / interest receivable

Deposits and other receivables

|         |        |         |   |   |
|---------|--------|---------|---|---|
| -       | 58,522 | -       | - | - |
| -       | 1,365  | -       | - | - |
| -       | 2,500  | -       | - | - |
| -       | 62,387 |         |   |   |
| 931,332 | 62,387 | 931,332 | - | - |

**Financial liabilities not measured at fair value**

Payable to UBL Fund Managers Limited Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Accrued expenses and other liabilities

|   |       |   |   |   |
|---|-------|---|---|---|
| - | 6,126 | - | - | - |
| - | 171   | - | - | - |
| - | 2,247 | - | - | - |
| - | 8,544 | - | - | - |

| Carrying Amount   |                | Fair value                      |         |         |
|---|----------------|---------------------------------|---------|---------|
| --- As at June 30, 2019 ---   |                | ----- As at June 30, 2019 ----- |         |         |
| Fair value through profit or loss                                   | Amortised cost | Level 1                         | Level 2 | Level 3 |
| ----- (Audited)-----  |                |                                 |         |         |
| ----- Rupees in '000-----   |                |                                 |         |         |
| <b>Financial assets measured at fair value</b>                      |                |                                 |         |         |
| Investments   |                | 798,595                         | -       | -       |
|   |                | 798,595                         | -       | -       |
| <b>Financial assets not measured at fair value</b>                  |                |                                 |         |         |
| Bank balances   | 64,596         | -                               | -       | -       |
| Mark-up / interest receivable                                       | 3,141          | -                               | -       | -       |
| Deposits and other receivables                                      | 2,518          | -                               | -       | -       |
|   |                | 798,595                         | 70,255  | -       |
| <b>Financial liabilities not measured at fair value</b>             |                |                                 |         |         |
| Payable to UBL Fund Managers Limited Management Company             | 3,765          | -                               | -       | -       |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 148            | -                               | -       | -       |
| Accrued expenses and other liabilities                              | 3,705          | -                               | -       | -       |
|   | 7,618          | -                               | -       | -       |

- 15.1 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.

## 15.2 Transfers during the period

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

## 16 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 period.

## 17 GENERAL

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

**18 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on 25 February 2020.

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

SD

**CHIEF EXECUTIVE OFFICE**

SD

**CHIEF FINANCIAL OFFICER**

SD

**DIRECTOR**

SD SD



# UFPF

## UBL Financial Planning Fund

### INVESTMENT OBJECTIVE

The objective of the fund is to generate returns on investments as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the Investor

|                             |  |
|-----------------------------|--|
| <b>Management Company</b>   | UBL Fund Managers Limited  |
| <b>Trustee</b>              | 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     |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditor</b>              | EY Ford Rhodes   |
| <b>Bankers</b>              | United Bank Limited  |
| <b>Management Co.Rating</b> | AM1 (VIS)  |

**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](http://www.cdcPakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL FINANCIAL SECTOR FUND**

**Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## **TO THE UNIT HOLDERS OF UBL FINANCIAL PLANNING FUND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Financial Planning Fund** (the Fund) as at **31 December 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 February 2020

**Karachi**

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2019**

|  |    | December 31, 2019 (Un-audited)                    |  |   |                | June 30, 2019 (Audited)                           |  | For the period<br>from October 24,<br>2018 to June 30,<br>2019 (Audited) |                |
|--|----|---|--|---|----------------|---|--|--|----------------|
|  |    | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total          | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III                      | Total          |
| Note   |    | (Rupees in '000)                                  |  |   |                |   |  |  |                |
| <b>ASSETS</b>  |    |   |  |   |                |   |  |  |                |
| Bank balances  | 4  | 157   | 55   | 288   | 500            | 1,195   | 521  | 1,751  | 3,467          |
| Investments  | 5  | 104,075   | 240,549  | 179,248   | 523,872        | 168,177   | 309,837  | 190,265  | 668,279        |
| Prepayments, mark-up and other receivables                                     |    | 136   | 231  | 1,405   | 1,772          | 46  | 188  | 21   | 255            |
| Advance tax  | 6  | 1   | -  | -   | 1              | 1   | -  | -  | 1              |
| Preliminary expenses and floatation costs                                      |    | 37  | 92   | -   | 129            | 167   | 203  | -  | 370            |
| <b>TOTAL ASSETS</b>  |    | <b>104,406</b>                                    | <b>240,927</b>                                     | <b>180,941</b>                                      | <b>526,274</b> | <b>169,586</b>                                    | <b>310,749</b>                                     | <b>192,037</b>   | <b>672,372</b> |
| <b>LIABILITIES</b>   |    |   |  |   |                |   |  |  |                |
| Payable to UBL Fund Managers Limited - Management Company                      | 7  | 466   | 588  | 37  | 1,091          | 463   | 570  | 21   | 1,054          |
| Payable to Central Depository Company of Pakistan - Trustee                    | 8  | 7   | 16   | 12  | 35             | 16  | 29   | 18   | 63             |
| Annual fee payable to Securities and Exchange<br>Commission of Pakistan (SECP) | 9  | 11  | 24   | 19  | 54             | 129   | 240  | 104  | 473            |
| Accrued expenses and other payables  | 10 | 441   | 880  | 571   | 1,892          | 226   | 1,194  | 1,447  | 2,867          |
| <b>TOTAL LIABILITIES</b>   |    | <b>925</b>  | <b>1,508</b>                                       | <b>639</b>  | <b>3,072</b>   | <b>834</b>  | <b>2,033</b>                                       | <b>1,590</b>   | <b>4,457</b>   |
| <b>NET ASSETS</b>  |    | <b>103,481</b>                                    | <b>239,419</b>                                     | <b>180,302</b>                                      | <b>523,202</b> | <b>168,752</b>                                    | <b>308,716</b>                                     | <b>190,447</b>   | <b>667,915</b> |
| <b>UNIT HOLDERS' FUND<br/>(AS PER STATEMENT ATTACHED)</b>                      |    |   |  |   |                |   |  |  |                |
|  |    | <b>103,481</b>                                    | <b>239,419</b>                                     | <b>180,302</b>                                      | <b>523,202</b> | <b>168,752</b>                                    | <b>308,716</b>                                     | <b>190,447</b>   | <b>667,915</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |    |   |  |   |                |   |  |  |                |
| 11   |    |   |  |   |                |   |  |  |                |
| <b>NUMBER OF UNITS IN ISSUE</b>  |    | <b>906,331</b>                                    | <b>2,154,046</b>                                   | <b>1,620,928</b>                                    |                | <b>1,636,777</b>                                  | <b>3,042,371</b>                                   | <b>1,898,372</b>   |                |
| <b>NET ASSETS VALUE PER UNIT</b>   |    | <b>114.1761</b>                                   | <b>111.1485</b>                                    | <b>111.2335</b>                                     |                | <b>103.1001</b>                                   | <b>101.4723</b>                                    | <b>100.3210</b>  |                |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

|   | For the period ended<br>December 31, 2019 (Un-audited) |  |   |   | Total        | For the period ended<br>December 31, 2018          |   | For the period<br>from October<br>24, 2018 to<br>December 31,<br>2018 | Total        | For the quarter ended December 31, 2019           |  |   | Total        | For the quarter ended<br>December 31, 2018        |  | For the period<br>from October<br>24, 2018 to<br>December 31,<br>2018 | Total |
|---|--|--|---|---|--------------|--|---|---|--------------|---|--|---|--------------|---|--|---|-------|
|   | UBL Active<br>Principal<br>Preservation<br>Plan I      | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | UBL Active<br>Principal<br>Preservation<br>Plan I |              | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III |   |              | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III |              | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II |   |       |
| Note  |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| (Rupees in '000)  |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| <b>INCOME</b>   |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| Mark-up on bank accounts  | 129  | 53   | 77  | 259   | 111          | 35   | 12  | 158   | 4            | 1   | 28   | 33  | 16           | 9   | 12   | 37  |       |
| Unrealised gain / (loss) on re-measurement of investments classified as 'at fair value through profit or loss | 8,113  | 15,090   | 16,351  | 39,554  | 1,116        | 1,932  | (623)   | 2,425   | 6,435        | 14,343  | 14,431   | 35,209  | (479)        | (357)   | (623)  | (1,459)   |       |
| Income from term deposit receipt (TDR)  | -  | 4,194  | -   | 4,194   | -            | 4,194  | -   | 4,194   | -            | 2,097   | -  | 2,097   | -            | 2,097   | -  | 2,097   |       |
| Net gain on redemption of investments classified as 'at fair value through profit or loss                     | 728  | 1,212  | 3,123   | 5,063   | 222          | 951  | 235   | 1,408   | 1,827        | 2,759   | 4,736  | 9,322   | 134          | 863   | 235  | 1,232   |       |
| Dividend income   | -  | -  | -   | -   | 74           | 670  | -   | 744   | -            | -   | -  | -   | -            | 230   | -  | 230   |       |
| Other income  | 1,504  | 1,801  | 683   | 3,988   | 171          | 568  | 6   | 745   | 7            | -   | 513  | 520   | 42           | 479   | 6  | 527   |       |
| <b>Total income</b>   | <b>10,474</b>  | <b>22,350</b>                                      | <b>20,234</b>                                       | <b>53,058</b>                                     | <b>1,694</b> | <b>8,350</b>                                       | <b>(370)</b>  | <b>9,674</b>  | <b>8,273</b> | <b>19,200</b>                                     | <b>19,708</b>                                      | <b>47,181</b>                                       | <b>(287)</b> | <b>3,321</b>                                      | <b>(370)</b>                                       | <b>2,664</b>  |       |
| <b>EXPENSES</b>   |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| Remuneration of the Management Company  | -  | 623  | -   | 623   | -            | 623  | -   | 623   | -            | 311   | -  | 311   | -            | 311   | -  | 311   |       |
| Sales tax on management fee   | -  | 81   | -   | 81  | -            | 81   | -   | 81  | -            | 40  | -  | 40  | -            | 40  | -  | 40  |       |
| Allocation of expenses relating to the Fund   | 57   | 122  | 95  | 274   | 87           | 162  | 39  | 288   | 25           | 59  | 48   | 132   | 43           | 80  | 39   | 162   |       |
| Remuneration of the Trustee   | 40   | 85   | 66  | 191   | 87           | 162  | 39  | 288   | 17           | 41  | 33   | 91  | 44           | 80  | 39   | 163   |       |
| Sales tax on remuneration of the Trustee  | 5  | 11   | 9   | 25  | 11           | 21   | 5   | 37  | 2            | 5   | 5  | 12  | 5            | 10  | 5  | 20  |       |
| Annual fee to SECP  | 11   | 24   | 19  | 54  | 65           | 122  | 29  | 216   | 5            | 11  | 10   | 26  | 32           | 60  | 29   | 121   |       |
| Amortization of preliminary expenses and floatation costs   | 130  | 112  | -   | 242   | 130          | 112  | -   | 242   | 65           | 56  | -  | 121   | 65           | 56  | -  | 121   |       |
| Auditors' remuneration  | 63   | 63   | 63  | 189   | 97           | 81   | 24  | 202   | 32           | 32  | 32   | 96  | 51           | 35  | 24   | 110   |       |
| Legal and professional charges  | 26   | 26   | 26  | 78  | 53           | 34   | 10  | 97  | 13           | 14  | 13   | 40  | 15           | 15  | 10   | 40  |       |
| Bank charges and other expenses   | 10   | 52   | 17  | 79  | 17           | 17   | 4   | 38  | 4            | 5   | 7  | 16  | 5            | 12  | 4  | 21  |       |
| <b>Total expenses</b>   | <b>342</b>   | <b>1,199</b>                                       | <b>295</b>  | <b>1,836</b>                                      | <b>547</b>   | <b>1,415</b>                                       | <b>150</b>  | <b>2,112</b>  | <b>163</b>   | <b>574</b>  | <b>148</b>   | <b>885</b>  | <b>260</b>   | <b>699</b>  | <b>150</b>   | <b>1,109</b>  |       |
| <b>Net income / (loss) for the period from operating activities</b>   | <b>10,132</b>  | <b>21,151</b>                                      | <b>19,939</b>                                       | <b>51,222</b>                                     | <b>1,147</b> | <b>6,935</b>                                       | <b>(520)</b>  | <b>7,562</b>  | <b>8,110</b> | <b>18,626</b>                                     | <b>19,560</b>                                      | <b>46,296</b>                                       | <b>(547)</b> | <b>2,622</b>                                      | <b>(520)</b>                                       | <b>1,555</b>  |       |
| Provision for Sindh Workers' Welfare Fund (SWWF)  | 10.1 (199)   | (415)  | (391)   | (1,005)   | (23)         | (136)  | -   | (159)   | (159)        | (365)   | (383)  | (907)   | (10)         | (51)  | -  | (62)  |       |
| <b>Net income for the period before taxation</b>  | <b>9,933</b>   | <b>20,736</b>                                      | <b>19,548</b>                                       | <b>50,217</b>                                     | <b>1,124</b> | <b>6,799</b>                                       | <b>(520)</b>  | <b>7,403</b>  | <b>7,951</b> | <b>18,261</b>                                     | <b>19,177</b>                                      | <b>45,389</b>                                       | <b>(557)</b> | <b>2,571</b>                                      | <b>(520)</b>                                       | <b>1,493</b>  |       |
| Taxation  | 12 -   | -  | -   | -   | -            | -  | -   | -   | -            | -   | -  | -   | -            | -   | -  | -   |       |
| <b>Net income / (loss) for the period after taxation</b>  | <b>9,933</b>   | <b>20,736</b>                                      | <b>19,548</b>                                       | <b>50,217</b>                                     | <b>1,124</b> | <b>6,799</b>                                       | <b>(520)</b>  | <b>7,403</b>  | <b>7,951</b> | <b>18,261</b>                                     | <b>19,177</b>                                      | <b>45,389</b>                                       | <b>(557)</b> | <b>2,571</b>                                      | <b>(520)</b>                                       | <b>1,493</b>  |       |
| <i>Allocation of net income for the period:</i>   |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| Net income for the period after taxation  | 9,933  | 20,736   | 19,548  | 50,217  | 1,124        | 6,799  | (520)   | 7,403   | 7,951        | 18,261  | 19,177   | 45,389  | (557)        | 2,571   | (520)  | 1,493   |       |
| Income already paid on units redeemed   | (93)   | (25)   | (1,993)   | (2,111)   | (61)         | (198)  | -   | (259)   | (14)         | -   | (1,993)  | (2,007)   | -            | -   | -  | -   |       |
|   | <b>9,840</b>   | <b>20,711</b>                                      | <b>17,555</b>                                       | <b>48,106</b>                                     | <b>1,063</b> | <b>6,601</b>                                       | <b>(520)</b>  | <b>7,144</b>  | <b>7,937</b> | <b>18,261</b>                                     | <b>17,184</b>                                      | <b>43,382</b>                                       | <b>(557)</b> | <b>2,571</b>                                      | <b>(520)</b>                                       | <b>1,493</b>  |       |
| <i>Accounting income / (loss) available for distribution</i>  |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |
| - Relating to capital gains   | 8,764  | 16,283   | 17,459  | 42,506  | 1,273        | 2,749  | -   | 3,502   | 8,248        | 16,283  | 17,152   | 41,683  | (345)        | 506   | -  | 161   |       |
| - Excluding capital gains   | 1,076  | 4,428  | 96  | 5,600   | (210)        | 3,852  | -   | 3,642   | (311)        | 1,978   | 32   | 1,699   | (212)        | 2,065   | -  | 1,852   |       |
|   | <b>9,840</b>   | <b>20,711</b>                                      | <b>17,555</b>                                       | <b>48,106</b>                                     | <b>1,063</b> | <b>6,601</b>                                       | <b>-</b>  | <b>7,144</b>  | <b>7,937</b> | <b>18,261</b>                                     | <b>17,184</b>                                      | <b>43,382</b>                                       | <b>(557)</b> | <b>2,571</b>                                      | <b>-</b>   | <b>1,493</b>  |       |
| <b>Earning per unit</b>   |  |  |   |   |              |  |   |   |              |   |  |   |              |   |  |   |       |

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The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

| For the period ended<br>December 31, 2019 (Un-audited) |  |   | Total  | For the period ended<br>December 31, 2018         |  | For the period<br>from October<br>24, 2018 to<br>December 31,<br>2018 | Total | For the quarter ended December 31, 2019             |   |  | Total  | For the quarter ended<br>December 31, 2018          |   | For the period<br>from October<br>24, 2018 to<br>December 31,<br>2018 | Total |  |
|--|--|---|--------|---|--|---|-------|---|---|--|--------|---|---|---|-------|--|
| UBL Active<br>Principal<br>Preservation<br>Plan I      | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III |        | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II |   |       | UBL Active<br>Principal<br>Preservation<br>Plan III | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II |        | UBL Active<br>Principal<br>Preservation<br>Plan III | UBL Active<br>Principal<br>Preservation<br>Plan I |   |       | UBL Active<br>Principal<br>Preservation<br>Plan II |
| (Rupees in '000)                                       |  |   |        |   |  |   |       |   |   |  |        |   |   |   |       |  |
| Net income / (loss) for the<br>period after taxation   | 9,933  | 20,736  | 19,548 | 50,217  | 1,124  | 6,799   | (520) | 7,403   | 7,951   | 18,261   | 19,177 | 45,389  | (557)   | 2,571   | (520) | 1,493  |
| Other comprehensive<br>income for the period           | -  | -   | -      | -   | -  | -   | -     | -   | -   | -  | -      | -   | -   | -   | -     | -  |
| Total comprehensive<br>income for the period           | 9,933  | 20,736  | 19,548 | 50,217  | 1,124  | 6,799   | (520) | 7,403   | 7,951   | 18,261   | 19,177 | 45,389  | (557)   | 2,571   | (520) | 1,493  |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

| For the period ended<br>December 31, 2019 (Un-audited)   |  |   |   | Total     | For the period ended December 31,<br>2018          |   | For the period from<br>October 24, 2018 to<br>December 31, 2018 | Total     |
|--|--|---|---|-----------|--|---|---|-----------|
| UBL Active<br>Principal<br>Preservation<br>Plan I  | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | UBL Active<br>Principal<br>Preservation<br>Plan I |           | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active Principal<br>Preservation Plan III |   |           |
| (Rupees in '000)   |  |   |   |           |  |   |   |           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |   |   |           |  |   |   |           |
| Net income / (loss) for the period before taxation   | 9,933  | 20,736  | 19,548  | 50,217    | 1,124  | 6,799   | (520)   | 7,403     |
| <b>Adjustments for:</b>  |  |   |   |           |  |   |   |           |
| Mark-up on bank accounts   | (129)  | (53)  | (77)  | (259)     | (111)  | (35)  | (12)  | (158)     |
| Unrealised (gain) / loss on re-measurement of investments<br>classified as 'at fair value through profit or loss | (8,113)  | (15,090)  | (16,351)  | (39,554)  | (1,116)  | (1,932)                                       | 623   | (2,425)   |
| Income from term deposit receipt (TDR)   | -  | (4,194)   | -   | (4,194)   | -  | (4,194)                                       | -   | (4,194)   |
| Net gain on sale of investments classified as<br>classified as 'at fair value through profit or loss             | (728)  | (1,212)   | (3,123)   | (5,063)   | (222)  | (951)   | (235)   | (1,408)   |
| Dividend income  | -  | -   | -   | -         | -  | (670)   | -   | (670)     |
| Amortization of preliminary expenses and floatation costs  | 130  | 112   | -   | 242       | 130  | 112   | -   | 242       |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 199  | 415   | 391   | 1,005     | 23   | 136   | -   | 159       |
|  | (8,641)  | (20,022)  | (19,160)  | (47,823)  | (1,296)  | (7,534)                                       | 376   | (8,454)   |
| <b>Decrease / (increase) in assets</b>   |  |   |   |           |  |   |   |           |
| Investments  | 72,944   | 85,591  | 30,492  | 189,027   | 4,477  | 22,212  | (210,369)   | (183,680) |
| Prepayments, mark-up and other receivables   | (15)   | 4,179   | (1,392)   | 2,772     | 61   | (4,227)                                       | (4)   |           |
| Advance tax  | -  | -   | -   | -         | (1)  | -   | -   | (1)       |
| Preliminary expenses and floatation costs  | -  | -   | -   | -         | (444)  | (444)   | (32)  | (920)     |
|  | 72,929   | 89,770  | 29,100  | 191,799   | 4,093  | 17,541  | (210,405)   | (184,601) |
| <b>Increase / (decrease) in liabilities</b>  |  |   |   |           |  |   |   |           |
| Payable to UBL Fund Managers Limited - Management Company  | 3  | 18  | 16  | 37        | 417  | (2,451)                                       | 3,593   | 1,559     |
| Payable to Central Depository Company of Pakistan - Trustee  | (9)  | (13)  | (6)   | (28)      | 1  | 2   | 20  | 23        |
| Annual fee payable to Securities and Exchange<br>Commission of Pakistan (SECP)                                   | (118)  | (216)   | (85)  | (419)     | 19   | 101   | 29  | 149       |
| Accrued expenses and other payables  | 16   | (729)   | (1,267)   | (1,980)   | 65   | (4,834)                                       | 1,369   | (3,400)   |
|  | (108)  | (940)   | (1,342)   | (2,390)   | 502  | (7,182)                                       | 5,011   | (1,669)   |
| Mark-up and dividend received  | 53   | 23  | 84  | 160       | 111  | 4,899   | 12  | 5,022     |
| <b>Net cash flows generated operating activities</b>   | 74,166   | 89,567  | 28,230  | 191,963   | 4,534  | 14,523  | (205,526)   | (186,468) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |  |   |   |           |  |   |   |           |
| Net receipt from issuance of units   | -  | -   | -   | -         | -  | 362   | 211,004   | 211,366   |
| Cash dividend paid to unit holders   | -  | -   | -   | -         | -  | (405)   | -   | (405)     |
| Net payment against redemption of units  | (75,204)   | (90,033)  | (29,693)  | (194,930) | (4,296)  | (14,194)                                      | (4,534)   | (23,024)  |
| <b>Net cash flows used in financing activities</b>   | (75,204)   | (90,033)  | (29,693)  | (194,930) | (4,296)  | (14,237)                                      | 206,470   | 187,937   |
| <b>Net increase in cash and cash equivalent during the period</b>  | (1,038)  | (466)   | (1,463)   | (2,967)   | 238  | 286   | 944   | 1,469     |
| Cash and cash equivalents at beginning of the period   | 1,195  | 521   | 1,751   | 3,467     | 749  | 80  | -   | 829       |
| <b>Cash and cash equivalents at end of the period</b>  | 157  | 55  | 288   | 500       | 987  | 366   | 944   | 2,297     |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

