

**Financial Report**  
**March 2019**

## CORPORATE INFORMATION

as at March 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**  
Aly Osman

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

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

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

**Management Quality Rating**  
AM1 by JCR-VIS Credit Rating Company

### Funds Under Management

UBL Liquidity Plus Fund  
Launch Date: 21 June 2009

UBL Government Securities Fund  
Launch Date: 27 July 2011

UBL Money Market Fund  
Launch Date: 14 October 2010

UBL Income Opportunity Fund  
Launch Date: 29 March 2013

UBL Growth & Income Fund  
Launch Date: 2 March 2006

UBL Asset Allocation Fund  
Launch Date: 20 August 2013

UBL Stock Advantage Fund  
Launch Date: 4 August 2006

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

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

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

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

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

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

UBL Retirement Savings Fund  
Launch Date: 10 May 2010

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

Al-Ameen Islamic 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

UBL Special Saving Fund  
Launch Date: 09 November 2018

### Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

### Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan



## Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its UBL Liquidity Plus Fund (ULPF), UBL Money Market Fund (UMMF), UBL Government Securities Fund (UGSF), UBL Growth and Income Fund (UGIF), UBL Stock Advantage Fund (USF), UBL Income Opportunity Fund (UIOF), UBL Asset Allocation Fund (UAAF), UBL Capital Protected Fund – III (UCPF-III), UBL Dedicated Equity Fund (UDEF), UBL Special Savings Plan – I (USSP-I), UBL Special Savings Plan – II (USSP-II), UBL Financial Stock Fund (UFSF), UBL Active Principal Preservation Plan I (UAPPP-I), UBL Active Principal Preservation Plan II (UAPPP-II) and UBL Active Principal Preservation Plan III (UAPPP-III) for the nine months period ended March 31, 2019.

### Economy & Money Market Review – 9MFY'19

The economy of Pakistan has shown signs of major economic slowdown during 9MFY19. During the period, SBP raised its policy rate by 425bps from 6.50% to 10.75%. Similarly, currency also devalued by ~16% during the period under review. The restrictive measures have resulted in slowdown in large scale manufacturing which declined by 2.3% during 7MFY19 with sectors like cement, automobiles and petroleum products showing decline in demand. Breakup of LSM shows significant decline in Food beverages, Petroleum Products and Iron & Steel Products segments. The decline in cyclical sectors was primarily attributable to slowdown in aggregate demand due to high interest rate and PKR devaluation.

The latest balance of payment numbers have been extremely positive as monthly current account deficit declined by 59%MoM and 72%YoY, settling at just USD356mn, a 29 month low, in February. Reduction in CAD was broad-based with all heads showing improvement. During 8MFY19, CAD has declined by 23%YoY to USD 8,844mn. Going forward, we expect further improvement in monthly CAD run rate, where we expect it to remain around USD600/700mn on account of monetary and exchange rate adjustments along with fiscal consolidation. Remittances have also shown sign of improvement and registered a growth of ~12% during 8MFY19 compared to SPLY, which has funded 70% of trade deficit. FX Inflows in the form of multilateral and bilateral debt will be the main source of financing of current account and external debt repayments.

Average Inflation for 9MFY19 clocked in at 6.7% with increase primarily attributable to food index and transport segment. Core inflation's averaged at 8.2% 9MFY19. We expect inflation to remain at consistent level given the recent rise in oil prices and holy month of Ramadan approaching.

The State Bank of Pakistan in its latest MPS decided to raise the policy rate to 10.75% on account of escalated core inflation. We don't see any major hike in interest rates going forward.

### Stock Market Review – 9MFY'19

The KSE-100 index in recent months has remained bearish with 3QFY19 return of mere 1.7%. During 9MFY19, foreign investors sold heavily (net USD 373mn worth of shares). The average daily traded shares during this period also remained dry at ~82.6mn as the confidence of the investor is still shaky due to weak economic outlook. Moreover, yields on risk free instruments as a substitute investment became increasingly eye-catching given the rise in interest rates.

The investor's confidence seems to be in doldrums recently but consistent policies on macro and micro level would definitely bring the confidence back as we have seen it in the past. Valuations at current levels remain attractive and an impending IMF program would lend clarity to investors and act as a catalyst for market performance.

The market is trading at a significant discount to region (Fwd P/E 7.3 vs 13.1 region average). The dividend yield is also highest among the region (7% vs 2.5% region average), these factors along with expected IMF bailout advocates a strong fundamental case for Pakistani market. We also expect double digit earning growth in heavy weight sectors in the market which also makes the case for strong returns over a one year horizon.