|  | For the period ended<br>December 31, 2019 (Un-audited) |                         |          |  |                         |          |   |                         |          | Total          | For The Period Ended December 31, 2018      |                         |                |  |                         |                | For the period from October 24, 2018<br>to December 31, 2018 |                         |                | Total    |  |
|--|--|-------------------------|----------|--|-------------------------|----------|---|-------------------------|----------|----------------|---|-------------------------|----------------|--|-------------------------|----------------|--|-------------------------|----------------|----------|--|
|  | UBL Active Principal Preservation<br>Plan I            |                         |          | UBL Active Principal Preservation<br>Plan II |                         |          | UBL Active Principal Preservation<br>Plan III |                         |          |                | UBL Active Principal Preservation<br>Plan I |                         |                | UBL Active Principal Preservation<br>Plan II |                         |                | UBL Active Principal Preservation<br>Plan III                |                         |                |          |  |
|  | Capital<br>value                                       | Undistributed<br>income | Total    | Capital<br>value                             | Undistributed<br>income | Total    | Capital<br>value                              | Undistributed<br>income | Total    |                | Capital<br>value                            | Undistributed<br>income | Total          | Capital<br>value                             | Undistributed<br>income | Total          | Capital<br>value   | Undistributed<br>income | Total          |          |  |
|  | (Rupees in '000)                                       |                         |          |  |                         |          |   |                         |          |                | (Rupees in '000)                            |                         |                |  |                         |                |  |                         |                |          |  |
| Net assets at beginning of the period  | 163,614  | 5,138                   | 168,752  | 304,219                                      | 4,497                   | 308,716  | 189,616                                       | 831                     | 190,447  | 667,915        | 171,657                                     | 1,508                   | 173,165        | 322,086                                      | 2,032                   | 324,118        | -  | -                       | -              | 497,283  |  |
| Issuance of units:   |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| UBL Active Principal Preservation Plan I<br>(Nil Units) (2018: Nil Units)          |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Capital value  | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | -  | -                       | -              | -        |  |
| - Element relating to the income for the period after taxation                     | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | -  | -                       | -              | -        |  |
| UBL Active Principal Preservation Plan II<br>(Nil Units) (2018: 3,606 Units)       |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Capital value  | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | 362  | -                       | 362            | -  | -                       | -              | 362      |  |
| - Element relating to the income for the period after taxation                     | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | -  | -                       | -              | -        |  |
| UBL Active Principal Preservation Plan III<br>(Nil Units) (2018: 2,110,001 Units)  |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Capital value  | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | 211,000  | -                       | 211,000        | 211,000  |  |
| - Element relating to the income for the period after taxation                     | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | 4  | -                       | 4              | 4        |  |
|  | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | 362  | -                       | 362            | 211,004  | -                       | 211,004        | 211,366  |  |
| Redemption of units  |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| UBL Active Principal Preservation Plan I<br>(730,446 Units) (2018: 42,023 Units)   | (75,309)   | -                       | (75,309) | -  | -                       | -        | -   | -                       | -        | (75,309)       | (4,239)                                     | -                       | (4,239)        | -  | -                       | -              | -  | -                       | -              | (4,239)  |  |
| - Capital value  | 198  | (93)                    | 105      | -  | -                       | -        | -   | -                       | -        | 105            | 4   | (61)                    | (57)           | -  | -                       | -              | -  | -                       | -              | (57)     |  |
| - Element relating to the income for the period after taxation                     |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| UBL Active Principal Preservation Plan II<br>(888,325 Units) (2018: 139,346 Units) |  |                         |          | (90,140)                                     | -                       | (90,140) | -   | -                       | -        | (90,140)       | -   | -                       | -              | (14,005)                                     | -                       | (14,005)       | -  | -                       | -              | (14,005) |  |
| - Capital value  | -  | -                       | -        | 132  | (25)                    | 107      | -   | -                       | -        | 107            | -   | -                       | -              | 9  | (198)                   | (189)          | -  | -                       | -              | (189)    |  |
| - Element relating to the income for the period after taxation                     | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | -                       | -              | -  | -                       | -              | -        |  |
| UBL Active Principal Preservation Plan III<br>(277,443 Units) (2018: 45,330 Units) |  |                         |          |  |                         |          | (27,833)                                      | -                       | (27,833) | (27,833)       | -   | -                       | -              | -  | -                       | -              | (4,533)  | -                       | (4,533)        | (4,533)  |  |
| - Capital value  | -  | -                       | -        | -  | -                       | -        | 133   | (1,993)                 | (1,860)  | (1,860)        | -   | -                       | -              | -  | -                       | -              | (1)  | -                       | (1)            | (1)      |  |
| - Element relating to the income for the period after taxation                     |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
|  | (75,111)   | (93)                    | (75,204) | (90,008)                                     | (25)                    | (90,033) | (27,700)                                      | (1,993)                 | (29,693) | (194,930)      | (4,235)                                     | (61)                    | (4,296)        | (13,996)                                     | (198)                   | (14,194)       | (4,534)  | -                       | (4,534)        | (23,024) |  |
| Total comprehensive income for the period  | -  | 9,933                   | 9,933    | -  | 20,736                  | 20,736   | -   | 19,548                  | 19,548   | 50,217         | -   | 1,124                   | 1,124          | -  | 6,799                   | 6,799          | -  | (520)                   | (520)          | 7,403    |  |
| Distribution during the period   | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | (405)                   | (405)          | -  | -                       | -              | (405)    |  |
| Net income for the period less distribution  | -  | 9,933                   | 9,933    | -  | 20,736                  | 20,736   | -   | 19,548                  | 19,548   | 50,217         | -   | 1,124                   | 1,124          | -  | 6,394                   | 6,394          | -  | (520)                   | (520)          | 6,998    |  |
| Net assets at end of the period  | 88,503   | 14,978                  | 103,481  | 214,211                                      | 25,208                  | 239,419  | 161,916                                       | 18,386                  | 180,302  | 523,202        | 167,422                                     | 2,571                   | 169,993        | 308,452                                      | 8,228                   | 316,680        | 206,470  | (520)                   | 205,950        | 692,623  |  |
| Undistributed income brought forward:  |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Realised   | -  | 9,274                   | 9,274    | -  | 10,714                  | 10,714   | -   | 6,511                   | 6,511    | 26,499         | -   | 330                     | 330            | -  | 1,509                   | 1,509          | -  | -                       | -              | 1,839    |  |
| - Unrealised   | -  | (4,136)                 | (4,136)  | -  | (6,217)                 | (6,217)  | -   | (5,680)                 | (5,680)  | (16,033)       | -   | 1,178                   | 1,178          | -  | 523                     | 523            | -  | -                       | -              | 1,701    |  |
|  | -  | 5,138                   | 5,138    | -  | 4,497                   | 4,497    | -   | 831                     | 831      | 10,466         | -   | 1,508                   | 1,508          | -  | 2,032                   | 2,032          | -  | -                       | -              | 3,540    |  |
| Accounting income available for distribution:                                      |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Relating to capital gains  | -  | 8,764                   | 8,764    | -  | 16,283                  | 16,283   | -   | 17,459                  | 17,459   | 42,506         | -   | 1,273                   | 1,273          | -  | 2,749                   | 2,749          | -  | -                       | -              | 4,022    |  |
| - Excluding capital gains  | -  | 1,076                   | 1,076    | -  | 4,428                   | 4,428    | -   | 96                      | 96       | 5,600          | -   | (210)                   | (210)          | -  | 3,852                   | 3,852          | -  | (520)                   | (520)          | 3,122    |  |
|  | -  | 9,840                   | 9,840    | -  | 20,711                  | 20,711   | -   | 17,555                  | 17,555   | 48,106         | -   | 1,063                   | 1,063          | -  | 6,601                   | 6,601          | -  | (520)                   | (520)          | 7,144    |  |
| Distribution during the period   | -  | -                       | -        | -  | -                       | -        | -   | -                       | -        | -              | -   | -                       | -              | -  | (405)                   | (405)          | -  | -                       | -              | (405)    |  |
| Undistributed income carried forward   | -  | 14,978                  | 14,978   | -  | 25,208                  | 25,208   | -   | 18,386                  | 18,386   | 58,572         | -   | 2,571                   | 2,571          | -  | 8,228                   | 8,228          | -  | (520)                   | (520)          | 10,279   |  |
| Undistributed income carried forward   |  |                         |          |  |                         |          |   |                         |          |                |   |                         |                |  |                         |                |  |                         |                |          |  |
| - Realised   | -  | 6,865                   | 6,865    | -  | 10,118                  | 10,118   | -   | 2,035                   | 2,035    | 19,018         | -   | 1,455                   | 1,455          | -  | 6,296                   | 6,296          | -  | 103                     | 103            | 7,854    |  |
| - Unrealised   | -  | 8,113                   | 8,113    | -  | 15,090                  | 15,090   | -   | 16,351                  | 16,351   | 39,554         | -   | 1,116                   | 1,116          | -  | 1,932                   | 1,932          | -  | (623)                   | (623)          | 2,425    |  |
|  | -  | 14,978                  | 14,978   | -  | 25,208                  | 25,208   | -   | 18,386                  | 18,386   | 58,572         | -   | 2,571                   | 2,571          | -  | 8,228                   | 8,228          | -  | (520)                   | (520)          | 10,279   |  |
|  | -- (Rupees) --   |                         |          | -- (Rupees) --                               |                         |          | -- (Rupees) --                                |                         |          | -- (Rupees) -- |   |                         | -- (Rupees) -- |  |                         | -- (Rupees) -- |  |                         | -- (Rupees) -- |          |  |
| Net assets value per unit at end of the period                                     | 114.1761   |                         |          | 111.1485                                     |                         |          | 111.2335                                      |                         |          | 101.5168       |   |                         | 102.6494       |  |                         | 99.7496        |  |                         |                |          |  |

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director



**UBL FINANCIAL PLANNING FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** UBL Financial Planning Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 07, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 29, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from September 28, 2017.
- 1.2** 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.
- 1.3** The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4** The objective of the Fund is to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. The duration of the Fund and Allocation Plans initially launched therein is perpetual, however, additional Allocation Plans may have a set time frame. Presently, the fund offers only UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II & UBL Active Principal Preservation Plan III.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1** These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**2.1.2** The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2019.

**2.1.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

**2.1.4** The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2018.

**2.1.5** In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

### **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

- 3.1** The accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

The preparation of these interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

#### **3.2 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

| Note | December 31, 2019 (Un-audited)                    |  |   |       | June 30, 2019 (Audited)                           |  |   |       |
|------|---|--|---|-------|---|--|---|-------|
|      | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total |
|      | ----- (Rupees in '000) -----                      |  |   |       | ----- (Rupees in '000) -----                      |  |   |       |
|      |   |  |   |       |   |  |   |       |
|      |   |  |   |       |   |  |   |       |

#### 4. BANK BALANCES

|                 |     |            |           |            |            |              |            |              |              |
|-----------------|-----|------------|-----------|------------|------------|--------------|------------|--------------|--------------|
| Savings account | 4.1 | <u>157</u> | <u>55</u> | <u>288</u> | <u>500</u> | <u>1,195</u> | <u>521</u> | <u>1,751</u> | <u>3,467</u> |
|-----------------|-----|------------|-----------|------------|------------|--------------|------------|--------------|--------------|

4.1 These carry mark-up at the rates ranging from 8.00% to 8.25% (June 30, 2019: 8.00% to 8.25%) per annum and maintained with United Bank Limited (a related party).

#### 5. INVESTMENTS

##### Investments by Category

##### 5.1 At fair value through profit or loss

|                       |       |                |                |                |                |                |                |                |                |
|-----------------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Units of mutual funds | 5.1.1 | <u>104,075</u> | <u>103,824</u> | <u>179,248</u> | <u>387,147</u> | <u>168,177</u> | <u>177,306</u> | <u>190,265</u> | <u>535,748</u> |
|-----------------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

##### 5.2 At Amortised Cost

|                      |       |                |                |                |                |                |                |                |                |
|----------------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Term Deposit Receipt | 5.2.1 | <u>-</u>       | <u>136,725</u> | <u>-</u>       | <u>136,725</u> | <u>-</u>       | <u>132,531</u> | <u>-</u>       | <u>132,531</u> |
|                      |       | <u>104,075</u> | <u>240,549</u> | <u>179,248</u> | <u>523,872</u> | <u>168,177</u> | <u>309,837</u> | <u>190,265</u> | <u>668,279</u> |

## 5.1.1 Units of mutual funds classified as 'at fair value through profit or loss

|   | Number of units     |                             |                            |                         | Balance as at December 31, 2019 |                |                          |   |  |
|---|---------------------|-----------------------------|----------------------------|-------------------------|---------------------------------|----------------|--------------------------|---|--|
| Name of Investee Fund (funds under common management)     | As at July 01, 2019 | Purchased during the period | Redeemed during the period | As at December 31, 2019 | Carrying value                  | Market value   | Unrealised gain / (loss) | Market value as a % of net assets of each | Market value as a % of total investments |
|   |                     |                             |                            |                         | ----- (Rupees in '000) -----    |                |                          | ----- (%) -----                           |  |
| <b>Held by UBL Active Principal Preservation Plan I</b>   |                     |                             |                            |                         |                                 |                |                          |   |  |
| UBL Dedicated Equity Fund                                 | 455,644             | 404,162                     | 390,324                    | 469,482                 | 40,963                          | 46,037         | 5,074                    | 44.49                                     | 44.23                                    |
| UBL Money Market Fund                                     | 1,304,352           | 204,558                     | 966,147                    | 542,763                 | 54,999                          | 58,038         | 3,039                    | 56.09                                     | 55.57                                    |
|   |                     |                             |                            |                         | <b>95,962</b>                   | <b>104,075</b> | <b>8,113</b>             | <b>100.58</b>                             | <b>99.80</b>                             |
| <b>Held by UBL Active Principal Preservation Plan II</b>  |                     |                             |                            |                         |                                 |                |                          |   |  |
| UBL Dedicated Equity Fund                                 | 689,972             | 964,289                     | 663,218                    | 991,043                 | 82,297                          | 97,181         | 14,884                   | 40.59                                     | 40.40                                    |
| UBL Money Market Fund                                     | 1,206,745           | 241,642                     | 1,386,263                  | 62,124                  | 6,437                           | 6,643          | 206                      | 2.77                                      | 2.76                                     |
|   |                     |                             |                            |                         | <b>88,734</b>                   | <b>103,824</b> | <b>15,090</b>            | <b>43.36</b>                              | <b>43.16</b>                             |
| <b>Held by UBL Active Principal Preservation Plan III</b> |                     |                             |                            |                         |                                 |                |                          |   |  |
| UBL Dedicated Equity Fund                                 | 671,331             | 759,645                     | 515,011                    | 915,965                 | 78,214                          | 89,819         | 11,605                   | 49.82                                     | 50.11                                    |
| UBL Money Market Fund                                     | 1,350,445           | 296,091                     | 810,204                    | 836,332                 | 84,683                          | 89,429         | 4,746                    | 49.60                                     | 49.89                                    |
|   |                     |                             |                            |                         | <b>162,897</b>                  | <b>179,248</b> | <b>16,351</b>            | <b>99.42</b>                              | <b>100.00</b>                            |
| <b>Total as at December 31, 2019 (Un-audited)</b>         |                     |                             |                            |                         | <b>347,593</b>                  | <b>387,147</b> | <b>39,554</b>            |   |  |
| Total as at June 30, 2019 (Audited)                       |                     |                             |                            |                         | 551,781                         | 535,748        | (16,033)                 |   |  |

5.2.1 This carries mark-up at the rate of 6.75% (June 20, 2019: 6.75%) per annum with maturity upto June 07, 2020 and placed with United Bank Limited (a related party).

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

|   |     | December 31, 2019 (Un-audited)                    |  |   |              | June 30, 2019 (Audited)                           |  |   |              |
|---|-----|---|--|---|--------------|---|--|---|--------------|
|   |     | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total        | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total        |
| Note  |     | (Rupees in '000)                                  |  |   |              |   |  |   |              |
| <b>7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY</b> |     |   |  |   |              |   |  |   |              |
| Remuneration payable  | 7.1 | -   | 105  | -   | 105          | -   | 102  | -   | 102          |
| Sales tax on remuneration payable                                   | 7.2 | -   | 14   | -   | 14           | -   | 13   | -   | 13           |
| Allocated expenses payable  | 7.3 | 17  | 39   | 32  | 88           | 14  | 26   | 16  | 56           |
| Other payables  |     | 449   | 430  | 5   | 884          | 449   | 430  | 5   | 884          |
|   |     | <u>466</u>  | <u>588</u>   | <u>37</u>   | <u>1,091</u> | <u>463</u>  | <u>570</u>   | <u>21</u>   | <u>1,054</u> |

**7.1** The Management Company has charged 1% per annum of the term deposit receipt placed only in case of UBL Active Principal Preservation Plan II. No management fee is being charged in UBL Active Principal Preservation Plan I & UBL Active Principal Preservation Plan III as no investment is made in term deposits by both plans.

**7.2** Sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

**7.3** Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

#### **8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE**

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.07% of net assets.

#### **9. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.075%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

|  |      | December 31, 2019 (Un-audited)                    |  |   |              | June 30, 2019 (Audited)                           |  |   |              |
|--|------|---|--|---|--------------|---|--|---|--------------|
|  |      | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total        | UBL Active<br>Principal<br>Preservation<br>Plan I | UBL Active<br>Principal<br>Preservation<br>Plan II | UBL Active<br>Principal<br>Preservation<br>Plan III | Total        |
| <b>10. ACCRUED EXPENSES AND OTHER PAYABLE</b>    |      | <b>Note</b>                                       |  |   |              |   |  |   |              |
|  |      | <b>(Rupees in '000)</b>                           |  |   |              |   |  |   |              |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 10.1 | 305   | 653  | 412   | 1,370        | 106   | 238  | 21  | 365          |
| Auditors' remuneration                           |      | 73  | 73   | 14  | 160          | 99  | 99   | 40  | 238          |
| Withholding tax payable                          |      | -   | -  | -   | -            | -   | 727  | 30  | 757          |
| Capital gain tax payable                         |      | -   | 1  | 64  | 65           | 1   | 1  | -   | 2            |
| Other payables                                   |      | 63  | 153  | 81  | 297          | 20  | 129  | 1,356   | 1,505        |
|  |      | <b>441</b>  | <b>880</b>   | <b>571</b>  | <b>1,892</b> | <b>226</b>  | <b>1,194</b>                                       | <b>1,447</b>  | <b>2,867</b> |

**10.1** The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.1 to the annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.336 (June 30, 2019: Re.0.065) in UBL Active Principal Preservation Plan I, Re.0.303 (June 30, 2019: Rs.0.078) in UBL Active Principal Preservation Plan II and Re.0.254 (June 30, 2019: Rs.0.011) in UBL Active Principal Preservation Plan III.

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

## 12. 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 intends to distribute through cash at least 90% of the fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 13. EARNINGS PER UNIT

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

## 14. TOTAL EXPENSE RATIO

Total Expense Ratio of UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III is 0.47%, 0.67% and 0.37% respectively as on December 31, 2019 (June 30, 2019: 0.62%, 0.93% and 0.27% respectively) and these include 0.19%, 0.22% and 0.22% representing Government Levy, Sindh Worker's Welfare Fund and SECP fee respectively (June 30, 2019: 0.13%, 0.20% and 0.07% respectively). The ratio of each plan is within the maximum limit of 0.5% in case of UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan III (as the management fee is not charged) and 2.5% in case of UBL Active Principal Preservation Plan II (as the management fee is charged), as prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as a Fund of Fund Scheme.

## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Financial Services (Private) Limited, being entity under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

|   | Management<br>Company | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|---|-----------------------|-------------------------|---------|-------------------------------------|------------------------------------|---|
|   | (Rupees in '000)      |                         |         |                                     |                                    |   |
| For the period ended December 31, 2019 (Un-audited) |                       |                         |         |                                     |                                    |   |
| UBL Active Principal<br>Preservation Plan I         |                       |                         |         |                                     |                                    |   |
| Transactions during the period                      |                       |                         |         |                                     |                                    |   |
| Mark-up on bank accounts                            | -                     | 129                     | -       | -                                   | -                                  | -   |
| Bank and other charges                              | -                     | 4                       | -       | -                                   | -                                  | -   |
| Remuneration*                                       | -                     | -                       | 45      | -                                   | -                                  | -   |
| Allocated expenses                                  | 57                    | -                       | -       | -                                   | -                                  | -   |
| Purchase of investments                             | -                     | -                       | -       | 56,998                              | -                                  | -   |
| Redemption of investments                           | -                     | -                       | -       | 129,941                             | -                                  | -   |
| As at December 31, 2019 (Un-audited)                |                       |                         |         |                                     |                                    |   |
| Balances held                                       |                       |                         |         |                                     |                                    |   |
| Units held (units in '000)                          | -                     | -                       | -       | -                                   | -                                  | 387   |
| Units held (Rupees in '000)                         | -                     | -                       | -       | -                                   | -                                  | 44,135  |
| Bank balances                                       | -                     | 157                     | -       | -                                   | -                                  | -   |
| Remuneration payable*                               | -                     | -                       | 7       | -                                   | -                                  | -   |
| Allocated expenses payable                          | 17                    | -                       | -       | -                                   | -                                  | -   |
| Other payable                                       | 449                   | -                       | -       | -                                   | -                                  | -   |
| Units of mutual funds held                          | -                     | -                       | -       | 104,075                             | -                                  | -   |
| Mark-up receivable                                  | -                     | 123                     | -       | -                                   | -                                  | -   |



|   | Management<br>Company        | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|---|------------------------------|-------------------------|---------|-------------------------------------|------------------------------------|---|
|   | ----- (Rupees in '000) ----- |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| For the period ended December 31, 2019 (Un-audited) |                              |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| UBL Active Principal<br>Preservation Plan II        |                              |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| Transactions during the period                      |                              |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| Income from term<br>deposit receipt (TDR)           | -                            | 4,194                   | -       | -                                   | -                                  | -   |
| Mark-up on bank accounts                            | -                            | 53                      | -       | -                                   | -                                  | -   |
| Bank and other charges                              | -                            | 48                      | -       | -                                   | -                                  | -   |
| Remuneration*                                       | 704                          | -                       | 96      | -                                   | -                                  | -   |
| Allocated expenses                                  | 122                          | -                       | -       | -                                   | -                                  | -   |
| Purchase of investments                             | -                            | -                       | -       | 104,834                             | -                                  | -   |
| Redemption of investments                           | -                            | -                       | -       | 194,618                             | -                                  | -   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| As at December 31, 2019 (Un-audited)                |                              |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| Balances held                                       |                              |                         |         |                                     |                                    |   |
| <hr/>   |                              |                         |         |                                     |                                    |   |
| Units held (units in '000)                          | -                            | -                       | -       | -                                   | -                                  | 887   |
| Units held (Rupees in '000)                         | -                            | -                       | -       | -                                   | -                                  | 98,538  |
| Term Deposit Receipt (TDR)                          | -                            | 136,725                 | -       | -                                   | -                                  | -   |
| Bank balances                                       | -                            | 55                      | -       | -                                   | -                                  | -   |
| Remuneration payable*                               | 119                          | -                       | 16      | -                                   | -                                  | -   |
| Allocated expenses payable                          | 26                           | -                       | -       | -                                   | -                                  | -   |
| Other payable                                       | 430                          | -                       | -       | -                                   | -                                  | -   |
| Units of mutual funds held                          | -                            | -                       | -       | 103,824                             | -                                  | -   |
| Mark-up receivable on bank balances                 | -                            | 51                      | -       | -                                   | -                                  | -   |
| Mark-up receivable on TDR                           | -                            | 13,062                  | -       | -                                   | -                                  | -   |