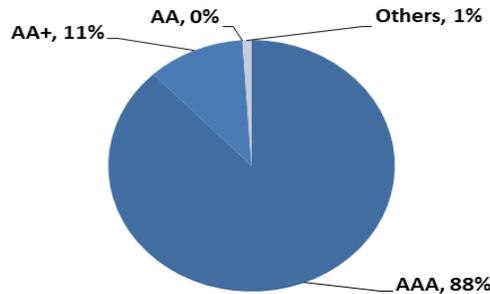
**UBL LIQUIDITY PLUS FUND (ULPF)**

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 8.22%p.a. during 9MFY19. Major exposure was maintained in cash and placement with banks at the end of Mar19, thus maintaining high portfolio quality. The net assets of the fund were PKR 10,835mn (PKR 10,835mn excluding fund of funds) at the end of 9MFY19. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the fund was 5.87 days at the end 9MFY19.

	<b>ULPF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	8.22%	8.01%
<b>Standard Deviation (12m Rolling):</b>	0.11%	1.44%
<b>Sharpe Ratio (12m Rolling):</b>	(8.85)	(0.72)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Placements with Banks	0%	0%	0%
Placements with DFIs	11%	13%	11%
Placements with NBFCs	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	79%	81%	0%
PIBs	0%	0%	0%
Cash	5%	6%	88%
Others	5%	0%	1%
Leverage	0%	0%	0%

**ULPF-Portfolio Quality**





### ULPF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>ULPF (p.a)</b>	9.84%	8.97%	7.54%	6.47%	6.81%	8.46%
<b>Benchmark</b>	9.34%	8.72%	7.43%	5.95%	6.36%	7.85%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 862.968 million for the Nine months period ended March 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 114,125 million, the Fund managed to earn a net income of PKR 748.843 million. The net assets of the Fund were PKR 10,835 million as at March 31, 2019 representing the net asset value of PKR 100.8730 per unit.

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

### UBL MONEY MARKET FUND (UMMF)

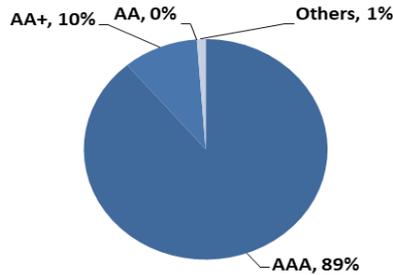
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 8.05% p.a. whereas its net assets were PKR 1,912mn at the end of 9MFY19. 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 5.26 days at the end of 9MFY19.

	UMMF	Benchmark
<b>9MFY'19 Return:</b>	8.05%	8.011%
<b>Standard Deviation (12m Rolling):</b>	0.11%	1.442%
<b>Sharpe Ratio (12m Rolling):</b>	(10.26)	(0.72)

Asset Allocation (% of Total Assets)	Jan'19	Feb'19	Mar'19
Placements with Banks	0%	0%	0%
Placements with DFIs	11%	12%	10%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	68%	83%	0%
Cash	4%	4%	89%
Others	17%	0%	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>	9.68%	8.82%	7.38%	5.94%	6.35%	7.94%
<b>Benchmark</b>	9.34%	8.72%	7.43%	6.03%	6.65%	8.52%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 124.491 million for the Nine months period ended March 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 18.280 million, the Fund managed to earn a net income of PKR 106.211 million. The net assets of the Fund were PKR 1,912 million as at March 31, 2019 representing the net asset value of PKR 106.4812 per unit.

### UBL GOVERNMENT SECURITIES FUND (UGSF)

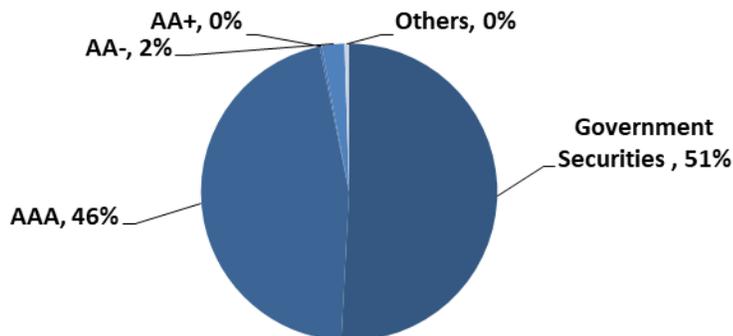
The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted a return of 7.74%p.a whereas its net assets were PKR 1,619mn at the end of 9MFY19. The fund manager increased exposure of fund into T-bills and Cash at the end of 9MFY19. The weighted average maturity of the fund was decreased to 1.25 years by the end of 9MFY19.

	UGSF	Benchmark
<b>9MFY'19 Return:</b>	7.74%	9.36%
<b>Standard Deviation (12m Rolling):</b>	0.31%	1.65%
<b>Sharpe Ratio (12m Rolling):</b>	(4.25)	0.11



Asset Allocation (% of Total Assets)	Jan'19	Feb'19	Mar'19
Placements with banks	0%	0%	0%
PIB	12%	12%	7%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	63%	48%	44%
Cash	24%	38%	49%
Others	1%	1%	0%
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>	10.62%	8.80%	7.14%	5.71%	8.29%	8.95%
<b>Benchmark</b>	10.64%	10.17%	8.65%	6.80%	7.04%	7.90%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 116.166 million for the Nine months period ended March 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 22.266 million, the Fund managed to earn a net income of PKR 93.900 million. The net assets of the Fund were PKR 1,619 million as at March 31, 2019 representing the net asset value of PKR 111.6715 per unit.

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



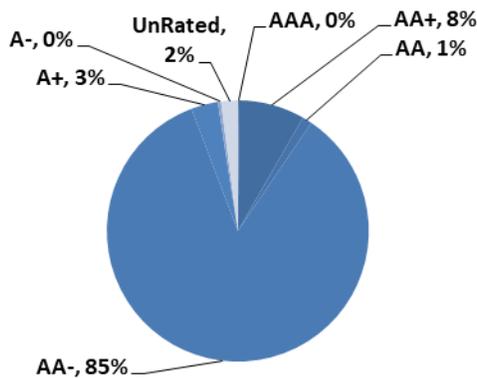
**UNITED GROWTH & INCOME FUND (UGIF)**

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 7.51% p.a. during 9MFY19. Its fund size stood at PKR 1,580mn end of Mar19. The fund manager increased exposure of fund into TFC to and Cash, weighted average time to maturity of the fund was 0.94 years at the end of 9MFY19.

	<b>UGIF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	7.51%	9.87%
<b>Standard Deviation (12m Rolling):</b>	1.14%	1.74%
<b>Sharpe Ratio (12m Rolling):</b>	(0.62)	0.37

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Term Finance Certificates/ Sukuks	27%	25%	19%
Commercial Paper	0%	0%	0%
Placements with DFIs	0%	0%	7%
Placements with Banks	0%	0%	0%
Cash	71%	64%	72%
T-Bills	0%	0%	0%
PIBs	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
Spread Transaction	0%	0%	0%
MTS Exposure	0%	0%	0%
Others	2%	2%	2%
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>	10.98%	8.27%	7.76%	6.93%	9.72%	6.37%
<b>Benchmark</b>	11.16%	10.73%	9.12%	7.19%	7.75%	10.00%

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 59.007 million for the Nine months period ended March 31, 2019. The net assets were PKR 1,580 million as at March 31, 2019 representing a net asset value of PKR 89.6342 per unit.

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

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

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. During the period under review, the fund declined by 5.47% whereas benchmark index's declining by 7.78%, the fund size stood at PKR 6,175mn at end of Mar19. The fund manager maintained the exposure in local equity market of around 92% while exposure in cash stood at 7% at the end of Mar19.

	<b>USF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	-5.47%	-7.78%
<b>Standard Deviation (12m Rolling):</b>	16.51%	16.64%
<b>Sharpe Ratio (12m Rolling):</b>	(1.28)	(1.42)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Equities	91%	93%	92%
International Investments	0%	0%	0%
T-bills	0%	0%	0%
Cash	8%	7%	7%
Others	1%	0%	1%
Leverage	Nil	Nil	Nil

#### **USF vs. Benchmark**

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USF</b>	5.20%	-4.30%	-12.60%	21.24%	63.94%	378.75%
<b>Benchmark</b>	4.27%	-5.73%	-15.17%	14.08%	34.96%	210.83%

Returns are on absolute basis



The Fund incurred a net loss of PKR 386.834 million for the Nine months period ended March 31, 2019 (including an unrealized loss of PKR 425.200 million on revaluation of investments) as compared to a net loss of PKR 528.291 million (including an unrealized loss of PKR 246.358 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 76.076 million (March 31, 2018: capital loss amounting to PKR 388.964 million) and dividend income amounting to PKR 241.963 million (March 31, 2018: PKR 229.003 million). As at March 31, 2019, net assets of the Fund were PKR 6,175 million representing the net asset value of PKR 64.76 per unit..