|                                  | Management<br>Company                               | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|----------------------------------|---|-------------------------|---------|-------------------------------------|------------------------------------|---|
|                                  | ----- (Rupees in '000) -----                        |                         |         |                                     |                                    |   |
|                                  | For the period ended December 31, 2019 (Un-audited) |                         |         |                                     |                                    |   |
| UBL Active Principal<br>Plan III |   |                         |         |                                     |                                    |   |
| Transactions during the period   |   |                         |         |                                     |                                    |   |
| Mark-up on bank accounts         | -   | 77                      | -       | -                                   | -                                  | -   |
| Bank and other charges           | -   | 13                      | -       | -                                   | -                                  | -   |
| Remuneration*                    | -   | -                       | 75      | -                                   | -                                  | -   |
| Allocated expenses               | 95  | -                       | -       | -                                   | -                                  | -   |
| Purchase of investments          | -   | -                       | -       | 96,058                              | -                                  | -   |
| Redemption of investments        | -   | -                       | -       | 126,550                             | -                                  | -   |

|                             | Management<br>Company                | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|-----------------------------|--------------------------------------|-------------------------|---------|-------------------------------------|------------------------------------|---|
|                             | ----- (Rupees in '000) -----         |                         |         |                                     |                                    |   |
|                             | As at December 31, 2019 (Un-audited) |                         |         |                                     |                                    |   |
| <b>Balances held</b>        |                                      |                         |         |                                     |                                    |   |
| Units held (units in '000)  | -                                    | -                       | -       | -                                   | -                                  | 391   |
| Units held (Rupees in '000) | -                                    | -                       | -       | -                                   | -                                  | 43,492  |
| Bank balances               | -                                    | 288                     | -       | -                                   | -                                  | -   |
| Remuneration payable        | -                                    | -                       | 12      | -                                   | -                                  | -   |
| Allocated expenses payable  | 32                                   | -                       | -       | -                                   | -                                  | -   |
| Other payable               | 5                                    | -                       | -       | -                                   | -                                  | -   |
| Units of mutual funds held  | -                                    | -                       | -       | 179,248                             | -                                  | -   |
| Mark-up receivable          | -                                    | 14                      | -       | -                                   | -                                  | -   |

|  | Management<br>Company                   | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|--|---|-------------------------|---------|-------------------------------------|------------------------------------|---|
|  | <hr/> <div>(Rupees in '000)</div> <hr/> |                         |         |                                     |                                    |   |
| <hr/> <div>For the period ended December 31, 2018 (Un-audited)</div> <hr/> |   |                         |         |                                     |                                    |   |
| <b>UBL Active Principal<br/>Preservation Plan I</b>                        |   |                         |         |                                     |                                    |   |
| <b><u>Transactions during the period</u></b>                               |   |                         |         |                                     |                                    |   |
| Mark-up on bank accounts   | -                                       | 111                     | -       | -                                   | -                                  | -   |
| Bank and other charges   | -                                       | 5                       | -       | -                                   | -                                  | -   |
| Remuneration*  | -                                       | -                       | 98      | -                                   | -                                  | -   |
| Allocated expenses   | 87                                      | -                       | -       | -                                   | -                                  | -   |
| Purchase of investments  | -                                       | -                       | -       | 141,152                             | -                                  | -   |
| Redemption of investments  | -                                       | -                       | -       | 145,447                             | -                                  | -   |
| Dividend received  | -                                       | -                       | -       | 74                                  | -                                  | -   |

|                                      |     |       |    |         |   |        |
|--------------------------------------|-----|-------|----|---------|---|--------|
| <b>As at June 30, 2019 (Audited)</b> |     |       |    |         |   |        |
| <b>Balances held</b>                 |     |       |    |         |   |        |
| Units held (units in '000)           | -   | -     | -  | -       | - | 535    |
| Units held (Rupees in '000)          | -   | -     | -  | -       | - | 55,159 |
| Bank balances                        | -   | 1,195 | -  | -       | - | -      |
| Remuneration payable                 | -   | -     | 16 | -       | - | -      |
| Allocated expenses payable           | 14  | -     | -  | -       | - | -      |
| Other payable                        | 449 | -     | -  | -       | - | -      |
| Mark-up receivable                   | -   | 46    | -  | -       | - | -      |
| Units of mutual funds held           | -   | -     | -  | 168,177 | - | -      |

| UBL Active Principal<br>Preservation Plan II     | Management<br>Company                                      | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|--|--|-------------------------|---------|-------------------------------------|------------------------------------|---|
|  | (Rupees in '000)   |                         |         |                                     |                                    |   |
| <b>Transactions during the period</b>            | <b>For the period ended December 31, 2018 (Un-audited)</b> |                         |         |                                     |                                    |   |
| Income from term deposit receipt (TDR)           | -  | 4,194                   | -       | -                                   | -                                  | -   |
| Bank charges                                     | -  | 5                       | -       | -                                   | -                                  | -   |
| Units issued                                     | -  | -                       | -       | -                                   | -                                  | 69  |
| Remuneration*                                    | 704  | -                       | 183     | -                                   | -                                  | -   |
| Allocated expenses                               | 162  | -                       | -       | -                                   | -                                  | -   |
| Purchase of investment                           | -  | -                       | -       | 165,230                             | -                                  | -   |
| Redemption of investments                        | -  | -                       | -       | 187,246                             | -                                  | -   |
| Dividend paid                                    | -  | -                       | -       | -                                   | -                                  | 78  |
| Dividend received                                | -  | -                       | -       | 670                                 | -                                  | -   |
| <b>Balances held</b>                             | <b>As at June 30, 2019 (Audited)</b>                       |                         |         |                                     |                                    |   |
| Units held (units in '000)                       | -  | -                       | -       | -                                   | -                                  | 635   |
| Units held (Rupees in '000)                      | -  | -                       | -       | -                                   | -                                  | 64,435  |
| Bank balances                                    | -  | 521                     | -       | -                                   | -                                  | -   |
| Term deposit receipt (TDR)                       | -  | 132,531                 | -       | -                                   | -                                  | -   |
| Allocated expenses payable                       | 26   | -                       | -       | -                                   | -                                  | -   |
| Remuneration payable                             | 115  | -                       | 29      | -                                   | -                                  | -   |
| Other payable                                    | 430  | -                       | -       | -                                   | -                                  | -   |
| Units of mutual funds held                       | -  | -                       | -       | 177,306                             | -                                  | -   |
| Mark-up receivable on term deposit receipt (TDR) | -  | 8,868                   | -       | -                                   | -                                  | -   |
| Mark-up receivable                               | -  | 23                      | -       | -                                   | -                                  | -   |

| UBL Active Principal<br>Preservation Plan III | Management<br>Company   | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|---|---|-------------------------|---------|-------------------------------------|------------------------------------|---|
|   | (Rupees in '000)  |                         |         |                                     |                                    |   |
| <b>Transactions during the period</b>         | <b>For the period from October 24, 2018 to December 31, 2018 (Un-audited)</b> |                         |         |                                     |                                    |   |
| Mark-up on bank accounts                      | -   | 12                      | -       | -                                   | -                                  | -   |
| Bank and other charges                        | -   | 2                       | -       | -                                   | -                                  | -   |
| Remuneration*                                 | -   | -                       | 44      | -                                   | -                                  | -   |
| Allocated expenses                            | 39  | -                       | -       | -                                   | -                                  | -   |
| Purchase of investments                       | -   | -                       | -       | 432,297                             | -                                  | -   |
| Redemption of investments                     | -   | -                       | -       | 222,260                             | -                                  | -   |
| <b>Balances held</b>                          | <b>As at June 30, 2019 (Audited)</b>  |                         |         |                                     |                                    |   |
| Units held (units in '000)                    | -   | -                       | -       | -                                   | -                                  | 391   |
| Units held (Rupees in '000)                   | -   | -                       | -       | -                                   | -                                  | 39,226  |
| Bank balances                                 | -   | 1,751                   | -       | -                                   | -                                  | -   |
| Remuneration payable                          | -   | -                       | 18      | -                                   | -                                  | -   |
| Allocated expenses payable                    | 16  | -                       | -       | -                                   | -                                  | -   |
| Other payable                                 | 5   | -                       | -       | -                                   | -                                  | -   |
| Sales load payable                            | -   | 1,300                   | -       | -                                   | -                                  | -   |
| Mark-up receivable                            | -   | 21                      | -       | -                                   | -                                  | -   |
| Units of mutual funds held                    | -   | -                       | -       | 190,265                             | -                                  | -   |

\* Remuneration for the period is inclusive of sales tax.

## 16. Fair value of financial instruments

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

|   | Fair Value                   |         |         |         |
|---|------------------------------|---------|---------|---------|
|   | Level 1                      | Level 2 | Level 3 | Total   |
|   | ----- (Rupees in '000) ----- |         |         |         |
| As at December 31, 2019 (Un-audited)    |                              |         |         |         |
| Financial assets measured at fair value |                              |         |         |         |
| Units of mutual funds                   | -                            | 387,147 | -       | 387,147 |

|   | Fair Value                   |         |         |         |
|---|------------------------------|---------|---------|---------|
|   | Level 1                      | Level 2 | Level 3 | Total   |
|   | ----- (Rupees in '000) ----- |         |         |         |
| As at June 30, 2019 (Audited)           |                              |         |         |         |
| Financial assets measured at fair value |                              |         |         |         |
| Units of mutual funds                   | -                            | 535,748 | -       | 535,748 |

## 17. GENERAL

**17.1** Figures have been rounded off to the nearest thousand rupee.

**17.2** 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 period.

**18. DATE OF AUTHORISATION FOR ISSUE**

These interim financial statements were authorized for issue by the Board of Directors of the Management Company on 25 February 2020.

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

SD

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**Chief Executive Officer**

SD

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**Chief Financial Officer**

SD

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**Director**

# UDEF

## UBL Dedicated Equity Fund

### INVESTMENT OBJECTIVE

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

|                              |  |
|------------------------------|--|
| <b>Management Company</b>    | UBL Fund Managers Limited  |
| <b>Trustee</b>               | 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     |
| <b>Distribution Company</b>  | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditors</b>              | EY Ford Rhodes, Chartered Accountants  |
| <b>Bankers</b>               | United Bank Limited<br>JS Bank Limited<br>Soneri Bank Limited  |
| <b>Management Co. Rating</b> | AM1 (VIS)  |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL DEDICATED EQUITY FUND**

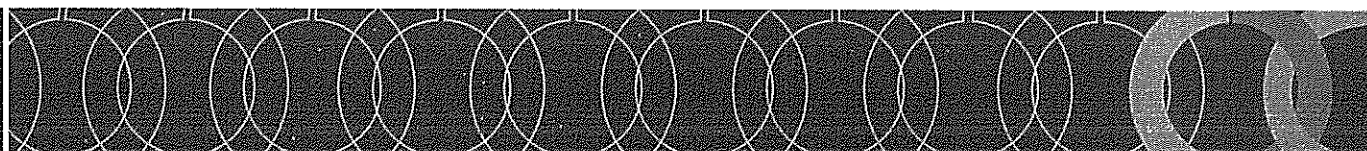
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Dedicated Equity Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020



## TO THE UNIT HOLDERS OF UBL DEDICATED EQUITY FUND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Dedicated Equity Fund** (the Fund) as at **31 December 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi



**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|  |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|------|--------------------------------------|-------------------------------|
|  | Note | ----- (Rupees in '000) -----         |                               |
| <b>ASSETS</b>  |      |                                      |                               |
| Bank balances  | 4    | 23,689                               | 2,697                         |
| Investments  | 5    | 248,906                              | 176,071                       |
| Dividend and mark-up receivable  |      | 516                                  | 1,190                         |
| Advance tax  | 6    | 42                                   | 42                            |
| Deposits and prepayments   |      | 2,543                                | 2,500                         |
| Preliminary expenses and floatation costs  | 7    | 213                                  | 244                           |
| Receivable against sale of investments   |      | -                                    | 428                           |
| <b>TOTAL ASSETS</b>  |      | <b>275,909</b>                       | <b>183,172</b>                |
| <b>LIABILITIES</b>   |      |                                      |                               |
| Payable to UBL Fund Managers Limited - Management Company                          | 8    | 802                                  | 606                           |
| Payable to Central Depository Company of Pakistan - Trustee                        | 9    | 53                                   | 38                            |
| Annual fee payable to the Securities and<br>Exchange Commission of Pakistan (SECP) | 10   | 20                                   | 156                           |
| Accrued and other liabilities  | 11   | 2,081                                | 614                           |
| Payable against purchase of investments  |      | -                                    | 175                           |
| <b>TOTAL LIABILITIES</b>   |      | <b>2,956</b>                         | <b>1,589</b>                  |
| <b>NET ASSETS</b>  |      | <b>272,953</b>                       | <b>181,583</b>                |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>                              |      | <b>272,953</b>                       | <b>181,583</b>                |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |                                      |                               |
|  | 12   |                                      |                               |
|  |      | ----- (Number of units) -----        |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>  |      | <b>2,783,545</b>                     | <b>2,244,682</b>              |
|  |      | ----- (Rupees) -----                 |                               |
| <b>NET ASSETS VALUE PER UNIT</b>   |      | <b>98.0594</b>                       | <b>80.8950</b>                |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |      | Half year ended      |                      | Quarter ended        |                      |
|--|------|----------------------|----------------------|----------------------|----------------------|
|  |      | December 31,<br>2019 | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
| Note   |      | (Rupees in '000)     |                      |                      |                      |
| <b>INCOME</b>  |      |                      |                      |                      |                      |
| Mark-up on bank account  |      | 533                  | 411                  | 351                  | 342                  |
| Dividend income  |      | 5,184                | 2,164                | 3,276                | 1,561                |
| Net unrealised gain / (loss) on revaluation of investments<br>classified as 'at fair value through profit or loss' |      | 42,761               | (10,979)             | 53,084               | (10,954)             |
| Net loss on sale of investments classified<br>as at 'fair value through profit and loss'                           |      | (1,578)              | (795)                | 2,088                | (172)                |
| <b>Total income</b>  |      | <b>46,900</b>        | <b>(9,199)</b>       | <b>58,799</b>        | <b>(9,223)</b>       |
| <b>EXPENSES</b>  |      |                      |                      |                      |                      |
| Remuneration of the Management Company   |      | 1,956                | 1,047                | 1,160                | 795                  |
| Sales tax on management fee  |      | 254                  | 136                  | 150                  | 103                  |
| Allocated expenses by the Management Company   |      | 98                   | 52                   | 58                   | 39                   |
| Selling and marketing expenses   |      | 391                  | 209                  | 232                  | 159                  |
| Remuneration of the Trustee  |      | 220                  | 104                  | 87                   | 79                   |
| Sales tax on remuneration of the Trustee   |      | 29                   | 14                   | 12                   | 10                   |
| Annual fee to SECP   |      | 21                   | 50                   | 13                   | 38                   |
| Amortization of preliminary expenses and floatation costs  |      | 31                   | 31                   | 15                   | 16                   |
| Brokerage expenses   |      | 252                  | 301                  | 147                  | 229                  |
| Auditors' remuneration   |      | 257                  | 206                  | 161                  | 117                  |
| Custody and settlement charges   |      | 223                  | 83                   | 110                  | 62                   |
| Bank charges and other expenses  |      | 103                  | 119                  | 49                   | 57                   |
| <b>Total expenses</b>  |      | <b>3,835</b>         | <b>2,352</b>         | <b>2,194</b>         | <b>1,704</b>         |
| <b>Net operating income / (loss) for the period</b>  |      | <b>43,065</b>        | <b>(11,551)</b>      | <b>56,605</b>        | <b>(10,927)</b>      |
| Provision for Sindh Workers' Welfare Fund  | 11.1 | (845)                | -                    | (845)                | -                    |
| <b>Net income / (loss) for the period before taxation</b>  |      | <b>42,220</b>        | <b>(11,551)</b>      | <b>55,760</b>        | <b>(10,927)</b>      |
| Taxation   | 13   | -                    | -                    | -                    | -                    |
| <b>Net income / (loss) for the period after taxation</b>   |      | <b>42,220</b>        | <b>(11,551)</b>      | <b>55,760</b>        | <b>(10,927)</b>      |
| <i>Allocation of net income for the period:</i>  |      |                      |                      |                      |                      |
| Net income for the period after taxation   |      | 42,220               | -                    | 42,220               | -                    |
| Income already paid on units redeemed  |      | (10,926)             | -                    | (10,926)             | -                    |
|  |      | <b>31,294</b>        | <b>-</b>             | <b>31,294</b>        | <b>-</b>             |
| <i>Accounting income available for distribution</i>  |      |                      |                      |                      |                      |
| - Relating to capital gains  |      | 30,239               | -                    | 44,228               | -                    |
| - Excluding capital gains  |      | 1,055                | -                    | (12,934)             | -                    |
|  |      | <b>31,294</b>        | <b>-</b>             | <b>31,294</b>        | <b>-</b>             |
| <b>Earnings per unit</b>   | 14   |                      |                      |                      |                      |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|   | Half year ended              |                      | Quarter ended        |                      |
|---|------------------------------|----------------------|----------------------|----------------------|
|   | December 31,<br>2019         | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
|   | ----- (Rupees in '000) ----- |                      |                      |                      |
| Net income / (loss) for the year after taxation       | 42,220                       | (11,551)             | 55,760               | (10,927)             |
| Other comprehensive income                            | -                            | -                    | -                    | -                    |
| Total comprehensive income /<br>(loss) for the period | <u>42,220</u>                | <u>(11,551)</u>      | <u>55,760</u>        | <u>(10,927)</u>      |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

\_\_\_\_\_  
SD  
Chief Executive Officer

\_\_\_\_\_  
SD  
Chief Financial Officer

\_\_\_\_\_  
SD  
Director

**UBL DEDICATED EQUITY FUND**  
**CONDENSED ITERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | December 31,<br>2019        | December 31,<br>2018 |
|--|-----------------------------|----------------------|
|  | ------(Rupees in '000)----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                             |                      |
| Net income / (loss) for the year before taxation   | 42,220                      | (11,551)             |
| <b>Adjustments for:</b>  |                             |                      |
| Mark-up on bank account  | (533)                       | (411)                |
| Dividend income  | (5,184)                     | (2,164)              |
| Net unrealised (gain) / loss on revaluation of investments<br>'classified as at fair value through profit or loss' | (42,761)                    | 10,979               |
| Net loss on sale of investments classified<br>as at 'fair value through profit and loss'                           | 1,578                       | 795                  |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 845                         | -                    |
| Amortization of preliminary expenses and floatation costs  | 31                          | 31                   |
|  | (46,024)                    | 9,230                |
| <b>(Increase) / decrease in assets</b>   |                             |                      |
| Investments  | (31,652)                    | (157,830)            |
| Advance tax  | -                           | (13)                 |
| Deposits and prepayments   | (43)                        | (9)                  |
| Receivable against sale of investments   | 428                         | -                    |
|  | (31,267)                    | (157,852)            |
| <b>Increase / (decrease) in liabilities</b>  |                             |                      |
| Payable to UBL Fund Managers Limited - Management Company  | 196                         | 488                  |
| Payable to Central Depository Company of Pakistan - Trustee  | 15                          | 28                   |
| Annual fee payable to SECP   | (136)                       | 45                   |
| Payable against purchase of investments  | (175)                       | 2,352                |
| Accrued and other liabilities  | 622                         | 413                  |
|  | 522                         | 3,326                |
| Mark-up and dividend received  | 6,391                       | 2,268                |
| <b>Net cash flows used in operating activities</b>   | (28,158)                    | (154,579)            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                             |                      |
| Net receipt from issuance of units   | 217,364                     | 258,549              |
| Net payment against redemption of units  | (168,214)                   | (82,637)             |
| <b>Net cash flows generated from financing activities</b>  | 49,150                      | 175,912              |
| <b>Net increase in cash and cash equivalents during the period</b>   | 20,992                      | 21,333               |
| Cash and cash equivalents at beginning of the period   | 2,697                       | 3,330                |
| <b>Cash and cash equivalents at end of the period</b>  | 23,689                      | 24,663               |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | For the half year ended |                               |                |                   |                    |   |                     |
|---|-------------------------|-------------------------------|----------------|-------------------|--------------------|---|---------------------|
|   | December 31, 2019       |                               |                | December 31, 2018 |                    |   |                     |
|   | Capital value           | Undistributed (loss) / income | Total          | Capital value     | Undistributed loss | Unrealised appreciation on investments classified as 'available for sale' - net | Total               |
|   | (Rupees in '000)        |                               |                |                   |                    |   |                     |
| <b>Net assets at beginning of the period</b>                              | 212,798                 | (31,215)                      | 181,583        | 46,598            | -                  | (788)   | 45,810              |
| Reclassification under IFRS 9   | -                       | -                             | -              | -                 | (788)              | 788   | -                   |
| Amount received on issuance of 2,572,742 units<br>(2018: 2,782,374 units) |                         |                               |                |                   |                    |   |                     |
| Capital value   | 208,122                 | -                             | 208,122        | 273,036           | -                  | -   | 273,036             |
| Element of income during the period;                                      |                         |                               |                |                   |                    |   |                     |
| - Relating to net income for the period after taxation                    | 9,242                   | -                             | 9,242          | (14,487)          | -                  | -   | (14,487)            |
|   | 217,364                 | -                             | 217,364        | 258,549           | -                  | -   | 258,549             |
| Amount paid on redemption of 2,033,879 units<br>(2018: 873,671 units)     |                         |                               |                |                   |                    |   |                     |
| Capital value   | (164,531)               | -                             | (164,531)      | (85,734)          | -                  | -   | (85,734)            |
| Element of income during the period;                                      |                         |                               |                |                   |                    |   |                     |
| - Relating to income earned   | 7,243                   | (10,926)                      | (3,683)        | 3,097             | -                  | -   | 3,097               |
|   | (157,288)               | (10,926)                      | (168,214)      | (82,637)          | -                  | -   | (82,637)            |
| Total comprehensive income / (loss) for the period                        | -                       | 42,220                        | 42,220         | -                 | (11,551)           | -   | (11,551)            |
| Distribution during the period  | -                       | -                             | -              | -                 | -                  | -   | -                   |
| Net income / (loss) for the period less distribution                      | -                       | 42,220                        | 42,220         | -                 | (11,551)           | -   | (11,551)            |
| <b>Net assets at end of the period</b>                                    | <b>272,874</b>          | <b>79</b>                     | <b>272,953</b> | <b>222,510</b>    | <b>(12,339)</b>    | <b>-</b>  | <b>210,171</b>      |
| <b>Undistributed loss brought forward:</b>                                |                         |                               |                |                   |                    |   |                     |
| - Realised  | -                       | (1,922)                       | (1,922)        | -                 | -                  | -   | -                   |
| - Unrealised  | -                       | (29,293)                      | (29,293)       | -                 | -                  | -   | -                   |
| Reclassification under IFRS 9   | -                       | -                             | -              | -                 | (788)              | -   | (788)               |
|   | -                       | (31,215)                      | (31,215)       | -                 | (788)              | -   | (788)               |
| Accounting income available for distribution:                             |                         |                               |                |                   |                    |   |                     |
| - Relating to capital gains   | -                       | 30,239                        | 30,239         | -                 | -                  | -   | -                   |
| - Excluding capital gains   | -                       | 1,055                         | 1,055          | -                 | -                  | -   | -                   |
|   | -                       | 31,294                        | 31,294         | -                 | -                  | -   | -                   |
| Net loss for the period after taxation                                    | -                       | -                             | -              | -                 | (11,551)           | -   | (11,551)            |
| Distribution during the period  | -                       | -                             | -              | -                 | -                  | -   | -                   |
| <b>Undistributed income carried forward</b>                               | <b>-</b>                | <b>79</b>                     | <b>79</b>      | <b>-</b>          | <b>(12,339)</b>    | <b>-</b>  | <b>(12,339)</b>     |
| <b>Undistributed income carried forward</b>                               |                         |                               |                |                   |                    |   |                     |
| - Realised  | -                       | (42,682)                      | (42,682)       | -                 | (1,360)            | -   | (1,360)             |
| - Unrealised  | -                       | 42,761                        | 42,761         | -                 | (10,979)           | -   | (10,979)            |
|   | -                       | 79                            | 79             | -                 | (12,339)           | -   | (12,339)            |
| <b>- (Rupees) -</b>   |                         |                               |                |                   |                    |   | <b>- (Rupees) -</b> |
| <b>Net assets value per unit at beginning of the period</b>               | <b>80.8950</b>          |                               |                | <b>98.1306</b>    |                    |   |                     |
| <b>Net assets value per unit at end of the period</b>                     | <b>98.0594</b>          |                               |                | <b>88.4734</b>    |                    |   |                     |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL DEDICATED EQUITY FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 UBL Dedicated Equity Fund, was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 02, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 29, 2018.
- 1.2 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.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The investment objective of the fund is to provide other 'Fund-of-Funds' schemes an avenue for investing in Equities.
- 1.5 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in these interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.4 The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2018.

**2.1.5** In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

The preparation of these interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

## **3.2 New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation  
 IFRS 9 Prepayment Features with Negative Compensation (Amendments)  
 IFRS 11 Joint Arrangements: Previously held interests in a joint operation  
 IFRS 16 Leases  
 IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)  
 IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)  
 IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation  
 IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)  
 IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|   |   | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|---|--------------------------------------|-------------------------------|
|   | Note  | ----- (Rupees in '000) -----         |                               |
| <b>4. BANK BALANCES</b>                     |   |                                      |                               |
| Bank account - saving account               | 4.1   | <u>23,689</u>                        | <u>2,697</u>                  |
| <b>4.1</b>                                  | These carry mark-up at the rates ranging from 3.75% to 8.25% (June 30, 2019: 3.75% to 8%) per annum and include a balance of Rs.23.68 (June 30, 2019: Rs.2.68) million held with United Bank Limited (a related party). |                                      |                               |
| <b>5. INVESTMENTS</b>                       |   |                                      |                               |
| <b>At fair value through profit or loss</b> |   |                                      |                               |
| - Equity securities - listed                | 5.1   | <u>248,906</u>                       | <u>176,071</u>                |

## 5.1 Equity securities classified as at 'Fair value classified through profit and loss'

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

| Name of Investee Company                 | Note  | Number of shares    |                             |                                       |                        |                         | Balance as at December 31, 2019 |               |                             | Market value as a % of net assets | Market value as a % of total investments | Par value as percentage of total paid up capital of the investee company |
|--|-------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|---------------------------------|---------------|-----------------------------|-----------------------------------|--|--|
|  |       | As at July 01, 2019 | Purchased during the period | Bonus / right issue during the period | Sold during the period | As at December 31, 2019 | Carrying value                  | Market value  | Appreciation / (diminution) |                                   |  |  |
|  |       |                     |                             |                                       |                        |                         | (Rupees in '000)                |               |                             | %                                 |  |  |
| <b>Cement</b>                            |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Kohat Cement Company Limited             |       | 84,440              | 59,541                      | 1,459                                 | -                      | 145,440                 | 7,909                           | 11,257        | 3,348                       | 4.12                              | 4.52                                     | 0.07   |
| Lucky Cement Limited                     |       | 10,508              | 4,600                       | -                                     | (5,300)                | 9,808                   | 3,620                           | 4,202         | 582                         | 1.54                              | 1.69                                     | -  |
| Pioneer Cement Limited                   |       | 42,000              | -                           | -                                     | (42,000)               | -                       | -                               | -             | -                           | -                                 | -  | -  |
|  |       |                     |                             |                                       |                        |                         | <b>11,529</b>                   | <b>15,459</b> | <b>3,930</b>                | <b>5.66</b>                       | <b>6.21</b>                              | <b>-</b>   |
| <b>Oil and gas exploration companies</b> |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Mari Petroleum Company Limited           |       | 12,098              | 3,959                       | -                                     | (2,500)                | 13,557                  | 12,169                          | 17,761        | 5,592                       | 6.51                              | 7.14                                     | 0.01   |
| Oil & Gas Development Company Limited    | 5.1.1 | 87,368              | 39,500                      | -                                     | (14,500)               | 112,368                 | 14,494                          | 15,992        | 1,498                       | 5.86                              | 6.42                                     | -  |
| Pakistan Oilfields Limited               |       | 15,652              | 2,900                       | -                                     | (9,300)                | 9,252                   | 3,668                           | 4,133         | 465                         | 1.51                              | 1.66                                     | -  |
| Pakistan Petroleum Limited               |       | 43,763              | 35,500                      | 7,912                                 | (18,300)               | 68,875                  | 8,098                           | 9,446         | 1,348                       | 3.46                              | 3.80                                     | -  |
|  |       |                     |                             |                                       |                        |                         | <b>38,428</b>                   | <b>47,332</b> | <b>8,903</b>                | <b>17.34</b>                      | <b>19.02</b>                             | <b>-</b>   |
| <b>Oil and gas marketing companies</b>   |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Pakistan State Oil Company Limited       |       | 25,853              | 6,392                       | 3,638                                 | (10,200)               | 25,683                  | 3,795                           | 4,922         | 1,127                       | 1.80                              | 1.98                                     | 0.01   |
|  |       |                     |                             |                                       |                        |                         | <b>3,795</b>                    | <b>4,922</b>  | <b>1,127</b>                | <b>1.80</b>                       | <b>1.98</b>                              | <b>0.01</b>  |
| <b>Food and personal care products</b>   |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Al Shaheer Corporation Limited           |       | 29,550              | -                           | -                                     | -                      | 29,550                  | 372                             | 418           | 46                          | 0.15                              | 0.17                                     | 0.02   |
|  |       |                     |                             |                                       |                        |                         | <b>372</b>                      | <b>418</b>    | <b>46</b>                   | <b>0.15</b>                       | <b>0.17</b>                              | <b>0.02</b>  |
| <b>Fertilizer</b>                        |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Engro Fertilizers Limited                | 5.1.1 | 30,818              | -                           | -                                     | (8,500)                | 22,318                  | 1,428                           | 1,639         | 211                         | 0.60                              | 0.66                                     | -  |
| Engro Corporation Limited                |       | 29,823              | 2,500                       | -                                     | (7,300)                | 25,023                  | 6,639                           | 8,639         | 2,000                       | 3.17                              | 3.47                                     | -  |
| Fauji Fertilizer Company Limited         |       | 59,791              | 49,500                      | -                                     | (16,500)               | 92,791                  | 8,636                           | 9,416         | 780                         | 3.45                              | 3.78                                     | 0.01   |
| Fauji Fertilizer Bin Qasim Limited       |       | 87,076              | -                           | -                                     | (87,076)               | -                       | -                               | -             | -                           | -                                 | -  | -  |
|  |       |                     |                             |                                       |                        |                         | <b>16,703</b>                   | <b>19,694</b> | <b>2,991</b>                | <b>7.22</b>                       | <b>7.91</b>                              | <b>0.01</b>  |
| <b>Chemicals</b>                         |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Engro Polymer & Chemicals Limited        |       | 147,613             | 71,500                      | -                                     | (45,000)               | 174,113                 | 5,084                           | 5,782         | 698                         | 2.12                              | 2.32                                     | 0.02   |
| ICI Pakistan Limited                     |       | 50                  | -                           | -                                     | -                      | 50                      | 27                              | 34            | 7                           | 0.01                              | 0.01                                     | -  |
| Sitara Chemical Industries Limited       |       | 13,100              | -                           | -                                     | (1,000)                | 12,100                  | 3,701                           | 3,611         | (90)                        | 1.32                              | 1.45                                     | 0.06   |
|  |       |                     |                             |                                       |                        |                         | <b>8,812</b>                    | <b>9,427</b>  | <b>615</b>                  | <b>3.00</b>                       | <b>3.78</b>                              | <b>0.08</b>  |
| <b>Technology and communication</b>      |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Systems Limited                          |       | 41,750              | 15,000                      | -                                     | (1,000)                | 55,750                  | 5,243                           | 6,930         | 1,687                       | 2.54                              | 2.78                                     | 0.05   |
|  |       |                     |                             |                                       |                        |                         | <b>5,243</b>                    | <b>6,930</b>  | <b>1,687</b>                | <b>2.54</b>                       | <b>2.78</b>                              | <b>0.05</b>  |
| <b>Automobile parts and accessories</b>  |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Thal Limited (Par value at Rs. 5)        |       | 214                 | 15,500                      | -                                     | -                      | 15,714                  | 4,475                           | 5,315         | 840                         | 1.95                              | 2.14                                     | 0.02   |
|  |       |                     |                             |                                       |                        |                         | <b>4,475</b>                    | <b>5,315</b>  | <b>840</b>                  | <b>1.95</b>                       | <b>2.14</b>                              | <b>0.02</b>  |
| <b>Leather and Tanneries</b>             |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Service Industries Limited               |       | 5,812               | -                           | 1,128                                 | (1,300)                | 5,640                   | 2,226                           | 4,381         | 2,155                       | 1.61                              | 1.76                                     | -  |
| Bata (Pakistan) Limited                  |       | -                   | 1,500                       | -                                     | -                      | 1,500                   | 2,250                           | 2,990         | 740                         | 1.10                              | 1.20                                     | -  |
|  |       |                     |                             |                                       |                        |                         | <b>4,476</b>                    | <b>7,371</b>  | <b>2,895</b>                | <b>2.71</b>                       | <b>2.96</b>                              | <b>-</b>   |
| <b>Engineering</b>                       |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| International Industries Limited         |       | 5,200               | 27,020                      | -                                     | (12,200)               | 20,020                  | 1,681                           | 2,219         | 538                         | 0.81                              | 0.89                                     | 0.02   |
|  |       |                     |                             |                                       |                        |                         | <b>1,681</b>                    | <b>2,219</b>  | <b>538</b>                  | <b>0.81</b>                       | <b>0.89</b>                              | <b>0.02</b>  |
| <b>Insurance</b>                         |       |                     |                             |                                       |                        |                         |                                 |               |                             |                                   |  |  |
| Adamjee Insurance Company Limited        |       | 192,485             | 63,000                      | -                                     | (1,000)                | 254,485                 | 9,088                           | 10,711        | 1,623                       | 3.92                              | 4.30                                     | 0.07   |
| IGI Holdings Limited                     |       | -                   | 15,000                      | -                                     | -                      | 15,000                  | 2,550                           | 3,060         | 510                         | 1.12                              | 1.23                                     | 0.01   |
|  |       |                     |                             |                                       |                        |                         | <b>11,638</b>                   | <b>13,771</b> | <b>2,133</b>                | <b>5.04</b>                       | <b>5.53</b>                              | <b>0.08</b>  |



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

| Name of Investee Company                          | Note  | Number of shares    |                             |                                       |                        |                         | Balance as at December 31, 2019 |                |                             | Market value as a % of net assets | Market value as a % of total investments | Par Value as percentage of total paid up capital of the investee company |
|---|-------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|---------------------------------|----------------|-----------------------------|-----------------------------------|--|--|
|   |       | As at July 01, 2019 | Purchased during the period | Bonus / right issue during the period | Sold during the period | As at December 31, 2019 | Carrying value                  | Market value   | (Diminution) / appreciation |                                   |  |  |
|   |       |                     |                             |                                       |                        |                         | (Rupees in '000)                |                |                             |                                   | %  |  |
| <b>Commercial banks</b>                           |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Allied Bank Limited                               |       | 109,674             | 29,000                      | -                                     | (7,000)                | 131,674                 | 13,485                          | 12,588         | (897)                       | 4.61                              | 5.06                                     | 0.01   |
| Bank Alfalah Limited                              |       | 309,961             | 132,500                     | -                                     | (120,000)              | 322,461                 | 13,827                          | 14,736         | 909                         | 5.40                              | 5.92                                     | 0.02   |
| Faysal Bank Limited                               |       | 86                  | 16,000                      | -                                     | (16,000)               | 86                      | 1                               | 2              | 2                           | -                                 | -  | -  |
| Habib Bank Limited                                | 5.1.1 | 133,501             | 44,500                      | -                                     | (68,500)               | 109,501                 | 13,162                          | 17,238         | 4,076                       | 6.32                              | 6.93                                     | 0.01   |
| United Bank Limited                               |       | 107,209             | 22,100                      | -                                     | (55,100)               | 74,209                  | 10,812                          | 12,207         | 1,395                       | 4.47                              | 4.90                                     | 0.01   |
| Bank AL-Habib Limited                             |       | -                   | 179,500                     | -                                     | (16,000)               | 163,500                 | 11,349                          | 12,452         | 1,103                       | 4.56                              | 5.00                                     | 0.01   |
| Meezan Bank Limited                               |       | -                   | 37,000                      | -                                     | -                      | 37,000                  | 2,757                           | 3,520          | 763                         | 1.29                              | 1.41                                     | -  |
| National Bank of Pakistan                         |       | 1,174               | -                           | -                                     | -                      | 1,174                   | 40                              | 51             | 11                          | 0.02                              | 0.02                                     | -  |
|   |       |                     |                             |                                       |                        |                         | <b>65,433</b>                   | <b>72,794</b>  | <b>7,362</b>                | <b>26.67</b>                      | <b>29.24</b>                             | <b>0.06</b>  |
| <b>Investment banking</b>                         |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Arif Habib Limited                                |       | -                   | 75,000                      | -                                     | -                      | 75,000                  | 3,870                           | 4,267          | 397                         | 1.56                              | 1.71                                     | 0.13   |
|   |       |                     |                             |                                       |                        |                         | <b>3,870</b>                    | <b>4,267</b>   | <b>397</b>                  | <b>1.56</b>                       | <b>1.71</b>                              | <b>0.13</b>  |
| <b>Textile composite</b>                          |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Nishat Mills Limited                              |       | 38,890              | 21,000                      | -                                     | (26,000)               | 33,890                  | 3,052                           | 3,597          | 545                         | 1.32                              | 1.45                                     | 0.01   |
| Gul Ahmed Textile Mills Limited                   |       | 69,879              | -                           | 7,475                                 | (32,500)               | 44,854                  | 1,760                           | 1,934          | 174                         | 0.71                              | 0.78                                     | 0.01   |
| Kohinoor Textile Mills Limited                    |       | 3,636               | 165,000                     | -                                     | -                      | 168,636                 | 4,378                           | 6,589          | 2,211                       | 2.41                              | 2.65                                     | 0.06   |
|   |       |                     |                             |                                       |                        |                         | <b>9,191</b>                    | <b>12,120</b>  | <b>2,930</b>                | <b>4.44</b>                       | <b>4.88</b>                              | <b>0.02</b>  |
| <b>Transport</b>                                  |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Pakistan National Shipping Corporation            |       | -                   | 26,000                      | -                                     | -                      | 26,000                  | 1,611                           | 2,442          | 831                         | 0.89                              | 0.98                                     | 0.02   |
|   |       |                     |                             |                                       |                        |                         | <b>1,611</b>                    | <b>2,442</b>   | <b>831</b>                  | <b>0.89</b>                       | <b>0.98</b>                              | <b>0.02</b>  |
| <b>Power generation and distribution</b>          |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| The Hub Power Company Limited                     |       | 161,330             | 59,500                      | -                                     | (88,500)               | 132,330                 | 10,322                          | 12,353         | 2,031                       | 4.53                              | 4.96                                     | 0.01   |
| Pakgen Power Limited                              |       | 146,165             | 107,000                     | -                                     | (35,000)               | 218,165                 | 2,945                           | 3,997          | 1,052                       | 1.46                              | 1.61                                     | 0.06   |
| K-Electric Limited (Par value at Rs. 3.5)         |       | 140,953             | -                           | -                                     | (132,000)              | 8,953                   | 39                              | 39             | -                           | 0.01                              | 0.02                                     | -  |
| Lalpir Power Limited                              |       | 21,357              | -                           | -                                     | (21,000)               | 357                     | 5                               | 5              | -                           | -                                 | -  | -  |
| Saif Power Limited                                |       | 64,684              | 6,500                       | -                                     | -                      | 71,184                  | 1,335                           | 1,492          | 157                         | 0.55                              | 0.60                                     | 0.02   |
|   |       |                     |                             |                                       |                        |                         | <b>14,646</b>                   | <b>17,886</b>  | <b>3,240</b>                | <b>6.55</b>                       | <b>7.19</b>                              | <b>0.09</b>  |
| <b>Paper and board</b>                            |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Century Paper & Board Mills Limited               |       | 56,211              | 19,000                      | -                                     | (9,500)                | 65,711                  | 2,287                           | 3,330          | 1,043                       | 1.22                              | 1.34                                     | 0.04   |
| Packages Limited                                  |       | 5,000               | -                           | -                                     | (5,000)                | -                       | -                               | -              | -                           | -                                 | -  | -  |
|   |       |                     |                             |                                       |                        |                         | <b>2,287</b>                    | <b>3,330</b>   | <b>1,043</b>                | <b>1.22</b>                       | <b>1.34</b>                              | <b>0.04</b>  |
| <b>Pharmaceuticals</b>                            |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| The Searle Company Limited                        |       | 6,610               | -                           | -                                     | (6,500)                | 110                     | 16                              | 21             | 5                           | 0.01                              | 0.01                                     | -  |
| Ferozsos Laboratories Limited                     |       | 6,700               | -                           | -                                     | (6,200)                | 500                     | 56                              | 105            | 49                          | 0.04                              | 0.04                                     | -  |
|   |       |                     |                             |                                       |                        |                         | <b>72</b>                       | <b>126</b>     | <b>54</b>                   | <b>0.05</b>                       | <b>0.05</b>                              | <b>-</b>   |
| <b>Miscellaneous</b>                              |       |                     |                             |                                       |                        |                         |                                 |                |                             |                                   |  |  |
| Synthetic Products Enterprises Limited            |       | 85,000              | 3,400                       | -                                     | -                      | 88,400                  | 1,884                           | 3,083          | 1,199                       | 1.13                              | 1.24                                     | 0.10   |
|   |       |                     |                             |                                       |                        |                         | <b>1,884</b>                    | <b>3,083</b>   | <b>1,199</b>                | <b>1.13</b>                       | <b>1.24</b>                              | <b>0.10</b>  |
| <b>Total as at December 31, 2019 (Un-audited)</b> |       |                     |                             |                                       |                        |                         | <b>206,146</b>                  | <b>248,906</b> | <b>42,761</b>               |                                   |  |  |
| Total as at June 30, 2019 (Audited)               |       |                     |                             |                                       |                        |                         | 205,363                         | 176,071        | (29,291)                    |                                   |  |  |

5.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

|                                       | December 31, 2019  |                  | June 30, 2019      |                  |
|---------------------------------------|--------------------|------------------|--------------------|------------------|
|                                       | (Number of shares) | (Rupees in '000) | (Number of shares) | (Rupees in '000) |
| Oil & Gas Development Company Limited | 14,400             | 2,049            | 14,400             | 1,893            |
| Engro Fertilizers Limited             | 9,000              | 661              | 14,000             | 896              |
| Habib Bank Limited                    | 14,000             | 2,204            | 9,000              | 1,019            |
|                                       | <b>37,400</b>      | <b>4,914</b>     | <b>37,400</b>      | <b>3,808</b>     |

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

|   | Note | (Un-audited)<br>December<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|----------------------------------|-------------------------------|
|   |      | ----- (Rupees in '000) -----     |                               |
| <b>7. PRELIMINARY EXPENSES AND FLOATATION COSTS</b> |      |                                  |                               |
| Preliminary expenses and floatation costs           | 7.1  | 244                              | 306                           |
| Amortization during the period                      |      | (31)                             | (62)                          |
|   |      | <u>213</u>                       | <u>244</u>                    |

**7.1** This represents all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund which will be amortized by the Fund over a period of five years commencing from May 29, 2018 in accordance with the Trust Deed and the NBFC Regulations.

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

|  |     |            |            |
|--|-----|------------|------------|
| Remuneration payable                   | 8.1 | 467        | 335        |
| Sales tax on remuneration payable      | 8.2 | 61         | 44         |
| Allocated expenses payable             | 8.3 | 42         | 17         |
| Selling and marketing expenses payable | 8.4 | 232        | 210        |
|  |     | <u>802</u> | <u>606</u> |

**8.1** The Management Company charged remuneration at the rate of 2 percent (June 30, 2019: 2 percent) per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

**8.2** Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2019: 13%).

**8.3** Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

**8.4** The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

## 9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets.

**10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

|  |      | (Un-audited)<br>December<br>2019 | (Audited)<br>June 30,<br>2019 |
|--|------|----------------------------------|-------------------------------|
|  | Note | -----                            | (Rupees in '000) -----        |
| 11. ACCRUED AND OTHER LIABILITIES                |      |                                  |                               |
| Auditors' remuneration                           |      | 221                              | 215                           |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 11.1 | 858                              | 13                            |
| Brokerage payable                                |      | 402                              | 272                           |
| Listing fee payable                              |      | 22                               | 20                            |
| Capital gains tax payable                        |      | 407                              | -                             |
| Legal and professional fees payable              |      | 171                              | 94                            |
|  |      | <u>2,081</u>                     | <u>614</u>                    |

11.1 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.31 (June 30, 2019: Re.0.01).

**12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

**13. 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 intends to distribute through cash at least 90% of the fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

**14. EARNINGS PER UNIT**

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

**15. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 2.41% as on December 31, 2019 and this includes 0.61% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an equity scheme.