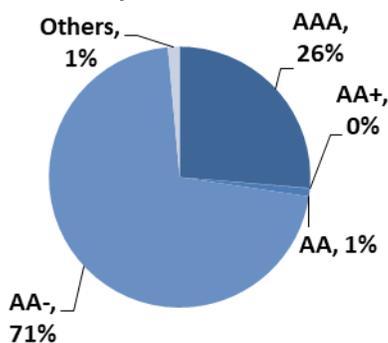
### **UBL INCOME OPPORTUNITY FUND (UIOF)**

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 8.18% p.a. during 9MFY19. The weighted average maturity of the fund has been reached to 0.14 year at the end of Mar19. The Fund's Asset Size stood at PKR 1,226mn as at March 31, 2019.

	<b>UIOF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	8.18%	9.45%
<b>Standard Deviation (12m Rolling):</b>	0.12%	1.67%
<b>Sharpe Ratio (12m Rolling):</b>	(8.00)	0.15

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Term Finance Certificates / Sukuks	1%	1%	2%
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	10%	12%
PIBs	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	0%	0%	0%
Cash	97%	88%	85%
Others	1%	1%	1%
MTS Exposure	0%	0%	0%

### **UIOF Portfolio Quality**



### **UIOF vs. Benchmark**



	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UIOF (p.a)</b>	9.48%	8.93%	7.54%	6.06%	7.08%	7.16%
<b>Benchmark</b>	10.71%	10.28%	8.73%	6.90%	7.33%	7.55%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 119.321 million for the Nine months period ended March 31, 2019 which mainly includes markup / interest income on bank balances. After accounting for the expenses of PKR 21.647 million, the Fund managed to earn a net income of PKR 97.674 million. The net assets of the Fund were PKR 1,226 million as at March 31, 2019 representing the net asset value of PKR 116.6655 per unit.

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

#### **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 1.65% as compare the benchmark return of 1.38%. The fund manager maintained the exposure in local equity market of around 39% while exposure in cash stood at 16% at the end of Mar19. The net assets of the fund were PKR 1,664mn as at March 31, 2019.

	UAAF	Benchmark
<b>9MFY'19 Return:</b>	1.65%	1.38%
<b>Standard Deviation (12m Rolling):</b>	6.30%	6.31%
<b>Sharpe Ratio (12m Rolling):</b>	(1.34)	(1.50)

Asset Allocation (% of Total Assets)	Jan'19	Feb'19	Mar'19
Equities	37%	38%	39%
T-bills	8%	13%	0%
PIBs	5%	5%	6%
TFC/ Sukuk	8%	8%	9%
Placements with Banks	0%	19%	11%
Placements with DFIs	0%	0%	11%
Spread Transaction	0%	0%	0%
Cash	41%	16%	16%
Others	1%	1%	8%

#### **UAAF vs. Benchmark**



	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UAAF</b>	2.90%	1.73%	0.03%	22.55%	66.43%	81.72%
<b>Benchmark</b>	2.93%	0.84%	-0.97%	26.11%	50.64%	64.03%

Returns are on absolute basis

The Fund earned a net income of PKR 30.161 million for the Nine months period ended March 31, 2019 (including an unrealized loss of PKR 57.429 million on revaluation of investments) as compared to a net loss of PKR 40.665 million (including an unrealized gain of PKR 1.618 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 14.294 million (March 31, 2018: capital loss amounting to PKR 114.225 million) and dividend income amounting to PKR 46.204 million (March 31, 2018: PKR 40.032 million). As at March 31, 2019, net assets of the Fund were PKR 1,664 million representing the net asset value of PKR 136.7943 per unit.

### **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 9MFY19 fund registered a return of 2.96% as compare to benchmark return of 3.51%. Major exposure was maintained in placements with bank and equities during Mar19. The net assets of the fund were PKR 315mn as at March 31, 2019.