**16. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Financial Services (Private) Limited, being entity under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended December 31, 2019 are as follows:

|  | Management<br>company | Associated<br>companies | Trustee | Funds under<br>common<br>management | Directors<br>and key<br>executives | Other<br>connected<br>persons /<br>related<br>parties |
|--|-----------------------|-------------------------|---------|-------------------------------------|------------------------------------|---|
|  | (Rupees in '000)      |                         |         |                                     |                                    |   |
| For the Half Yearly Ended December 31, 2019 (Un-audited) |                       |                         |         |                                     |                                    |   |
| Transactions during the period                           |                       |                         |         |                                     |                                    |   |
| Mark-up on bank account                                  | -                     | 532                     | -       | -                                   | -                                  | -   |
| Bank charges   | -                     | 9                       | -       | -                                   | -                                  | -   |
| Units issued   | -                     | -                       | -       | 181,316                             | -                                  | -   |
| Units redeemed   | -                     | -                       | -       | 123,544                             | -                                  | -   |
| Purchase of invesment                                    | -                     | 3,115                   | -       | -                                   | -                                  | -   |
| Sale of invesment  | -                     | 7,661                   | -       | -                                   | -                                  | -   |
| Remuneration *   | 2,210                 | -                       | 249     | -                                   | -                                  | -   |
| Allocated expenses by the<br>Management Company          | 98                    | -                       | -       | -                                   | -                                  | -   |
| Selling and marketing expense                            | 391                   | -                       | -       | -                                   | -                                  | -   |
| For the Half Yearly Ended December 31, 2018 (Un-audited) |                       |                         |         |                                     |                                    |   |
| Transactions during the period                           |                       |                         |         |                                     |                                    |   |
| Mark-up on bank account                                  | -                     | 411                     | -       | -                                   | -                                  | -   |
| Bank charges   | -                     | 14                      | -       | -                                   | -                                  | -   |
| Units issued   | -                     | -                       | -       | 114,149                             | -                                  | 25,000  |
| Units redeemed   | -                     | -                       | -       | 26,427                              | -                                  | -   |
| Remuneration *   | 1,183                 | -                       | 118     | -                                   | -                                  | -   |
| Allocated expenses by the<br>Management Company          | 52                    | -                       | -       | -                                   | -                                  | -   |
| Selling and marketing expenses                           | 209                   | -                       | -       | -                                   | -                                  | -   |
| As at December 31, 2019 (Un-audited)                     |                       |                         |         |                                     |                                    |   |
| Balances held  |                       |                         |         |                                     |                                    |   |
| Units held (units in '000)                               | -                     | -                       | -       | 2,376                               | -                                  | -   |
| Units held (Rupees in '000)                              | -                     | -                       | -       | 233,037                             | -                                  | -   |
| Bank balances  | -                     | 23,675                  | -       | -                                   | -                                  | -   |
| Remuneration payable                                     | 528                   | -                       | 53      | -                                   | -                                  | -   |
| Selling and marketing<br>expenses payable                | 232                   | -                       | -       | -                                   | -                                  | -   |
| Mark-up receivable                                       | -                     | 515                     | -       | -                                   | -                                  | -   |
| Allocated expenses payable                               | 42                    | -                       | -       | -                                   | -                                  | -   |
| Investments  | -                     | 12,207                  | -       | -                                   | -                                  | -   |
| As at June 30, 2019 (Audited)                            |                       |                         |         |                                     |                                    |   |
| Balances held  |                       |                         |         |                                     |                                    |   |
| Units held (units in '000)                               | -                     | -                       | -       | 1,817                               | -                                  | -   |
| Units held (Rupees in '000)                              | -                     | -                       | -       | 146,981                             | -                                  | -   |
| Bank balances  | -                     | 2,684                   | -       | -                                   | -                                  | -   |
| Remuneration payable                                     | 379                   | -                       | 38      | -                                   | -                                  | -   |
| Selling and marketing<br>expenses payable                | 210                   | -                       | -       | -                                   | -                                  | -   |
| Mark-up receivable                                       | -                     | 580                     | -       | -                                   | -                                  | -   |
| Allocated expenses payable                               | 17                    | -                       | -       | -                                   | -                                  | -   |
| Investments  | -                     | 15,800                  | -       | -                                   | -                                  | -   |

\* Remuneration for the period is inclusive of sales tax.

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

|  | Fair value              |          |          |                |
|--|-------------------------|----------|----------|----------------|
|  | Level 1                 | Level 2  | Level 3  | Total          |
| <b><u>December 31, 2019 (Un-audited)</u></b>   | <b>(Rupees in '000)</b> |          |          |                |
| <b>Financial assets measured at fair value</b> |                         |          |          |                |
| - Equity securities - listed                   | <u>248,906</u>          | <u>-</u> | <u>-</u> | <u>248,906</u> |
|  |                         |          |          |                |
|  | Fair value              |          |          |                |
|  | Level 1                 | Level 2  | Level 3  | Total          |
| <b><u>June 30, 2019 (Audited)</u></b>          | <b>(Rupees in '000)</b> |          |          |                |
| <b>Financial assets measured at fair value</b> |                         |          |          |                |
| - Equity securities - listed                   | <u>176,071</u>          | <u>-</u> | <u>-</u> | <u>176,071</u> |

## 18. GENERAL

**18.1** Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

**18.2** 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 period.

## 19. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on 25 February 2020 by the Board of Directors of the Management Company.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

# UCPF-III

## UBL Capital Protected Fund - III

### INVESTMENT OBJECTIVE

The Investment Objective of UBL Capital Protected Fund-III (UCPF-III) is to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA-rated Bank and remaining in equity market or any other SECP permitted investments to provide investors with better returns.

|                             |  |
|-----------------------------|--|
| <b>Management Company</b>   | UBL Fund Managers Limited  |
| <b>Trustee</b>              | 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     |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditor</b>              | BDO Ebrahim & Co. Chartered Accountants  |
| <b>Bankers</b>              | Bank Alfalah Limited<br>National Bank of Pakistan<br>United Bank Limited   |
| <b>Management Co.Rating</b> | AM1 (VIS)  |

**Head Office**

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Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL CAPITAL PROTECTED FUND-III**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Capital Protected Fund-III (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 six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

For the information of the unit holders that the Fund has been matured on January 27, 2020 due to completion of its life i.e. 36 months.

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

Karachi: February 28, 2020



## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL CAPITAL PROTECTED FUND III

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of UBL CAPITAL PROTECTED FUND III ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the accounts for the half year then ended (here-in-after referred to as "condensed interim financial information"). UBL Fund Managers Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of matter

We draw attention to note 1.7 to the condensed interim financial information which inter alia states that the Fund commenced its operation from January 27, 2017. The duration of the fund is 24 months from the commencement of the life of the Fund and the Fund shall stand automatically dissolved after the aforementioned period. Accordingly, the condensed interim financial information are not prepared on the going concern basis. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled.

### Other matters

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 25 FEB 2020



CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer



**UBL CAPITAL PROTECTED FUND III**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |      | December 31,<br>2019<br>(Unaudited) | June 30,<br>2019<br>(Audited) |
|---|------|-------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----        |                               |
| <b>ASSETS</b>   |      |                                     |                               |
| Bank balances   | 4    | 1,089                               | 2,709                         |
| Term deposit receipts   | 5    | 242,953                             | 254,014                       |
| Investments   | 6    | 15,605                              | 14,095                        |
| Mark-up / interest receivable                                       |      | 46,715                              | 40,460                        |
| Deposits and prepayments  |      | 2,651                               | 2,651                         |
| Advance tax   | 7    | 328                                 | 328                           |
| Preliminary expenses and floatation costs                           |      | 52                                  | 433                           |
| <b>TOTAL ASSETS</b>   |      | <b>309,393</b>                      | <b>314,690</b>                |
| <b>LIABILITIES</b>  |      |                                     |                               |
| Payable to UBL Fund Managers Limited - Management Company           |      | 289                                 | 260                           |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8    | 38                                  | 38                            |
| Payable to Securities and Exchange Commission of Pakistan           | 9    | 31                                  | 242                           |
| Accrued expenses and other liabilities                              | 10   | 965                                 | 2,083                         |
| <b>TOTAL LIABILITIES</b>  |      | <b>1,323</b>                        | <b>2,623</b>                  |
| <b>NET ASSETS</b>   |      | <b>308,070</b>                      | <b>312,067</b>                |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>               |      |                                     |                               |
|   |      | <b>308,070</b>                      | <b>312,067</b>                |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                |      |                                     |                               |
|   | 11   |                                     |                               |
| ----- (Number of units) -----                                       |      |                                     |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>                                     |      | <b>2,984,659</b>                    | <b>3,119,525</b>              |
| ----- (Rupees) -----  |      |                                     |                               |
| <b>NET ASSETS VALUE PER UNIT</b>                                    |      | <b>103.2177</b>                     | <b>100.0366</b>               |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL CAPITAL PROTECTED FUND III**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |   | Half year ended              |              | Quarter ended                |              |
|--|---|------------------------------|--------------|------------------------------|--------------|
|  |   | December 31                  | December 31  | December 31                  | December 31  |
|  |   | 2019                         | 2018         | 2019                         | 2018         |
| Note   |   | ----- (Rupees in '000) ----- |              | ----- (Rupees in '000) ----- |              |
| <b>INCOME</b>                                  |   |                              |              |                              |              |
|  | Financial income  | 8,265                        | 9,120        | 4,072                        | 4,396        |
|  | Dividend income   | 225                          | 315          | 166                          | 177          |
|  | Capital loss on sale of investment - net  | (33)                         | (546)        | 113                          | (214)        |
|  | Unrealised gain / (loss) on revaluation of investments classified at financial asset 'at fair value through profit or loss' - net | 3,374                        | (3,620)      | 4,885                        | (2,716)      |
|  | Other income  | 405                          | 3,025        | 32                           | -            |
|  | <b>Total income</b>   | <b>12,236</b>                | <b>8,294</b> | <b>9,268</b>                 | <b>1,643</b> |
| <b>EXPENSES</b>                                |   |                              |              |                              |              |
|  | Remuneration of UBL Fund Managers Limited - Management Company  | 1,154                        | 1,244        | 578                          | 600          |
|  | Sindh Sales tax on Management Company's remuneration  | 150                          | 162          | 75                           | 78           |
| 8  | Remuneration of Central Depository Company of Pakistan Limited - Trustee  | 226                          | 244          | 113                          | 118          |
| 9  | Annual fee of Securities and Exchange Commission of Pakistan  | 31                           | 124          | 16                           | 60           |
|  | Allocated expenses  | 154                          | 166          | 77                           | 80           |
|  | Bank charges  | 2                            | 3            | 2                            | 1            |
|  | Auditors' remuneration  | 131                          | 177          | 54                           | 104          |
|  | Brokerage and settlement Charges  | 178                          | 207          | 83                           | 1            |
|  | Amortization of preliminary expenses and floatation costs   | 376                          | 376          | 188                          | 188          |
|  | Legal and professional charges  | 77                           | 101          | 38                           | 50           |
|  | Fees and subscription charges   | 14                           | 14           | 7                            | 7            |
|  | Other expenses  | 43                           | 53           | 21                           | 119          |
|  | <b>Total operating expenses</b>   | <b>2,536</b>                 | <b>2,871</b> | <b>1,252</b>                 | <b>1,406</b> |
|  | <b>Operating income for the period</b>  | <b>9,700</b>                 | <b>5,423</b> | <b>8,016</b>                 | <b>237</b>   |
| 10.1   | Provision for Sindh Workers' Welfare Fund   | (190)                        | (107)        | (157)                        | (5)          |
|  | <b>Net income for the period before taxation</b>  | <b>9,510</b>                 | <b>5,316</b> | <b>7,859</b>                 | <b>232</b>   |
| 12   | Taxation  | -                            | -            | -                            | -            |
|  | <b>Net income for the period after taxation</b>   | <b>9,510</b>                 | <b>5,316</b> | <b>7,859</b>                 | <b>232</b>   |
| <b>Allocation of net income for the period</b> |   |                              |              |                              |              |
|  | Income already paid on units redeemed   | (35)                         | (306)        | (26)                         | -            |
|  | <b>Net income for the period available for distribution</b>   | <b>9,475</b>                 | <b>5,010</b> | <b>7,833</b>                 | <b>232</b>   |
|  | Relating to capital gains   | 3,321                        | -            | -                            | -            |
|  | Excluding capital gains   | 6,154                        | 5,010        | 7,833                        | 232          |
|  | <b>Earnings per unit</b>  | <b>9,475</b>                 | <b>5,010</b> | <b>7,833</b>                 | <b>232</b>   |

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The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

SD

**CHIEF EXECUTIVE OFFICER**

SD

**CHIEF FINANCIAL OFFICER**

SD

**DIRECTOR**

**UBL CAPITAL PROTECTED FUND III**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|   | <b>Half year ended</b>              |                     | <b>Quarter ended</b>                |                     |
|---|-------------------------------------|---------------------|-------------------------------------|---------------------|
|   | <b>December 31,</b>                 | <b>December 31,</b> | <b>December 31,</b>                 | <b>December 31,</b> |
|   | <b>2019</b>                         | <b>2018</b>         | <b>2019</b>                         | <b>2018</b>         |
|   | <b>----- (Rupees in '000) -----</b> |                     | <b>----- (Rupees in '000) -----</b> |                     |
| Net income for the period after taxation  | 9,510                               | 5,316               | 7,859                               | 232                 |
| Other comprehensive income                | -                                   | -                   | -                                   | -                   |
| Total comprehensive income for the period | <u>9,510</u>                        | <u>5,316</u>        | <u>7,859</u>                        | <u>232</u>          |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**

**CHIEF EXECUTIVE OFFICER**

**SD**

**CHIEF FINANCIAL OFFICER**

**SD**

**DIRECTOR**

**UBL CAPITAL PROTECTED FUND III**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | <b>Half year ended</b>             |                              |
|---|------------------------------------|------------------------------|
|   | <b>December 31,<br/>2019</b>       | <b>December 31,<br/>2018</b> |
|   | <b>------(Rupees in '000)-----</b> |                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                    |                              |
| Net income for the period before taxation   | 9,510                              | 5,316                        |
| <b>Adjustments for:</b>   |                                    |                              |
| Financial income  | (8,265)                            | (9,120)                      |
| Dividend income   | (225)                              | (315)                        |
| Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net | (3,374)                            | 3,620                        |
| Capital loss on sale of investment - net  | 33                                 | 546                          |
| Provision for Sindh Workers' Welfare Fund   | 190                                | 107                          |
| Amortization of preliminary expenses and floatation costs   | 381                                | 382                          |
|   | <u>(11,260)</u>                    | <u>(4,780)</u>               |
| <b>Cash (used in) / generated from operations before working capital changes</b>                                  | <b>(1,750)</b>                     | <b>536</b>                   |
| <b>Working capital changes</b>  |                                    |                              |
| <b>Decrease / (increase) in assets</b>  |                                    |                              |
| Investments - net   | 1,831                              | 12,400                       |
| Term deposit receipts   | 11,061                             | 84,309                       |
| Deposits and prepayments  | -                                  | (24)                         |
|   | <u>12,892</u>                      | <u>96,685</u>                |
| <b>(Decrease) / increase in liabilities</b>   |                                    |                              |
| Payable to UBL Fund Managers Limited - Management Company   | 29                                 | (102)                        |
| Payable to Central Depository Company of Pakistan Limited - Trustee   | -                                  | (10)                         |
| Annual fee payable to Securities and Exchange Commission of Pakistan  | (211)                              | (191)                        |
| Accrued expenses and other liabilities  | (1,308)                            | 44                           |
|   | <u>(1,490)</u>                     | <u>(259)</u>                 |
| Profit received on bank balances and term deposit receipts  | 2,010                              | 8,303                        |
| Dividend received   | 225                                | 513                          |
| <b>Net cash generated from operating activities</b>   | <b>11,887</b>                      | <b>105,778</b>               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                    |                              |
| Receipts from issuance of units   | -                                  | 1,733                        |
| Payment against redemption of units   | (13,507)                           | (100,848)                    |
| Dividend paid   | -                                  | (2,010)                      |
| <b>Net cash used in financing activities</b>  | <b>(13,507)</b>                    | <b>(101,125)</b>             |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | <b>(1,620)</b>                     | <b>4,653</b>                 |
| <b>Cash and cash equivalents at the beginning of the period</b>   | <b>2,709</b>                       | <b>221</b>                   |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>1,089</b>                       | <b>4,874</b>                 |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**SD**  
**CHIEF EXECUTIVE OFFICER**

**SD**  
**CHIEF FINANCIAL OFFICER**

**SD**  
**DIRECTOR**

**UBL CAPITAL PROTECTED FUND III**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | Half year ended<br>December 31, 2019 |                      |                 | Half year ended<br>December 31, 2018 |                      |  |
|--|--------------------------------------|----------------------|-----------------|--------------------------------------|----------------------|--|
|  | Capital value                        | Undistributed income | Total           | Capital value                        | Undistributed income | Unrealised appreciation on re-measurement of investments classified as 'fair value through other comprehensive income' |
| Note   | (Rupees in '000)                     |                      |                 | (Rupees in '000)                     |                      |  |
| Net assets at the beginning of the period  | 312,157                              | (90)                 | 312,067         | 410,162                              | 2,604                | 55   |
| Transfer of unrealised appreciation on re-measurement of investments classified as available for sale' - net to undistributed income upon adoption of IFRS-9 | -                                    | -                    | -               | -                                    | 55                   | (55)   |
| Issuance of Nil units (2018: 17,320 units)   | -                                    | -                    | -               | -                                    | -                    | -  |
| Capital value of units   | -                                    | -                    | -               | 1,735                                | -                    | -  |
| Element of loss  | -                                    | -                    | -               | -                                    | -                    | -  |
| Due to net loss incurred   | -                                    | -                    | -               | (2)                                  | -                    | -  |
| <b>Total proceeds on issuance of units</b>   | -                                    | -                    | -               | 1,733                                | -                    | -  |
| Redemption of 134,867 units (2018: 1,007,191 units)  | -                                    | -                    | -               | -                                    | -                    | -  |
| Capital value of units   | (13,491)                             | -                    | (13,491)        | (100,881)                            | -                    | -  |
| Element of (loss) / income   | -                                    | -                    | -               | -                                    | -                    | -  |
| Due to net (income) earned / loss incurred   | 19                                   | (35)                 | (16)            | 339                                  | (306)                | -  |
| <b>Total payments on redemption of units</b>   | (13,472)                             | (35)                 | (13,507)        | (100,542)                            | (306)                | -  |
| Total comprehensive income for the period  | -                                    | 9,510                | 9,510           | -                                    | 5,316                | -  |
| Distribution during the period:  | -                                    | -                    | -               | -                                    | -                    | -  |
| Re. 0.4900 per unit declared on July 2, 2018 as cash dividend  | -                                    | -                    | -               | -                                    | (2,010)              | -  |
| <b>Net income for the period less distribution</b>   | -                                    | 9,510                | 9,510           | -                                    | 3,306                | -  |
| <b>Net assets at the end of the period</b>   | <u>298,685</u>                       | <u>9,385</u>         | <u>308,070</u>  | <u>311,353</u>                       | <u>5,659</u>         | <u>317,012</u>   |
| Undistributed income / Unrealised appreciation on re-measurement of investments classified as 'available for sale' brought forward comprises of:             |                                      |                      |                 |                                      |                      |  |
| Realised gain  |                                      | 4,754                | 4,754           |                                      | 10,462               | -  |
| Unrealised loss / gain   |                                      | (4,844)              | (4,844)         |                                      | (7,858)              | 55   |
| Total accumulated (loss) / undistributed income brought forward  |                                      | (90)                 | (90)            |                                      | 2,604                | 55   |
| Transfer of unrealised appreciation on re-measurement of investments classified as available for sale' - net to undistributed income upon adoption of IFRS-9 |                                      | -                    | -               |                                      | 55                   | (55)   |
| <b>Income available for distribution:</b>  |                                      |                      |                 |                                      |                      |  |
| Relating to capital gains  |                                      | 3,321                | 3,321           |                                      | -                    | -  |
| Excluding capital gains  |                                      | 6,154                | 6,154           |                                      | 5,010                | -  |
|  |                                      | 9,475                | 9,475           |                                      | 5,010                | -  |
| Distribution during the period:  |                                      |                      |                 |                                      |                      |  |
| Re. 0.4900 per unit declared on July 2, 2018 as cash dividend  |                                      | -                    | -               |                                      | (2,010)              | -  |
| <b>Undistributed income carried forward</b>  |                                      | <u>9,385</u>         | <u>9,385</u>    |                                      | <u>5,659</u>         | <u>5,659</u>   |
| <b>Undistributed income carried forward comprises of:</b>  |                                      |                      |                 |                                      |                      |  |
| Realised gain  |                                      | 6,011                |                 |                                      | 9,279                |  |
| Unrealised gain / (loss)   |                                      | 3,374                |                 |                                      | (3,620)              |  |
| <b>Total undistributed income carried forward</b>  |                                      | <u>9,385</u>         |                 |                                      | <u>5,659</u>         |  |
|  |                                      |                      | (Rupees)        |                                      |                      | (Rupees)   |
| Net assets value per unit at the beginning of the period   |                                      |                      | 100.0366        |                                      |                      | 100.6508   |
| Net assets value per unit at the end of the period   |                                      |                      | <u>103.2177</u> |                                      |                      | <u>101.8793</u>  |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
CHIEF EXECUTIVE OFFICER

SD  
CHIEF FINANCIAL OFFICER

SD  
DIRECTOR

**UBL CAPITAL PROTECTED FUND III**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 UBL Capital Protected Fund III (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated October 21, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on January 26, 2017 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is a capital protected scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended capital protected scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to protect the principal investment of investors upon maturity by placing the significant portion of trust property as TDR with a minimum AA- rated bank, and remaining in equity market or any other SECP permitted investments to provide investor with better return.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2019.
- 1.7 The Fund commenced its operations from January 26, 2017 and the duration of the Fund is twenty four months from the commencement of the life of the Fund. The Fund is matured subsequently on January 25, 2020. Accordingly, the condensed financial information of the Fund has been prepared on a basis other than going concern. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

This condensed interim financial information has been prepared on liquidation basis of accounting and accordingly assets and liabilities have been carried at the values at which they are expected to be realized or settled.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN**

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.



- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|             | <b>December<br/>31, 2019<br/>(Unaudited)</b> | <b>June<br/>30, 2019<br/>(Audited)</b> |
|-------------|--|--|
| <b>Note</b> | <b>----- (Rupees in '000) -----</b>          |  |

#### **4 BANK BALANCES**

|                     |              |              |
|---------------------|--------------|--------------|
| Cash at bank        |              |              |
| In savings accounts | <u>1,089</u> | <u>2,709</u> |

- 4.1 Profit rates on these savings accounts range between 3.75 % to 12.25% per annum (June 30, 2019: 3.75% to 9%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 0.206 million (June 30, 2019: Rs. 0.386 million) on which profit is earned at 12.25% (June 30, 2019: 8.25%)

#### **5 TERM DEPOSIT RECEIPTS**

##### **At Amortised Cost**

|                                   |     |                 |                  |
|-----------------------------------|-----|-----------------|------------------|
| Opening balance                   |     | 254,014         | 343,883          |
| Acquired during the period / year |     | -               | 97,811           |
| Matured during the period / year  | 5.1 | <u>(11,061)</u> | <u>(187,680)</u> |
| Closing balance                   | 5.2 | <u>242,953</u>  | <u>254,014</u>   |

- 5.1 These Term Deposit Receipts (TDRs) having face value of Rs. 11.061 million carrying interest rate ranging from 3.75% to 5.60% were pre-matured during the period.

- 5.2 These Term Deposit Receipts (TDRs) carry profit of 6.60% having maturity till January 26, 2020.

#### **6 INVESTMENTS**

|   |     |               |               |
|---|-----|---------------|---------------|
| Financial assets classified as at fair value through profit or loss | 6.1 | <u>15,605</u> | <u>14,095</u> |
|   |     | <u>15,605</u> | <u>14,095</u> |



- 6.1.1 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. In prior year, the investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5 % of bonus entitlement of the Fund having fair market value of Rs. 0.035 million at period end. Such shares have not been deposited by the investee companies in CDC account of Income Tax department. The Fund has included in its investment the shares withheld and recorded these at fair market value at year end. Moreover the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.
- 6.1.2 The above securities include 1600 shares pledged with the National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 0.685 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

## **7 ADVANCE TAX**

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 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 Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under sections 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time.

|                                 |                  |
|---------------------------------|------------------|
| <b>December 31,</b>             | <b>June 30,</b>  |
| <b>2019</b>                     | <b>2019</b>      |
| <b>(Un-Audited)</b>             | <b>(Audited)</b> |
| <b>-----Rupees in '000-----</b> |                  |

## **8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE**

|                     |     |           |           |
|---------------------|-----|-----------|-----------|
| Trustee fee payable | 8.1 | <u>38</u> | <u>38</u> |
|                     |     | <u>38</u> | <u>38</u> |

8.1 As per the Trust Deed and Offering Document, the tariff applicable to the Fund in respect of the Trustee fee during the period ended December 31, 2019 is 0.13% of net assets.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

## **9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

|                    |     |           |            |
|--------------------|-----|-----------|------------|
| Annual fee payable | 9.1 | <u>31</u> | <u>242</u> |
|--------------------|-----|-----------|------------|

9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

## **10 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **10.1 Provision for Sindh Workers' Welfare Fund**

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 0.561 million (June 30, 2019: Rs. 0.371 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.1880 per unit (June 30, 2019: Re. 0.1189 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

## **12 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 intends to distribute by way of cash dividend at least 90% of the aforementioned net accounting income earned by the fund to the unit holders. Accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## **13 EARNINGS PER UNIT**

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

## **14 TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2019 is 0.89% which includes 0.13% representing Government Levy, Worker's Welfare Fund and SECP fee.