	<b>UCPF-III</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	2.96%	3.51%
<b>Standard Deviation (12m Rolling):</b>	1.61%	1.12%
<b>Sharpe Ratio (12m Rolling):</b>	(3.51)	(4.21)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Placements with banks	81%	81%	81%
Equities	6%	5%	5%
T-bills	0%	0%	0%
Spread Transactions	0%	0%	0%
Others	12%	12%	13%
Cash	2%	2%	2%
Leverage	Nil	Nil	Nil

### **UCPF-III vs. Benchmark**



	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UCPF-III</b>	1.22%	1.30%	2.80%	-	-	5.23%
<b>Benchmark</b>	1.85%	2.56%	3.73%	-	-	6.30%

Returns are on absolute basis

The Fund earned a net income of PKR 9.173 million for the Nine months period ended March 31, 2019 (including an unrealized loss of PKR 2.293 million on revaluation of investments) as compared to a net loss of PKR 2.962 million (including an unrealized loss of PKR 4.811 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 1.186 million (March 31, 2018: capital loss amounting to PKR 6.073 million) and dividend income amounting to PKR 0.394 million (March 31, 2018: PKR 1.122 million). As at March 31, 2019, net assets of the Fund were PKR 315 million representing the net asset value of PKR 103.1241 per unit.

#### **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 negative return of 5.88% against benchmark return of negative 7.78%. The fund manager maintained the exposure in local equity market of around 89% while exposure in cash stood at 9% at the end of Mar19. The net assets of the fund were PKR 971mn as at March 31, 2019.

	<b>UFSF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	-5.88%	-7.78%
<b>Standard Deviation (12m Rolling):</b>	n/a	n/a
<b>Sharpe Ratio (12m Rolling):</b>	n/a	n/a

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Equities	85%	87%	89%
T-bills	0%	0%	0%
Cash	12%	12%	9%
Others	3%	1%	2%
Leverage	Nil	Nil	Nil

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

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UFSF</b>	7.65%	-3.11%	-	-	-	-14.14%
<b>Benchmark</b>	4.27%	-5.73%	-	-	-	-16.99%

Returns are on absolute basis



The Fund incurred a net loss of PKR 41.214 million for the Nine months period ended March 31, 2019 (including an unrealized loss of PKR 44.402 million on revaluation of investments)). As at March 31, 2019, net assets of the Fund were PKR 971 million representing the net asset value of PKR 85.8565 per unit.

### **UNITED 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 5.94% whereas benchmark index's declining by 7.78%, the fund size stood at PKR 224mn at end of Mar19. The fund manager maintained the exposure in local equity market of around 94% while exposure in cash stood at 3% at the end of Mar19.

	<b>UDEF</b>	<b>Benchmark</b>
<b>9MFY'19 Return:</b>	-5.94%	-7.78%
<b>Standard Deviation (12m Rolling):</b>	n/a	n/a
<b>Sharpe Ratio (12m Rolling):</b>	n/a	n/a

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Equities	82%	93%	94%
T-bills	0%	0%	0%
Cash	15%	5%	3%
Others	4%	2%	3%
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>	4.33%	-4.24%	-	-	-	-7.69%
<b>Benchmark</b>	4.27%	-5.73%	-	-	-	-8.28%

Returns are on absolute basis

The Fund incurred a net loss of PKR 3.600 million for the Nine months period ended March 31, 2019 (including an unrealized loss of PKR 5.499 million on revaluation of investments)). As at March 31, 2019, net assets of the Fund were PKR 224 million representing the net asset value of PKR 92.3064 per unit.

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

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. Fund yielded return of 3.15% during 9MFY19. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the fund were PKR 173mn at the end of 9MFY19. The Asset allocation was made as such to ensure high liquidity is kept intact.



**UAPPP-I Benchmark**

<b>9MFY'19 Return:</b>	3.15%	4.07%
<b>Standard Deviation (12m Rolling):</b>	n/a	n/a
<b>Sharpe Ratio (12m Rolling):</b>	n/a	n/a

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Equity Funds	25%	24%	20%
Money Market Funds	74%	75%	79%
Income Funds	0%	0%	0%
Others	0%	0%	0%
Cash	1%	1%	1%
Leverage	Nil	Nil	Nil

**UAPPP-I 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>UAPPP-I</b>	2.51%	2.18%	2.93%	-	-	4.06%
<b>Benchmark</b>	2.84%	2.83%	3.92%	-	-	5.20%

Returns are on absolute basis

The Fund earned a net income of PKR 5.382 million for the Nine months period ended March 31, 2019 (including an unrealized gain of PKR 5.520 million on revaluation of investments)). As at March 31, 2019, net assets of the Fund were PKR 173 million representing the net asset value of PKR 104.0610 per unit.