## 15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee) and 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 provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed terms.

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

|  | Management<br>Company        | Associated<br>Companies | Trustee | Other<br>Connected<br>persons / related<br>parties |
|--|------------------------------|-------------------------|---------|--|
|  | ----- (Un-Audited) -----     |                         |         |  |
|  | ----- (Rupees in '000) ----- |                         |         |  |
| <b>Transactions during the half year<br/>ended December 31, 2019</b> |                              |                         |         |  |
| Profit on savings accounts   | -                            | 34                      | -       | -  |
| Profit on Term deposit receipts                                      | -                            | 8,183                   | -       | -  |
| Bank charges   | -                            | 1                       | -       | -  |
| Remuneration (including Sindh sales tax)                             | 1,304                        | -                       | 226     | -  |
| Allocated expenses   | 154                          | -                       | -       | -  |
| CDS expense  | -                            | -                       | 2       | -  |
| <b>Transactions during the half year<br/>ended December 31, 2018</b> |                              |                         |         |  |
| Profit on savings accounts   | -                            | 50                      | -       | -  |
| Profit on Term deposit receipts                                      | -                            | 8,971                   | -       | -  |
| Bank charges   | -                            | 1                       | -       | -  |
| Units issued   | -                            | 758                     | -       | -  |
| Remuneration (including sindh sales tax)                             | 1,406                        | -                       | 244     | -  |
| Allocated expenses   | 166                          | -                       | -       | -  |
| CDS expense  | -                            | -                       | 4       | -  |
| Dividend paid  | -                            | 876                     | -       | -  |

|  | Management<br>Company        | Associated<br>Companies | Trustee | Funds under<br>Common<br>Management |
|--|------------------------------|-------------------------|---------|-------------------------------------|
|  | ----- (Un-Audited) -----     |                         |         |                                     |
|  | ----- (Rupees in '000) ----- |                         |         |                                     |
| <b>Balances held as at December 31, 2019</b> |                              |                         |         |                                     |
| Units held (in Units '000)                   | -                            | 1,760                   | -       | -                                   |
| Units held (in Rupees '000)                  | -                            | 181,663                 | -       | -                                   |
| Bank balances                                | -                            | 206                     | -       | -                                   |
| Deposits                                     | -                            | -                       | 100     | -                                   |
| Remuneration payable                         | 221                          | -                       | 38      | -                                   |
| Other payables                               | 17                           | -                       | -       | -                                   |
| Term deposit receipts                        | -                            | 242,953                 | -       | -                                   |
| Profit receivable on Term deposit receipts   | -                            | 46,702                  | -       | -                                   |
| Allocated expenses payable                   | 51                           | -                       | -       | -                                   |
| <b>Balances held as at June 30, 2019</b>     |                              |                         |         |                                     |
|  | ----- (Audited) -----        |                         |         |                                     |
| Units held (in Units '000)                   | -                            | 1,760                   | -       | -                                   |
| Units held (in Rupees '000)                  | -                            | 176,052                 | -       | -                                   |
| Bank balances                                | -                            | 386                     | -       | -                                   |
| Deposits                                     | -                            | -                       | 100     | -                                   |
| Remuneration payable                         | 218                          | -                       | 38      | -                                   |
| Other payables                               | 16                           | -                       | -       | -                                   |
| Term deposit receipts                        | -                            | 254,014                 | -       | -                                   |
| Profit receivable on Term deposit receipts   | -                            | 40,440                  | -       | -                                   |
| Allocated expenses payable                   | 26                           | -                       | -       | -                                   |

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price 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.

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

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

|   | Carrying Amount                   |                | Fair value                          |         |         |
|---|-----------------------------------|----------------|-------------------------------------|---------|---------|
|   | - As at December 31, 2019 -       |                | ----- As at December 31, 2019 ----- |         |         |
|   | Fair value through profit or loss | Amortised cost | Level 1                             | Level 2 | Level 3 |
| ----- (Un-Audited) -----  |                                   |                |                                     |         |         |
| ----- Rupees in '000 -----  |                                   |                |                                     |         |         |
| <b>Financial assets measured at fair value</b>                      |                                   |                |                                     |         |         |
| Investments   | 15,605                            | -              | 15,605                              | -       | -       |
| <b>Financial assets not measured at fair value</b>                  |                                   |                |                                     |         |         |
| Term deposit receipts   | -                                 | 242,953        | -                                   | -       | -       |
| Bank balances   | -                                 | 1,089          | -                                   | -       | -       |
| Mark-up / interest receivable                                       | -                                 | 46,715         | -                                   | -       | -       |
| Deposits  | -                                 | 2,600          | -                                   | -       | -       |
|   | -                                 | 293,357        |                                     |         |         |
|   | 15,605                            | 293,357        | 15,605                              | -       | -       |
| <b>Financial liabilities not measured at fair value</b>             |                                   |                |                                     |         |         |
| Payable to UBL Fund Managers Limited - Management Company           | -                                 | 264            | -                                   | -       | -       |
| Payable to Central Depository Company of Pakistan Limited - Trustee | -                                 | 38             | -                                   | -       | -       |
| Accrued expenses and other liabilities                              | -                                 | 547            | -                                   | -       | -       |
|   | -                                 | 849            | -                                   | -       | -       |
| ----- (Audited) -----   |                                   |                |                                     |         |         |
| ----- Rupees in '000 -----  |                                   |                |                                     |         |         |
|   | Carrying Amount                   |                | Fair value                          |         |         |
|   | ----- As at June 30, 2019 -----   |                | ----- As at June 30, 2019 -----     |         |         |
|   | Fair value through profit or loss | Amortised cost | Level 1                             | Level 2 | Level 3 |
| ----- (Audited) -----   |                                   |                |                                     |         |         |
| ----- Rupees in '000 -----  |                                   |                |                                     |         |         |
| <b>Financial assets measured at fair value</b>                      |                                   |                |                                     |         |         |
| Investments   | 14,095                            | -              | 14,095                              | -       | -       |
| <b>Financial assets not measured at fair value</b>                  |                                   |                |                                     |         |         |
| Term deposit receipts   | -                                 | 254,014        | -                                   | -       | -       |
| Bank balances   | -                                 | 2,709          | -                                   | -       | -       |
| Mark-up / interest receivable                                       | -                                 | 40,460         | -                                   | -       | -       |
| Deposits  | -                                 | 2,600          | -                                   | -       | -       |
|   | -                                 | 299,783        |                                     |         |         |
|   | 14,095                            | 299,783        | 14,095                              | -       | -       |
| <b>Financial liabilities not measured at fair value</b>             |                                   |                |                                     |         |         |
| Payable to UBL Fund Managers Limited - Management Company           | -                                 | 230            | -                                   | -       | -       |
| Payable to Central Depository Company of Pakistan Limited - Trustee | -                                 | 34             | -                                   | -       | -       |
| Accrued expenses and other liabilities                              | -                                 | 271            | -                                   | -       | -       |
|   | -                                 | 535            | -                                   | -       | -       |



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

**16.2 Transfers during the period**

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

**17 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 period.

**18 GENERAL**

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

**19 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 25 February 2020.

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

SD  
**CHIEF EXECUTIVE OFFICER**

SD  
**CHIEF FINANCIAL OFFICER**

SD  
**DIRECTOR**

# UCF

## UBL Cash Fund

### INVESTMENT OBJECTIVE

UCF 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.

|                             |  |
|-----------------------------|--|
| <b>Management Company</b>   | UBL Fund Managers Limited  |
| <b>Trustee</b>              | 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     |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> ) |
| <b>Auditor</b>              | Deloitte Yousuf Adil & Co., Chartered Accountants.   |
| <b>Bankers</b>              | United Bank Limited<br>Allied Bank Limited<br>Habib Bank Limited   |
| <b>Management Co.Rating</b> | AM1 (JCR-VIS)  |
| <b>Fund Rating</b>          | AA+ (JCR-VIS)  |

**Head Office**

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Karachi - 74400. Pakistan.  
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Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL CASH FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Cash 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 period from September 23, 2019 to December 31, 2019 in accordance with the provision of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## AUDITORS' REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL CASH FUND** (here-in-after referred to as the "Fund") as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the period from September 23, 2019 to December 31, 2019. The Management Company (**UBL Fund Managers Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 has not been subject to limited scope review, as we are only required to review the cumulative figures for the period from September 23, 2019 to December 31, 2019.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the period from September 23, 2019 to December 31, 2019 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

  
**Chartered Accountants**

**Date:** February 26, 2020

**Place:** Karachi

**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   | Note | (Un-audited)<br>December 31,<br>2019<br>(Rupees in '000) |
|---|------|--|
| <b>ASSETS</b>   |      |  |
| Bank balances   | 5    | 313,904  |
| Investments - net   | 6    | -  |
| Mark-up receivable  |      | 4,996  |
| Other receivable  |      | 523  |
| <b>Total assets</b>   |      | <b>319,423</b>   |
| <b>LIABILITIES</b>  |      |  |
| Payable to UBL Fund Managers Limited - Management Company           | 7    | 603  |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8    | 21   |
| Payable to the Securities and Exchange Commission of Pakistan       | 9    | 18   |
| Accrued expenses and other liabilities                              | 10   | 348  |
| <b>Total liabilities</b>  |      | <b>990</b>   |
| <b>Net Assets</b>   |      | <b>318,433</b>   |
| <b>Unit Holders' Fund</b> (as per statement attached)               |      | <b>318,433</b>   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                |      |  |
|   | 11   | (Number of units)  |
| <b>Number of Units in Issue</b>                                     | 12   | <b>3,079,417</b>   |
|   |      | ------(Rupees)-----                                      |
| <b>Net Asset Value Per Unit</b>                                     |      | <b>103.4069</b>  |
| <b>Face Value per Unit</b>  |      | <b>100.0000</b>  |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Director**

**UBL CASH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019**

|      |  | For the period from                              |   |
|------|--|--|---|
|      |  | September 23,<br>2019 to<br>December 31,<br>2019 | October 1,<br>2019 to<br>December 31,<br>2019 |
| Note |  | (Rupees in '000)                                 |   |
|      |  |  |   |
|      |  | 12,383<br>(265)                                  | 11,856<br>(257)                               |
|      |  | 12,118   | 11,599  |
|      |  |  |   |
|      |  | 65<br>18<br>24<br>8                              | 63<br>18<br>5<br>7                            |
|      |  | 115  | 93  |
|      |  | 12,003   | 11,506  |
| 10.1 |  | (235)  | (225)   |
|      |  | 11,768   | 11,281  |
| 13   |  | -  | -   |
|      |  | 11,768   | 11,281  |
|      |  |  |   |
|      |  | 11,768<br>(3,901)                                | 11,281<br>(3,901)                             |
|      |  | 7,867  | 7,380   |
|      |  |  |   |
|      |  | -<br>7,867                                       | -<br>7,380                                    |
|      |  | 7,867  | 7,380   |
|      |  |  |   |
|      |  | -<br>7,867                                       | -<br>7,380                                    |
|      |  | 7,867  | 7,380   |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019**

|  | <b>For the period from</b>                                 |   |
|--|--|---|
|  | <b>September 23,<br/>2019 to<br/>December 31,<br/>2019</b> | <b>October 1,<br/>2019 to<br/>December 31,<br/>2019</b> |
|  | <b>----- (Rupees in '000) -----</b>                        |   |
| <b>Net income for the period after taxation</b>                      | <b>11,768</b>  | <b>11,281</b>   |
| <b>Other comprehensive income</b>                                    |  |   |
| Items that may be reclassified subsequently to income statement      | -  | -   |
| Items that will not be reclassified subsequently to income statement | -  | -   |
| <b>Total comprehensive income for the period</b>                     | <b>11,768</b>  | <b>11,281</b>   |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Director**

**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019**

|   | For the period from                     |                      |           |
|---|---|----------------------|-----------|
|   | September 23, 2019 to December 31, 2019 |                      |           |
|   | Capital value                           | Undistributed income | Total     |
|   | (Rupees. in '000)                       |                      |           |
| <b>Net assets at beginning of the period</b>                    | -                                       | -                    | -         |
| Amount received on issuance of 5,684,242 units                  |   |                      |           |
| - Capital value   | 568,424                                 | -                    | 568,424   |
| - Element of income   | 5,013                                   | -                    | 5,013     |
| <b>Total amount received on issuance of units</b>               | 573,437                                 | -                    | 573,437   |
| Amount paid on redemption of 2,604,825 units                    |   |                      |           |
| - Capital value   | (260,483)                               | -                    | (260,483) |
| - Element of loss   | (1,965)                                 | (3,901)              | (5,866)   |
| <b>Total amount paid on redemption of units</b>                 | (262,448)                               | (3,901)              | (266,349) |
| Total comprehensive income for the period                       | -                                       | 11,768               | 11,768    |
| <b>Interim distribution:</b>                                    |   |                      |           |
| Re. 0.4228 per unit paid on September 29, 2019                  | -                                       | (423)                | (423)     |
| <b>Net income loss for the period less distribution</b>         | -                                       | 11,345               | 11,345    |
| <b>Net assets at end of the period</b>                          | 310,989                                 | 7,444                | 318,433   |
| <b>Undistributed income brought forward comprising of:</b>      |   |                      |           |
| - Realised  | -                                       | -                    | -         |
| - Unrealised  | -                                       | -                    | -         |
|   | -                                       | -                    | -         |
| <b>Accounting income available for distribution</b>             |   |                      |           |
| - Related to capital gain                                       | -                                       | -                    | -         |
| - Excluding capital gain  | -                                       | 7,867                | 7,867     |
|   | -                                       | 7,867                | 7,867     |
| <b>Distribution during the period:</b>                          |   |                      |           |
| Re. 0.4228 per unit paid on September 29, 2019                  | -                                       | (423)                | (423)     |
| <b>Undistributed income carried forward - net</b>               | -                                       | 7,444                | 7,444     |
| <b>Undistributed income carried forward comprising of:</b>      |   |                      |           |
| - Realised  | -                                       | 7,444                | 7,444     |
| - Unrealised  | -                                       | -                    | -         |
|   | -                                       | 7,444                | 7,444     |
|   | (Rupees)                                |                      |           |
| <b>Net assets value per unit at the beginning of the period</b> |   |                      | 100.0000  |
| <b>Net assets value per unit at the end of the period</b>       |   |                      | 103.4069  |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director



**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019**

For the period  
from  
September 23,  
2019 to  
December 31,  
2019  
(Rupees in '000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation 11,768

**Adjustments for:**

|   |              |
|---|--------------|
| Loss on sale of investments - net                             | 265          |
| Financial income  | (12,383)     |
| Provision for Sindh Workers' Welfare Fund (SWWF)              | 235          |
|   | (11,883)     |
| <b>Cash used in operations before working capital changes</b> | <b>(115)</b> |

**(Increase) in assets**

|                  |              |
|------------------|--------------|
| Investment - net | (265)        |
| Other receivable | (523)        |
|                  | <b>(788)</b> |

**Increase in liabilities**

|   |            |
|---|------------|
| Payable to UBL Fund Managers Limited - Management Company           | 603        |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 21         |
| Payable to the Securities and Exchange Commission of Pakistan       | 18         |
| Accrued expenses and other liabilities                              | 113        |
|   | <b>755</b> |

**Cash used in operations**

|   |              |
|---|--------------|
| Mark-up received on bank balances                   | (148)        |
|   | <b>7,387</b> |
| <b>Net cash generated from operating activities</b> | <b>7,239</b> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |                |
|--|----------------|
| Net receipts from issuance of units                                | 573,437        |
| Net payments against redemption of units                           | (266,349)      |
| Dividend paid  | (423)          |
| <b>Net cash generated from financing activities</b>                | <b>306,665</b> |
| <b>Net increase in cash and cash equivalents during the period</b> | <b>313,904</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>    | <b>-</b>       |
| <b>Cash and cash equivalents at the end of the period</b>          | <b>313,904</b> |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Director**

**UBL CASH FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** UBL Cash Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on July 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 04, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from September 23, 2019.
- 1.2** 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.
- 1.3** The Fund is an open-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The investment objective of the Fund is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.
- 1.5** VIS Credit Rating Company has assigned Management quality rating of "AM1" (stable outlook) to the management company as on December 31, 2019 and assigned a stability rating of "AA+ (f)" to the Fund as on December 31, 2019.
- 1.6** 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**

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- 2.1.2** IFRS 9 "Financial Instruments" has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of the ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## **2.3 Functional and presentation currency**

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **2.4 Critical accounting estimates and judgements**

The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Actual results may differ from these estimates.

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

- (i) Classification and measurement of financial assets (note 4.2.1);
- (ii) Impairment of financial assets (note 4.2.2);
- (iii) Provision for taxation (notes 4.7 and 13); and
- (iv) Provision for Sindh Workers' Welfare Fund (note 10.1).

## **3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS**

### **3.1 New accounting standards / amendments and IFRS interpretations that are not yet effective**

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

|  | <b>Effective from accounting periods beginning on or after:</b>       |
|--|---|
| Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business   | January 01, 2020  |
| Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture  | Effective date is deferred indefinitely earlier adoption is permitted |
| Amendments to References to the Conceptual Framework in IFRS Standards   | January 01, 2020  |
| Amendments to IAS 1 'Presentation of Financial Statements' Amendments regarding the definition of materiality and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards. | January 01, 2020  |

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of this condensed interim financial information are set out below. These policies have been consistently applied during the period.

##### **4.1 Cash and cash equivalents**

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

##### **4.2 Financial instruments**

###### **4.2.1 Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains three principal classification categories for financial assets:

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

###### **Financial assets at amortised cost**

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

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

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

###### **Financial assets at FVOCI**

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

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

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

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

###### **Financial assets at FVTPL**

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

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

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

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

### **Recognition**

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

### **Classification and measurement of financial liabilities**

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

#### **4.2.2 Impairment**

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

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

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

#### **4.2.3 Derecognition**

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

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

#### **4.2.4 Regular way contracts**

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

#### **4.3 Offsetting of financial instruments**

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

#### **4.4 Derivatives**

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

#### **4.5 Provisions**

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

#### **4.6 Collaterals**

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

#### **4.7 Taxation**

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

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

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

#### **4.8 Distributions**

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

#### **4.9 Issuance and redemption of units**

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

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

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

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

#### **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 year end.

#### **4.12 Revenue recognition**

- Realised capital gains / losses arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Mark-up on deposits with banks and mark-up / return on investments in debt and government securities is recognised using effective yield method
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

#### 4.13 Expenses

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

|                    |                                  | (Un-audited)<br>December 31,<br>2019<br>(Rupees in '000) |                |
|--------------------|----------------------------------|--|----------------|
| 5.                 | BANK BALANCES                    | Note   |                |
| In local currency: |                                  |  |                |
| -                  | Profit and loss sharing accounts | 5.1  | <u>313,904</u> |

- 5.1 Mark-up rates on these Mark-up and loss sharing accounts range between 11.75% to 14.40% per annum. This includes an amount held by a related party (United Bank Limited) amounting to Rs. 1.807 m on which return is earned at 11.75% per annum.

#### 6. INVESTMENTS - NET

Government securities designated at fair value through profit or loss

| Name of security                 | Note | As at July 1, 2019 | Purchased during the period | Sold / Matured during the period | As at December 31, 2019 | Total carrying value / market value as at December 31, 2019 |
|----------------------------------|------|--------------------|-----------------------------|----------------------------------|-------------------------|---|
| Market Treasury Bills - 3 months | 6.1  | -                  | 15,800                      | 15,800                           | -                       | -   |

- 6.1 These T-bills have nominal value of Rs 100,000 each.

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

This represents the sales load payable to the management company.

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee is 0.065% of net assets.

#### 9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund is required to pay SECP an annual fee at the rate of 0.02 % of the average daily net assets of the Fund in accordance with Regulation 62 of the NBFC Regulations, 2008 and S.R.O. 685 (I) / 2019.

#### 10. ACCRUED EXPENSES AND OTHER LIABILITIES

|   |      | (Un-audited)<br>December 31,<br>2019<br>(Rupees in '000) |            |
|---|------|--|------------|
|   | Note |  |            |
| Provision for Sindh Workers' Welfare Fund | 10.1 |  | 235        |
| Withholding tax payable                   |      |  | 81         |
| Brokerage expense payable                 |      |  | 24         |
| Listing fee payable                       |      |  | 8          |
|   |      |  | <u>348</u> |

## 10.1 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.0763.

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019.

## 12. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the period  
Units issued during the period  
Units redeemed during the period  
Total units in issue at the end of the period

| (Un-audited)<br>December 31,<br>2019<br>(Number of Units) |
|---|
| -   |
| 5,684,242   |
| (2,604,825)   |
| <u>3,079,417</u>  |

## 13. 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 the form of 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 intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2020 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## 14. EARNINGS PER UNIT

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

## 15. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.30% as on December 31, 2019 and this includes 0.023% representing government levy, worker's welfare fund and SECP fee.

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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



- 16.1** There are no financial assets and financial liabilities as at December 31, 2019 which are carried at fair value.
- 16.2** The Fund has not disclosed the fair values for other financial assets and financial liabilities, as their estimated fair value is considered not significantly different from the carrying value as the items are short term in nature.
- 17. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**
- 17.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.
- 17.2** Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.
- 17.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 17.5** Details of transactions with related parties / connected persons during the period and balances held with them at the period from September 23, 2019 to December 31, 2019 are as follows:

|   | Management Company | Associated Companies and others* | Trustee | Funds under Common Management | Other Connected persons / related parties** |
|---|--------------------|----------------------------------|---------|-------------------------------|---|
| <b><u>Transactions during the period</u></b>                    |                    |                                  |         |                               |   |
| ----- Period from September 23, 2019 to December 31, 2019 ----- |                    |                                  |         |                               |   |
| ----- (Units in '000) -----                                     |                    |                                  |         |                               |   |
| Units issued  | 2,004              | -                                | -       | -                             | 1,807                                       |
| Units redeemed  | 975                | -                                | -       | -                             | 148   |
| ----- (Rupees in '000) -----                                    |                    |                                  |         |                               |   |
| Value of units issued   | 200,424            | -                                | -       | -                             | 182,519                                     |
| Value of units redeemed   | 100,032            | -                                | -       | -                             | 14,973                                      |
| Mark-up on PLS accounts   | -                  | 161                              | -       | -                             | -   |
| Bank and other charges  | -                  | -                                | -       | -                             | -   |
| Remuneration (inclusive of SST)                                 | -                  | -                                | 65      | -                             | -   |
| Dividend paid   | 423                | -                                | -       | -                             | -   |
| ----- As at December 31, 2019 -----                             |                    |                                  |         |                               |   |
| ----- (Units in '000) -----                                     |                    |                                  |         |                               |   |
| <b><u>Balances held</u></b>                                     |                    |                                  |         |                               |   |
| Units held  | 1,029              | -                                | -       | -                             | 1,660                                       |
| ----- (Rupees in '000) -----                                    |                    |                                  |         |                               |   |
| Value of units held   | 106,456            | -                                | -       | -                             | 171,605                                     |
| Bank balances   | -                  | 1,807                            | -       | -                             | -   |
| Deposits  | -                  | -                                | -       | -                             | -   |
| Remuneration (inclusive of SST)                                 | -                  | -                                | 21      | -                             | -   |
| Payable to management company                                   | 603                | -                                | -       | -                             | -   |
| Other payable   | -                  | -                                | -       | -                             | -   |
| Mark-up receivable  | -                  | 192                              | -       | -                             | -   |

\* This represent 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 that exist as at period end.

**18. GENERAL**

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

**18.2** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed by auditors.

**19. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

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

SD  
\_\_\_\_\_  
**Chief Executive Officer**

SD  
\_\_\_\_\_  
**Chief Financial Officer**

SD  
\_\_\_\_\_  
**Director**

# UAAF

## UBL Asset Allocation Fund

### INVESTMENT OBJECTIVE

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

|                             |   |
|-----------------------------|---|
| <b>Management Company</b>   | UBL Fund Managers Limited   |
| <b>Trustee</b>              | 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  |
| <b>Distribution Company</b> | United Bank Limited<br><br>(for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )  |
| <b>Auditors</b>             | Ernst & Young Ford Rhodes, Chartered Accountants  |
| <b>Bankers</b>              | Allied Bank Limited<br>Bank Alfalah Limited<br>Habib Bank Limited<br>JS Bank Limited<br>MCB Bank Limited<br>Samba Bank Limited<br>Sindh Bank Limited<br>Telenor Microfinance Bank Limited<br>Zarai Taraqiati Bank Limited<br>United Bank Limited<br>Soneri Bank Limited |
| <b>Management Co.Rating</b> | AM1 (VIS)   |

**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](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



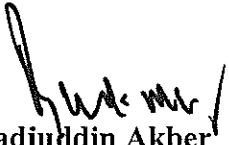
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**UBL ASSET ALLOCATION FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Asset Allocation Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: February 25, 2020

## TO THE UNIT HOLDERS OF UBL ASSET ALLOCATION FUND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Asset Allocation Fund** (the Fund) as at **31 December 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2019.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 February 2020

**Karachi**

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES**  
**AS AT DECEMBER 31, 2019**

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | ----- (Rupees in '000) -----         |                               |
| <b>ASSETS</b>   |      |                                      |                               |
| Bank balances   | 4    | 230,724                              | 416,702                       |
| Investments   | 5    | 942,206                              | 941,434                       |
| Dividend and mark-up receivable                             |      | 18,310                               | 21,534                        |
| Advance tax   | 6    | 1,162                                | 1,119                         |
| Deposits, prepayments and other receivables                 |      | 10,518                               | 10,559                        |
| Receivable against sale of investments                      |      | -                                    | 7,105                         |
| <b>TOTAL ASSETS</b>   |      | <b>1,202,920</b>                     | <b>1,398,453</b>              |
| <b>LIABILITIES</b>  |      |                                      |                               |
| Payable to UBL Fund Managers Limited - Management Company   | 7    | 3,795                                | 3,064                         |
| Payable to Central Depository Company of Pakistan - Trustee |      | 208                                  | 225                           |
| Annual fee payable to the Securities and Exchange           |      |                                      |                               |
| Commission of Pakistan (SECP)                               | 8    | 125                                  | 1,841                         |
| Accrued expenses and other payables                         | 9    | 21,811                               | 18,809                        |
| Payable against purchase of investments                     |      | 2,055                                | 698                           |
| <b>TOTAL LIABILITIES</b>                                    |      | <b>27,994</b>                        | <b>24,637</b>                 |
| <b>NET ASSETS</b>   |      | <b>1,174,926</b>                     | <b>1,373,816</b>              |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>       |      | <b>1,174,926</b>                     | <b>1,373,816</b>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>                        | 10   |                                      |                               |
|   |      | ----- (Number) -----                 |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>                             |      | <b>7,909,480</b>                     | <b>10,389,075</b>             |
|   |      | ----- (Rupees) -----                 |                               |
| <b>NET ASSETS VALUE PER UNIT</b>                            |      | <b>148.5466</b>                      | <b>132.2366</b>               |

The annexed notes 1 to 17 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  |     | Half year ended      | Quarter ended        | Quarter ended        | Quarter ended        |
|--|-----|----------------------|----------------------|----------------------|----------------------|
|  |     | December 31,<br>2019 | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
| Note   |     | (Rupees in '000)     |                      |                      |                      |
| <b>INCOME</b>  |     |                      |                      |                      |                      |
| Financial income on:   |     |                      |                      |                      |                      |
| - Bank balances  |     | 28,685               | 36,310               | 11,024               | 12,490               |
| - Term deposit receipts  |     | 732                  | 49                   | -                    | 49                   |
| - Government securities  |     | 12,677               | 14,605               | 9,379                | 13,939               |
| - Term finance certificates  |     | 9,860                | 7,699                | 5,006                | 4,096                |
| Dividend income  |     | 17,501               | 32,531               | 10,474               | 19,061               |
| Net capital gain / (loss) on sale of investments   |     | 10,856               | (4,504)              | 13,110               | (1,912)              |
| Net unrealised gain / (loss) on revaluation of investments<br>classified as 'at fair value through profit or loss' |     | 78,502               | (89,528)             | 118,440              | (124,157)            |
| Other income   |     | 185                  | 33                   | 183                  | 33                   |
| <b>Total income / (loss)</b>   |     | <b>158,998</b>       | <b>(2,805)</b>       | <b>167,616</b>       | <b>(76,401)</b>      |
| <b>EXPENSES</b>  |     |                      |                      |                      |                      |
| Remuneration of the Management Company   |     | 6,318                | 10,986               | 3,085                | 5,350                |
| Sales tax on Management fee  |     | 821                  | 1,428                | 401                  | 695                  |
| Allocation of expenses relating to the Fund  |     | 632                  | 1,099                | 309                  | 535                  |
| Selling and marketing expenses   |     | 3,022                | 4,394                | 1,729                | 2,140                |
| Remuneration of the Trustee  |     | 1,284                | 1,811                | 634                  | 889                  |
| Annual fee to Securities and Exchange<br>Commission of Pakistan  |     | 125                  | 1,044                | 61                   | 509                  |
| Auditors' remuneration   |     | 430                  | 383                  | 263                  | 216                  |
| Legal and professional charges   |     | 81                   | 101                  | 40                   | 50                   |
| Brokerage and settlement expenses  |     | 938                  | 1,374                | 572                  | 696                  |
| Amortisation of preliminary expenses and floatation costs  |     | -                    | 27                   | -                    | -                    |
| Listing fee expense  |     | 14                   | 14                   | 7                    | 7                    |
| Bank charges and other expenses  |     | 35                   | 51                   | 12                   | 22                   |
| <b>Total expenses</b>  |     | <b>13,700</b>        | <b>22,712</b>        | <b>7,113</b>         | <b>11,109</b>        |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 9.1 | (2,851)              | -                    | (2,851)              | -                    |
| <b>Net income / (loss) for the period before taxation</b>  |     | <b>142,447</b>       | <b>(25,517)</b>      | <b>157,652</b>       | <b>(87,510)</b>      |
| Taxation   | 11  | -                    | -                    | -                    | -                    |
| <b>Net income / (loss) for the period after taxation</b>   |     | <b>142,447</b>       | <b>(25,517)</b>      | <b>157,652</b>       | <b>(87,510)</b>      |
| <i>Allocation of net income for the period:</i>  |     |                      |                      |                      |                      |
| Income already paid on units redeemed  |     | (18,370)             | -                    | (18,370)             | -                    |
|  |     | <b>124,077</b>       | <b>(25,517)</b>      | <b>139,282</b>       | <b>(87,510)</b>      |
| <i>Accounting income available for distribution:</i>   |     |                      |                      |                      |                      |
| - Relating to capital gains  |     | 74,138               | -                    | 116,330              | -                    |
| - Excluding capital gains  |     | 49,939               | -                    | 22,952               | -                    |
|  |     | <b>124,077</b>       | <b>-</b>             | <b>139,282</b>       | <b>-</b>             |

Earnings per unit

12

The annexed notes 1 to 17 form an integral part of these interim financial statements.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

|  | Half year ended              |                      | Quarter ended        |                      |
|--|------------------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2019         | December 31,<br>2018 | December 31,<br>2019 | December 31,<br>2018 |
|  | ----- (Rupees in '000) ----- |                      |                      |                      |
| Net income / (loss) for the period after taxation  | 142,447                      | (25,517)             | 157,652              | (87,510)             |
| Other comprehensive income for the period          | -                            | -                    | -                    | -                    |
| Total comprehensive income / (loss) for the period | <u>142,447</u>               | <u>(25,517)</u>      | <u>157,652</u>       | <u>(87,510)</u>      |

The annexed notes 1 to 17 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
\_\_\_\_\_  
Chief Executive Officer

SD  
\_\_\_\_\_  
Chief Financial Officer

SD  
\_\_\_\_\_  
Director



**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|  | Half year ended              |                      |
|--|------------------------------|----------------------|
|  | December 31,<br>2019         | December 31,<br>2018 |
|  | ----- (Rupees in '000) ----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |                      |
| Net income / (loss) for the period before taxation   | 142,447                      | (25,517)             |
| <b>Adjustments for:</b>  |                              |                      |
| Financial income   | (51,954)                     | (58,663)             |
| Net capital (gain) / loss on sale of investments   | (10,856)                     | 4,504                |
| Dividend income  | (17,501)                     | (32,531)             |
| Net unrealised (gain) / loss on revaluation of investments<br>classified as 'at fair value through profit or loss' | (78,502)                     | 89,528               |
| Provision for Sindh Workers' Welfare Fund (SWWF)   | 2,851                        | -                    |
| Amortisation of preliminary expenses and floatation costs  | -                            | 27                   |
|  | (155,962)                    | 2,865                |
| <b>Net cash flows used in operations before working capital changes</b>  | (13,515)                     | (22,652)             |
| <b>Working capital changes</b>   |                              |                      |
| <b>(Increase) / Decrease in assets</b>   |                              |                      |
| Investments  | (61,414)                     | (71,795)             |
| Advance tax  | (43)                         | (2)                  |
| Deposits, prepayments and other receivables  | 41                           | 53,405               |
| Receivable against sale of investments   | 7,105                        | -                    |
| Preliminary expenses and floating costs  | -                            | 27                   |
| Receivable against settlement of spread transactions   | -                            | 26,705               |
|  | (54,311)                     | 8,340                |
| <b>Increase / (decrease) in liabilities</b>  |                              |                      |
| Payable to UBL Fund Managers Limited - Management Company  | 731                          | (975)                |
| Payable to Central Depository Company of Pakistan - Trustee  | (17)                         | (9)                  |
| Payable to Securities and Exchange Commission of Pakistan  | (1,716)                      | (1,152)              |
| Payable against purchase of equity securities  | 1,357                        | 10,790               |
| Accrued expenses and other payables  | 151                          | (550)                |
|  | 506                          | 8,104                |
| Dividend and markup received   | 72,679                       | 87,269               |
| <b>Net cash flows generated from operating activities</b>  | 5,359                        | 81,061               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                              |                      |
| Proceeds from issuance of units  | 81,437                       | 80,656               |
| Payments on redemption of units  | (422,774)                    | (415,825)            |
| <b>Net cash used in financing activities</b>   | (341,337)                    | (335,169)            |
| Cash and cash equivalents at beginning of the period   | 566,702                      | 1,146,417            |
| <b>Cash and cash equivalents at end of the period</b>  | 230,724                      | 892,309              |

The annexed notes 1 to 17 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

|   | Half year ended   |                      |                  |                   |                      |  |
|---|-------------------|----------------------|------------------|-------------------|----------------------|--|
|   | December 31, 2019 |                      |                  | December 31, 2018 |                      |  |
|   | Capital value     | Undistributed income | Total            | Capital value     | Undistributed income | Unrealised appreciation on investments classified as 'available for sale' - net<br>Total |
|   | (Rupees in '000)  |                      |                  |                   |                      |  |
| <b>Net assets at beginning of the period</b>                            | <b>971,499</b>    | <b>402,317</b>       | <b>1,373,816</b> | <b>1,826,467</b>  | <b>431,019</b>       | <b>(8,237)</b> 2,249,249   |
| Reclassification under IFRS 9   | -                 | -                    | -                | -                 | (8,237)              | 8,237 -  |
| Amount received on issuance of 593,034 units<br>(2018: 596,276 units)   |                   |                      |                  |                   |                      |  |
| Capital value   | 78,421            | -                    | 78,421           | 80,246            | -                    | - 80,246   |
| Element of income during the period:                                    |                   |                      |                  |                   |                      |  |
| - Relating to net income for the period after taxation                  | 3,016             | -                    | 3,016            | 410               | -                    | - 410  |
|   | 81,437            | -                    | 81,437           | 80,656            | -                    | - 80,656   |
| Amount paid on redemption of 3,072,629 units<br>(2018: 3,102,998 units) |                   |                      |                  |                   |                      |  |
| Capital value   | (406,314)         | -                    | (406,314)        | (417,599)         | -                    | - (417,599)  |
| Element of income during the period:                                    |                   |                      |                  |                   |                      |  |
| - Relating to income earned   | 1,910             | (18,370)             | (16,460)         | 1,774             | -                    | - 1,774  |
|   | (404,404)         | (18,370)             | (422,774)        | (415,825)         | -                    | - (415,825)  |
| Net income / (loss) for the period after tax                            | -                 | 142,447              | 142,447          | -                 | (25,517)             | - (25,517)   |
| Distribution during the period  | -                 | -                    | -                | -                 | -                    | - -  |
| Net income / (loss) for the period less distribution                    | -                 | 142,447              | 142,447          | -                 | (25,517)             | - (25,517)   |
| <b>Net assets at end of the period</b>                                  | <b>648,532</b>    | <b>526,394</b>       | <b>1,174,926</b> | <b>1,491,298</b>  | <b>397,265</b>       | <b>-</b> 1,888,563   |
| <b>Undistributed income brought forward:</b>                            |                   |                      |                  |                   |                      |  |
| - Realised  | -                 | 530,799              | 530,799          | -                 | 446,226              | - 446,226  |
| - Unrealised  | -                 | (128,482)            | (128,482)        | -                 | (15,207)             | - (15,207)   |
| - Reclassification under IFRS 9   | -                 | -                    | -                | -                 | (8,237)              | - (8,237)  |
|   | -                 | 402,317              | 402,317          | -                 | 422,782              | - 422,782  |
| Accounting income available for distribution:                           |                   |                      |                  |                   |                      |  |
| - Relating to capital gains   | -                 | 74,138               | 74,138           | -                 | -                    | - -  |
| - Excluding capital gains   | -                 | 49,939               | 49,939           | -                 | -                    | - -  |
|   | -                 | 124,077              | 124,077          | -                 | -                    | - -  |
| Net loss for the period after taxation                                  | -                 | -                    | -                | -                 | (25,517)             | - (25,517)   |
| Distribution during the period  | -                 | -                    | -                | -                 | -                    | - -  |
| <b>Undistributed income carried forward</b>                             | <b>-</b>          | <b>526,394</b>       | <b>526,394</b>   | <b>-</b>          | <b>397,265</b>       | <b>-</b> 397,265   |
| <b>Undistributed income carried forward</b>                             |                   |                      |                  |                   |                      |  |
| - Realised  | -                 | 447,892              | 447,892          | -                 | 486,793              | - 486,793  |
| - Unrealised  | -                 | 78,502               | 78,502           | -                 | (89,528)             | - (89,528)   |
|   | -                 | 526,394              | 526,394          | -                 | 397,265              | - 397,265  |
|   | - (Rupees) -      |                      |                  |                   |                      |  |
| <b>Net assets value per unit at beginning of the period</b>             | <b>132.2366</b>   |                      |                  | <b>134.5792</b>   |                      |  |
| <b>Net assets value per unit at end of the period</b>                   | <b>148.5466</b>   |                      |                  | <b>132.9368</b>   |                      |  |

The annexed notes 1 to 17 form an integral part of these interim financial statements.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL ASSET ALLOCATION FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** UBL Asset Allocation 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 May 29, 2013 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. 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 open end mutual fund and units of the fund are listed on the Pakistan Stock Exchange Limited. 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 units of the Fund were initially offered to the public (IPO) on August 19, 2013. The Fund commenced its operations from August 20, 2013.
- 1.4** 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 'Asset Allocation Fund'.
- 1.5** 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.
- 1.6** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company.

**2. BASIS OF PRESENTATION**

**2.1 Statement of compliance**

- 2.1.1** These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**2.1.2** The disclosures made in these interim financial statement have, however, been limited based on the requirements of IAS 34. These interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

**2.1.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

**2.1.4** The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2018.

**2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these interim financial statements give true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **2.2 Basis of measurement**

These interim financial statement has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

The preparation of these interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

### 3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the interim financial statements.

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

|                         |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|-------------------------|------|--------------------------------------|-------------------------------|
|                         | Note | ----- (Rupees in '000) -----         |                               |
| <b>4. BANK BALANCES</b> |      |                                      |                               |
| Saving accounts         | 4.1  | <u>230,724</u>                       | <u>416,702</u>                |

**4.1** These carry mark-up at the rates ranging from 11% to 13.85% (June 30, 2019: 4.25% to 13.15%) per annum and include a balance of Rs.6.497 (June 30, 2019: Rs.3.739) million held with United Bank Limited (a related party).

### 5. INVESTMENTS

#### At Fair Value Through Profit or Loss

|  |     |                |                |
|--|-----|----------------|----------------|
| - Government securities - Market treasury bills        | 5.1 | 196,415        | -              |
| - Government securities - Pakistan Investment Bonds    | 5.2 | 148,029        | 99,760         |
| - Debt securities - Term Finance Certificates / Sukuks | 5.3 | 129,641        | 148,917        |
| - Quoted equity securities                             | 5.4 | 468,121        | 542,757        |
|  |     | <u>942,206</u> | <u>791,434</u> |

#### At Amortised Cost

|                        |  |                |                |
|------------------------|--|----------------|----------------|
| - Term Deposit Receipt |  | -              | 150,000        |
|                        |  | <u>942,206</u> | <u>941,434</u> |

## 5.1 Government securities - Treasury Bills 'at fair value through profit or loss'

| Particulars                                | Purchase yield | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Balance as at December 31, 2019 |              |                 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--|----------------|---------------------|-----------------------------|------------------------|-------------------------|---------------------------------|--------------|-----------------|--|---|
|  |                |                     |                             |                        |                         | Carrying value                  | Market value | Unrealized loss |  |   |
| ----- Face value -----                     |                |                     |                             |                        |                         | ----- (Rupees in '000) -----    |              |                 | ----- % -----                              |   |
| Market treasury bills - 3 months           | 13.25%         | -                   | 5,000                       | (5,000)                | -                       | -                               | -            | -               | -  | -   |
| Market treasury bills - 6 months           | 12.81%         | -                   | 2,250                       | (1,650)                | 600                     | 59,683                          | 59,672       | (11)            | 5.08                                       | 6.33  |
| Market treasury bills - 1 year             | 13.04%         | -                   | 1,500                       | -                      | 1,500                   | 137,379                         | 136,743      | (636)           | 11.64                                      | 14.51   |
| Total as at December 31, 2019 (Un-audited) |                |                     |                             |                        |                         | 197,062                         | 196,415      | (647)           | 16.72                                      | 20.84   |
| Total as at June 30, 2019 (Audited)        |                |                     |                             |                        |                         | -                               | -            | -               |  |   |

## 5.2 Government securities - Pakistan Investment Bonds 'at fair value through profit or loss'

| Particulars                                | Note  | As at July 01, 2019 | Purchased during the period | Sold during the period | As at December 31, 2019 | Balance as at December 31, 2019 |              |                          | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--|-------|---------------------|-----------------------------|------------------------|-------------------------|---------------------------------|--------------|--------------------------|--|---|
|  |       |                     |                             |                        |                         | Carrying value                  | Market value | Unrealized gain / (loss) |  |   |
| ----- Face value -----                     |       |                     |                             |                        |                         | ----- (Rupees in '000) -----    |              |                          | ----- % -----                              |   |
| Pakistan Investment Bonds - 10 years       | 5.2.1 | 1,000               | -                           | -                      | 1,000                   | 99,760                          | 101,640      | 1,880                    | 8.65                                       | 10.79   |
| Pakistan Investment Bonds - 3 years        | 5.2.2 | -                   | 500                         | -                      | 500                     | 46,457                          | 46,389       | (68)                     | 3.95                                       | 4.92  |
| Total as at December 31, 2019 (Un-audited) |       |                     |                             |                        |                         | 146,217                         | 148,029      | 1,812                    | 12.60                                      | 15.71   |
| Total as at June 30, 2019 (Audited)        |       |                     |                             |                        |                         | 99,522                          | 99,760       | 238                      |  |   |

**5.2.1** This Pakistan Investment Bonds carries interest at the rate ranging from 11.0499% to 14.6389% (June 30, 2019: 8.5526% to 11.0499%) per annum and will mature latest by August 09, 2028.

**5.2.2** This Pakistan Investment Bonds carries interest at the rate of 7.25% per annum and will mature latest by July 12, 2021.

## 5.3 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'

| Name of Security   | Note          | As at July<br>01, 2019               | Purchased<br>during the<br>period | Sold /<br>matured<br>during the<br>period | As at<br>December<br>31, 2019 | Carrying<br>value as at<br>December<br>31, 2019 | Market<br>value as at<br>December<br>31, 2019 | Unrealised<br>gain / (loss) | Percentage<br>of total<br>investments | Percentage<br>of net assets |
|--|---------------|--------------------------------------|-----------------------------------|---|-------------------------------|---|---|-----------------------------|---------------------------------------|-----------------------------|
|  |               | ----- (Number of certificates) ----- |                                   |   |                               | ----- (Rupees in '000) -----                    |   | ----- (%) -----             |                                       |                             |
| Unquoted   |               |                                      |                                   |   |                               |   |   |                             |                                       |                             |
| Investment banks / investment companies / securities companies                                 |               |                                      |                                   |   |                               |   |   |                             |                                       |                             |
| Dawood Hercules Corporation Limited - Sukuk (Face value at Rs.80,000 each)                     | 5.3.1 & 5.3.2 | 40                                   | -                                 | -   | 40                            | 3,190   | 3,192   | 2                           | 0.34                                  | 0.27                        |
| Cement   |               |                                      |                                   |   |                               |   |   |                             |                                       |                             |
| Javedan Corporation Limited - Sukuk (Face value at Rs.100,000 each)                            | 5.3.1 & 5.3.2 | 150                                  | -                                 | -   | 150                           | 14,473  | 14,286  | (187)                       | 2.00                                  | 1.22                        |
| Quoted   |               |                                      |                                   |   |                               |   |   |                             |                                       |                             |
| Investment banks / investment companies / securities companies                                 |               |                                      |                                   |   |                               |   |   |                             |                                       |                             |
| Jahangir Siddiqui and Company Limited - Term Finance Certificate (Face value at Rs.3,750 each) | 5.3.1 & 5.3.2 | 30,000                               | -                                 | -   | 30,000                        | 112,163   | 112,163                                       | -                           | 12.00                                 | 9.55                        |
| Total as at December 31, 2019 (Un-audited)   |               | 30,190                               | -                                 | -   | 30,190                        | 129,826   | 129,641                                       | (185)                       |                                       |                             |
| Total as at June 30, 2019 (Audited)  |               |                                      |                                   |   |                               | 151,422   | 148,917                                       | (2,505)                     |                                       |                             |

5.3.1 These carry mark-up at the rate ranging from 14.50 % to 15.65% (June 30, 2019: from 7.42% to 12.99%).

5.3.2 Significant terms and conditions of Term Finance Certificate / Sukuks outstanding as at December 31, 2019 are as follows:

| Name of securities   | Remaining principal (Rupees in '000) | Mark-up rate (per annum) | Issue date | Maturity date |
|--|--------------------------------------|--------------------------|------------|---------------|
| Dawood Hercules Corporation Limited (November 17, 2017) - Sukuk          | 3,200                                | 3 Months KIBOR +1%       | 16-Nov-17  | 16-Nov-22     |
| Javedan Corporation Limited (October 04, 2018) - Sukuk                   | 15,000                               | 6 Months KIBOR +1.75%    | 4-Oct-18   | 4-Oct-26      |
| Jahangir Siddiqui and Company (July 18, 2017) - Term Finance Certificate | 112,500                              | 6 Months KIBOR +1.4%     | 18-Jul-17  | 18-Jul-22     |

## 5.4 Quoted equity securities - 'At Fair Value Through Profit or Loss'

| Name of the investee company  | Note  | As at July 01, 2019 | Purchased during the period | Bonus / Right issue during the period | Sold during the period | As at December 31, 2019 | Carrying value as at December 31, 2019 | Market value as at December 31, 2019 | Unrealized gain / (loss) | Percentage of total investments | Percentage of net assets | Paid-up capital of investee company (with face value of investment) |
|---|-------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|--|--------------------------------------|--------------------------|---------------------------------|--------------------------|---|
| <div>(Number of shares) (Rupees in '000) (%)</div>                          |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each. |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Oil and gas exploration companies   |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Mari Petroleum Company Limited  |       | 7,538               | 27,000                      | 3,453                                 | (6,500)                | 31,491                  | 26,490                                 | 41,256                               | 14,766                   | 4.38                            | 3.51                     | 0.03  |
| Oil and Gas Development Company Limited                                     |       | 231,700             | 98,000                      | -                                     | (90,500)               | 239,200                 | 30,044                                 | 34,043                               | 3,999                    | 3.61                            | 2.90                     | 0.01  |
| Pakistan Petroleum Limited  |       | 138,125             | 18,400                      | 28,825                                | (69,800)               | 115,550                 | 13,753                                 | 15,847                               | 2,094                    | 1.68                            | 1.35                     | 0.01  |
| Pakistan Oilfields Limited  |       | 54,660              | 1,000                       | -                                     | (36,500)               | 19,160                  | 7,761                                  | 8,559                                | 798                      | 0.91                            | 0.73                     | 0.01  |
|   |       |                     |                             |                                       |                        |                         | 78,048                                 | 99,705                               | 21,657                   | 10.58                           | 8.49                     | 0.06  |
| Oil and gas marketing companies   |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Pakistan State Oil Company Limited  | 5.4.2 | 65,784              | 16,500                      | 11,776                                | (47,100)               | 46,960                  | 6,540                                  | 8,999                                | 2,459                    | 0.96                            | 0.77                     | 0.01  |
| Power generation and distribution   |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| The Hub Power Company Limited   |       | 699,662             | -                           | -                                     | (408,500)              | 291,162                 | 22,929                                 | 27,180                               | 4,251                    | 2.88                            | 2.31                     | 0.02  |
| Pakgen Power Limited  |       | 446,000             | -                           | -                                     | -                      | 446,000                 | 6,324                                  | 8,171                                | 1,847                    | 0.87                            | 0.70                     | 0.12  |
| Lalpir Power Limited  |       | 563,000             | -                           | -                                     | -                      | 563,000                 | 7,319                                  | 8,169                                | 850                      | 0.87                            | 0.70                     | 0.15  |
| Saif Power Limited  |       | 2,953,500           | -                           | -                                     | (1,865,002)            | 1,088,498               | 20,420                                 | 22,815                               | 2,395                    | 2.42                            | 1.94                     | 0.28  |
|   |       |                     |                             |                                       |                        |                         | 56,992                                 | 66,335                               | 9,343                    | 7.04                            | 5.65                     | 0.57  |
| Chemicals   |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Engro Polymer & Chemicals Limited   |       | 502,868             | 55,000                      | -                                     | (327,500)              | 230,368                 | 6,092                                  | 7,651                                | 1,559                    | 0.81                            | 0.65                     | 0.03  |
| Lotte Chemical Pakistan Limited   |       | 40,000              | 29,000                      | -                                     | (69,000)               | -                       | -                                      | -                                    | -                        | -                               | -                        | -   |
|   |       |                     |                             |                                       |                        |                         | 6,092                                  | 7,651                                | 1,559                    | 0.81                            | 0.65                     | 0.03  |
| Fertilizer  |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Engro Corporation Limited   |       | 113,540             | -                           | -                                     | (58,300)               | 55,240                  | 14,672                                 | 19,072                               | 4,400                    | 2.02                            | 1.62                     | 0.01  |
| Engro Fertilizers Limited   | 5.4.1 | 209,500             | -                           | -                                     | (136,500)              | 73,000                  | 4,670                                  | 5,360                                | 690                      | 0.57                            | 0.46                     | 0.01  |
| Fauji Fertilizer Bin Qasim Limited  |       | 306,000             | -                           | -                                     | (306,000)              | -                       | -                                      | -                                    | -                        | -                               | -                        | -   |
| Fauji Fertilizer Company Limited  |       | 137,000             | 27,000                      | -                                     | (27,000)               | 137,000                 | 12,066                                 | 13,901                               | 1,835                    | 1.48                            | 1.18                     | 0.01  |
|   |       |                     |                             |                                       |                        |                         | 31,408                                 | 38,333                               | 6,925                    | 4.07                            | 3.26                     | 0.03  |
| Cement  |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Cherat Cement Company Limited   |       | 110,000             | -                           | -                                     | (110,000)              | -                       | -                                      | -                                    | -                        | -                               | -                        | -   |
| Kohat Cement Company Limited  |       | 340,770             | -                           | -                                     | (25,000)               | 315,770                 | 16,587                                 | 24,441                               | 7,854                    | 2.59                            | 2.08                     | 0.16  |
| Pioneer Cement Limited  |       | 104,000             | -                           | -                                     | (104,000)              | -                       | -                                      | -                                    | -                        | -                               | -                        | -   |
| Lucky Cement Limited  |       | 19,950              | 10,500                      | -                                     | (18,200)               | 12,250                  | 4,478                                  | 5,248                                | 770                      | 0.56                            | 0.45                     | -   |
|   |       |                     |                             |                                       |                        |                         | 21,065                                 | 29,689                               | 8,624                    | 3.15                            | 2.53                     | 0.16  |
| Automobile parts and accessories  |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Thal Limited (Par value at Rs.5)  |       | 21,250              | 10,000                      | -                                     | -                      | 31,250                  | 10,036                                 | 10,570                               | 534                      | 1.12                            | 0.90                     | 0.08  |
| Investment banks / investment companies / securities companies              |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Arif Habib Limited  |       | -                   | 102,500                     | -                                     | -                      | 102,500                 | 4,729                                  | 5,831                                | 1,102                    | 0.62                            | 0.50                     | 0.17  |
| Commercial banks  |       |                     |                             |                                       |                        |                         |  |                                      |                          |                                 |                          |   |
| Habib Bank Limited  |       | 395,700             | 20,600                      | -                                     | (179,200)              | 237,100                 | 27,089                                 | 37,324                               | 10,235                   | 3.96                            | 3.18                     | 0.02  |
| Bank AL Habib Limited   |       | -                   | 63,500                      | -                                     | (1,000)                | 62,500                  | 4,176                                  | 4,760                                | 584                      | 0.51                            | 0.41                     | 0.01  |
| Allied Bank Limited   |       | 329,500             | 41,000                      | -                                     | -                      | 370,500                 | 38,188                                 | 35,420                               | (2,768)                  | 3.76                            | 3.01                     | 0.03  |
| Bank Alfalah Limited  |       | 880,500             | -                           | -                                     | (292,727)              | 587,773                 | 25,621                                 | 26,861                               | 1,240                    | 2.85                            | 2.29                     | 0.03  |
| Faysal Bank Limited   | 5.4.2 | 150                 | -                           | -                                     | -                      | 150                     | 3                                      | 3                                    | -                        | -                               | -                        | -   |
| United Bank Limited*  | 5.4.1 | 255,800             | 14,000                      | -                                     | (89,000)               | 180,800                 | 26,554                                 | 29,742                               | 3,188                    | 3.16                            | 2.53                     | 0.01  |
|   |       |                     |                             |                                       |                        |                         | 121,631                                | 134,110                              | 12,479                   | 14.24                           | 11.42                    | 0.10  |



| Name of the investee company                     | Note  | As at July<br>01, 2019 | Purchased<br>during the<br>period | Bonus /<br>Right issue<br>during the<br>period | Sold during the<br>period | As at<br>December<br>31, 2019 | Carrying<br>value as at<br>December<br>31, 2019 | Market value<br>as at<br>December 31,<br>2019 | Unrealized<br>gain / (loss) | Percentage<br>of total<br>investments | Percentage<br>of net assets | Paid-up capital<br>of investee<br>company (with<br>face value of<br>investment) |
|--|-------|------------------------|-----------------------------------|--|---------------------------|-------------------------------|---|---|-----------------------------|---------------------------------------|-----------------------------|---|
| (Number of shares)                               |       |                        |                                   |  |                           | (Rupees in '000)              |   |   | (%)                         |                                       |                             |   |
| <b>Textile</b>                                   |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Gul Ahmed Textile Mills Limited                  |       | 346,000                | -                                 | 43,200   | (200,000)                 | 189,200                       | 7,429   | 8,156   | 727                         | 0.87                                  | 0.69                        | 0.05  |
| Kohinoor Textile Mills Limited                   |       | -                      | 330,000                           | -  | (109,994)                 | 220,006                       | 5,294   | 8,596   | 3,302                       | 0.91                                  | 0.73                        | 0.06  |
| Nishat Mills Limited                             |       | 108,200                | 24,000                            | -  | (57,000)                  | 75,200                        | 6,808   | 7,982   | 1,174                       | 0.85                                  | 0.68                        | 0.02  |
|  |       |                        |                                   |  |                           |                               | 19,531  | 24,734  | 5,203                       | 2.63                                  | 2.10                        | 0.13  |
| <b>Engineering</b>                               |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Amreli Steels Limited                            |       | 100                    | -                                 | -  | (100)                     | -                             | -   | -   | -                           | -                                     | -                           | -   |
| International Industries limited                 |       | -                      | 25,000                            | -  | -                         | 25,000                        | 2,311   | 2,771   | 460                         | 0.29                                  | 0.24                        | -   |
|  |       |                        |                                   |  |                           |                               | 2,311   | 2,771   | 460                         | 0.29                                  | 0.24                        | -   |
| <b>Food and personal care products</b>           |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Al Shaheer Corporation Limited                   |       | 98,000                 | 80,000                            | -  | -                         | 178,000                       | 2,521   | 2,515   | (6)                         | 0.27                                  | 0.21                        | -   |
| <b>Glass and ceramics</b>                        |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Tariq Glass Industries Limited                   |       | 36,300                 | -                                 | -  | (36,300)                  | -                             | -   | -   | -                           | -                                     | -                           | -   |
| <b>Paper and board</b>                           |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Packages Limited                                 |       | 5,400                  | -                                 | -  | (3,000)                   | 2,400                         | 721   | 957   | 236                         | 0.10                                  | 0.08                        | -   |
| Century Paper & Board Mills Limited              |       | -                      | 92,000                            | -  | -                         | 92,000                        | 3,853   | 4,663   | 810                         | 0.49                                  | 0.40                        | 0.06  |
|  |       |                        |                                   |  |                           |                               | 4,574   | 5,620   | 1,046                       | 0.59                                  | 0.48                        | 0.06  |
| <b>Refinery</b>                                  |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| National Refinery Limited                        |       | 300                    | -                                 | -  | -                         | 300                           | 34  | 42  | 8                           | -                                     | -                           | -   |
| <b>Insurance</b>                                 |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Adamjee Insurance Company Limited                |       | 632,000                | -                                 | -  | (164,244)                 | 467,756                       | 16,395  | 19,688  | 3,293                       | 2.09                                  | 1.68                        | 0.13  |
| <b>Technology and communication</b>              |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| Systems Limited                                  |       | -                      | 65,500                            | -  | -                         | 65,500                        | 6,159   | 8,142   | 1,983                       | 0.86                                  | 0.69                        | 0.05  |
| <b>Pharmaceuticals</b>                           |       |                        |                                   |  |                           |                               |   |   |                             |                                       |                             |   |
| The Searl Company Limited                        | 5.4.2 | 21,240                 | -                                 | -  | (5,000)                   | 16,240                        | 2,381   | 3,064   | 683                         | 0.33                                  | 0.26                        | 0.01  |
| Highnoon Laboratories Limited                    | 5.4.2 | 600                    | -                                 | -  | -                         | 600                           | 152   | 322   | 170                         | 0.03                                  | 0.03                        | -   |
|  |       |                        |                                   |  |                           |                               | 2,533   | 3,386   | 853                         | 0.36                                  | 0.29                        | 0.01  |
| <b>Total as at December 31, 2019 (Unaudited)</b> |       |                        |                                   |  |                           |                               | <b>390,599</b>                                  | <b>468,121</b>                                | <b>77,522</b>               |                                       |                             |   |
| Total as at June 30, 2019 (Audited)              |       |                        |                                   |  |                           |                               | 668,972   | 542,757                                       | (126,215)                   |                                       |                             |   |

\* This represents investment held in a related party.

**5.4.1** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

|                          | December 31, 2019  |                  | June 30, 2019      |                  |
|--------------------------|--------------------|------------------|--------------------|------------------|
|                          | (Number of shares) | (Rupees in '000) | (Number of shares) | (Rupees in '000) |
| Engro Fertilizer limited | 12,000             | 881              | 200,000            | 12,794           |
| United Bank Limited      | 50,000             | 8,225            | 50,000             | 7,369            |
|                          | <b>62,000</b>      | <b>9,106</b>     | <b>250,000</b>     | <b>20,163</b>    |

**5.4.2** There is no change is the status of matter related to bonus shares as reported in note 8.4.2 to the annual financial statements of the Fund for the year ended June 30, 2019. As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.801,961 (June 30, 2019: Rs.436,153).

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A and 151 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). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

|   |      | (Un-audited)<br>December 31,<br>2019 | (Audited)<br>June 30,<br>2019 |
|---|------|--------------------------------------|-------------------------------|
|   | Note | ---- (Rupees in '000) ----           |                               |
| 7. PAYABLE TO UBL FUND MANAGERS<br>LIMITED - MANAGEMENT COMPANY |      |                                      |                               |
| Remuneration payable to the Management Company                  | 7.1  | 993                                  | 1,173                         |
| Sales tax on management fee                                     | 7.2  | 129                                  | 153                           |
| Payable against allocated expenses                              | 7.3  | 199                                  | 117                           |
| Selling and marketing expenses                                  | 7.4  | 1,728                                | 1,496                         |
| Sales load and others   |      | 746                                  | 125                           |
|   |      | <u>3,795</u>                         | <u>3,064</u>                  |

**7.1** The Management Company has charged remuneration at the rate of 1% (June 30, 2019: 1%) per annum of average annual net assets of the Funds. The remuneration is paid to the Management Company on monthly basis in arrears.

**7.2** Sale tax on Management Remuneration has been charged at the rate of 13% (June 30, 2019: 13%).

**7.3** Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

**7.4** The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

#### 8. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

|   | Note | (Un-audited)<br>December 31,<br>2019<br>---- (Rupees in '000) ---- | (Audited)<br>June 30,<br>2019 |
|---|------|--|-------------------------------|
| <b>9. ACCRUED EXPENSES AND OTHER PAYABLES</b> |      |  |                               |
| Provision for Sindh Workers' Welfare Fund     | 9.1  | 13,655   | 10,804                        |
| Provision for indirect duties and taxes       | 9.2  | 6,977  | 6,977                         |
| Brokerage payable                             |      | 318  | 385                           |
| Auditors' remuneration payable                |      | 416  | 359                           |
| Other payables                                |      | 445  | 284                           |
|   |      | <u>21,811</u>  | <u>18,809</u>                 |

**9.1** The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 to the annual audited financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit of the Fund would have been higher by Rs.1.73 (June 30, 2019: Rs.1.04).

**9.2** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 16.1 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2019 would have been higher by Re.0.79 (June 30, 2019: Re.0.6) per unit.

#### 10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 (June 30, 2019: Nil).

## 11. 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 the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains to the unitholders.

The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

## 12. EARNINGS PER UNIT

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

## 13. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund is 1.32% as on December 31, 2019 (December 31, 2018: 1.04%) which includes 0.32% (December 31, 2018: 0.13%) representing Government Levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an asset allocation scheme.

## 14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Details of transactions with related parties / connected persons and balances with them at the period end, other than those which have been specifically disclosed elsewhere in this interim financial statements are as follows:

|                                       | Management company                                       | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|---------------------------------------|--|----------------------|---------|-------------------------------|------------------------------|---|
|                                       | (Rupees in '000)   |                      |         |                               |                              |   |
|                                       | (For the half year ended December 31, 2019) (Un-audited) |                      |         |                               |                              |   |
| <b>Transactions during the period</b> |  |                      |         |                               |                              |   |
| Mark-up on bank accounts              | -  | 191                  | -       | -                             | -                            | -   |
| Bank charges                          | -  | 9                    | -       | -                             | -                            | -   |
| Dividend income                       | -  | 1,269                | -       | -                             | -                            | -   |
| Units issued                          | -  | -                    | -       | -                             | 84                           | -   |
| Units redeemed                        | -  | -                    | -       | -                             | -                            | -   |
| Purchase of securities                | -  | 1,950                | -       | -                             | -                            | -   |
| Sale of securities                    | -  | (12,893)             | -       | -                             | -                            | -   |
| Selling and marketing expenses        | 3,022  | -                    | -       | -                             | -                            | -   |
| Remuneration *                        | 7,139  | -                    | 1,284   | -                             | -                            | -   |
| CDC charges                           | -  | -                    | 7       | -                             | -                            | -   |
| Allocated expenses                    | 632  | -                    | -       | -                             | -                            | -   |

|                                       |  |        |       |   |     |   |
|---------------------------------------|--|--------|-------|---|-----|---|
|                                       | (For the half year ended December 31, 2018) (Un-audited) |        |       |   |     |   |
| <b>Transactions during the period</b> |  |        |       |   |     |   |
| Mark-up on bank accounts              | -  | 96     | -     | - | -   | - |
| Bank charges                          | -  | 1      | -     | - | -   | - |
| Dividend income                       | -  | 1,584  | -     | - | -   | - |
| Units issued                          | -  | -      | -     | - | 500 | - |
| Units redeemed                        | -  | -      | -     | - | 774 | - |
| Purchase of securities                | -  | 45,246 | -     | - | -   | - |
| Sale of securities                    | -  | 35,880 | -     | - | -   | - |
| Selling and marketing expenses        | 4,394  | -      | -     | - | -   | - |
| Remuneration *                        | 12,414   | -      | 1,811 | - | -   | - |
| CDC charges                           | -  | -      | 49    | - | -   | - |
| Allocated expenses                    | 1,099  | -      | -     | - | -   | - |

|                                       |  |        |     |   |       |         |
|---------------------------------------|--|--------|-----|---|-------|---------|
|                                       | (As at December 31, 2019) (Un-audited) |        |     |   |       |         |
| <b>Balances held</b>                  |  |        |     |   |       |         |
| Units held (Units in '000)            | -                                      | -      | -   | - | 17    | 1,095   |
| Units held (Amount in '000)           | -                                      | -      | -   | - | 2,525 | 162,659 |
| Bank balances                         | -                                      | 6,497  | -   | - | -     | -       |
| Deposits                              | -                                      | -      | 100 | - | -     | -       |
| Remuneration payable *                | 1,122                                  | -      | -   | - | -     | -       |
| Sales load and other payable          | 746                                    | -      | -   | - | -     | -       |
| Selling and marketing expense payable | 1,728                                  | -      | -   | - | -     | -       |
| Allocated expenses                    | 199                                    | -      | -   | - | -     | -       |
| Markup receivable                     | -                                      | 54     | -   | - | -     | -       |
| Remuneration payable to Trustee       | -                                      | -      | 208 | - | -     | -       |
| Investments                           | -                                      | 29,742 | -   | - | -     | -       |

|                                       |                                 |        |     |   |       |         |
|---------------------------------------|---------------------------------|--------|-----|---|-------|---------|
|                                       | (As at June 30, 2019) (Audited) |        |     |   |       |         |
| <b>Balances held</b>                  |                                 |        |     |   |       |         |
| Units held (Units in '000)            | -                               | -      | -   | - | 16    | 1,095   |
| Units held (Amount in '000)           | -                               | -      | -   | - | 2,150 | 144,859 |
| Bank balances                         | -                               | 3,739  | -   | - | -     | -       |
| Remuneration payable *                | 1,326                           | -      | -   | - | -     | -       |
| Sales load and other payable          | 125                             | 43     | -   | - | -     | -       |
| Selling and marketing expense payable | 1,496                           | -      | -   | - | -     | -       |
| Allocated expenses                    | 117                             | -      | -   | - | -     | -       |
| Markup receivable                     | -                               | 35     | -   | - | -     | -       |
| Remuneration payable to Trustee       | -                               | -      | 225 | - | -     | -       |
| Investments                           | -                               | 37,700 | -   | - | -     | -       |

\* Remuneration for the period is inclusive of sales tax.

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

|  | Fair value           |                |          |
|--|----------------------|----------------|----------|
|  | Level 1              | Level 2        | Level 3  |
|  | ----- (Rupees) ----- |                |          |
| <b><u>December 31, 2019 (Un-audited)</u></b>   |                      |                |          |
| <b>Financial assets measured at fair value</b> |                      |                |          |
| Debt securities                                | -                    | 129,641        | -        |
| Government securities                          | -                    | 344,444        | -        |
| Quoted equity securities                       | 468,121              | -              | -        |
|  | <b>468,121</b>       | <b>474,085</b> | <b>-</b> |

|   | Fair value |         |         |
|---|------------|---------|---------|
|   | Level 1    | Level 2 | Level 3 |
| June 30, 2019 (Audited)                 | (Rupees)   |         |         |
|   |            |         |         |
| Financial assets measured at fair value |            |         |         |
| Debt securities                         | -          | 148,917 | -       |
| Government securities                   | -          | 99,760  | -       |
| Quoted equity securities                | 542,757    | -       | -       |
|   | 542,757    | 248,677 | -       |

**16. GENERAL**

**16.1** Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

**16.2** 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 period.

**17. DATE OF AUTHORISATION FOR ISSUE**

**17.1** These interim financial statements were authorized for issue by Board of Directors of the Management Company on 25 February, 2020.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**









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