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

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. Fund yielded return of 3.15% during 9MFY19. The Asset allocation was made as such to ensure high liquidity is kept intact. Major exposure was maintained in Money Market funds and equity, thus maintaining high portfolio quality. The net assets of the fund were PKR 173mn as at the March 31, 2019.

**UAPPP-II Benchmark**

<b>9MFY'19 Return:</b>	3.79%	5.13%
<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)	Jan'19	Feb'19	Mar'19
Equity Funds	18%	19%	17%
Money Market Funds	42%	41%	43%
Income Funds	0%	0%	0%
Others	2%	2%	2%
Cash	0%	0%	0%
Placement with banks	38%	38%	38%
Leverage	Nil	Nil	Nil

#### UAPPP-II vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UAPPP-II</b>	1.62%	2.45%	-	-	-	4.45%
<b>Benchmark</b>	2.27%	3.51%	-	-	-	5.78%

Returns are on absolute basis

The Fund earned a net income of PKR 11.937 million for the Nine months period ended March 31, 2019 (including an unrealized gain of PKR 5.029 million on revaluation of investments)). As at March 31, 2019, net assets of the Fund were PKR 322 million representing the net asset value of PKR 104.3151 per unit.

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

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. Fund yielded return of -3.79% during 9MFY19 against benchmark return of 5.13%. The Asset allocation was made as such to ensure high liquidity is kept intact. Major exposure was maintained in Money Market funds and Placement with banks, thus maintaining high portfolio quality. The net assets of the fund were PKR 322mn as at the March 31 2019.

#### UAPPP-III Benchmark

<b>9MFY'19 Return:</b>	2.25%	2.79%
<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)	Jan'19	Feb'19	Mar'19
Equity Funds	26%	29%	25%
Money Market Funds	74%	70%	74%
Income Funds	0%	0%	0%
Others	0%	0%	0%
Cash	0%	0%	1%
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>	2.51%	-	-	-	-	2.25%
<b>Benchmark</b>	2.48%	-	-	-	-	2.79%

Returns are on absolute basis

During the period from October 24, 2018 to March 31, 2019 the Fund earned a net income of PKR 4.582 million for the Nine months period ended March 31, 2019 (including an unrealized gain of PKR 3.535 million on revaluation of investments)). As at March 31, 2019, net assets of the Fund were PKR 198 million representing the net asset value of PKR 102.2486 per unit.

#### 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 10.42%. Major exposure was maintained in cash at the end of Mar19, thus maintaining high portfolio quality .The net assets of the fund was PKR 510mn as at the March 31 2019.

	USSP-I	Benchmark
<b>9MFY'19 Return:</b>	10.42%	10.45%
<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)	Jan'19	Feb'19	Mar'19
Placements with banks	0%	0%	0%
PIB	98%	99%	98%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	0%	0%	0%
Others	1%	1%	2%
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>	12.05%	-	-	-	-	10.42%
<b>Benchmark</b>	10.64%	-	-	-	-	10.45%

Returns are annualized using the Morningstar Methodology



During the period from November 09, 2018 to March 31, 2019 the Fund earned total income of PKR 20.975 million for the Nine months period ended March 31, 2019. After accounting for the expenses of PKR 3.297 million, the Fund managed to earn a net income of PKR 17.678 million. As at March 31, 2019, net assets of the Fund were PKR 510 million representing the net asset value of PKR 103.0828 per unit.

### **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 12.04%. Major exposure was maintained in PIB at the end of Mar19. The net assets of the fund were PKR 800mn as at the 31 March 2019.

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'19</b>	<b>Feb'19</b>	<b>Mar'19</b>
Placements with banks	0%	0%	0%
PIB	98%	99%	98%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	0%	0%	0%
Others	1%	1%	2%
Leverage	Nil	Nil	Nil

### **USSP-II 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>USSP-II (p.a)</b>	-	-	-	-	-	12.04%
<b>Benchmark</b>	-	-	-	-	-	10.71%

Returns are annualized using the Morningstar Methodology

During the period from February 09, 2019 to March 31, 2019 the Fund earned total income of PKR 5.972 million for the Nine months period ended March 31, 2019. After accounting for the expenses of PKR 0.835 million, the Fund managed to earn a net income of PKR 5.137 million. As at March 31, 2019, net assets of the Fund were PKR 800 million representing the net asset value of PKR 101.7280 per unit.

### **Future Outlook**

The stock market fundamentals are intact and our market is trading at a deep discount as compared to regional peers. The market is trading at a forward PE of 7.1x and is at a 56% discount to Asia's average of 16.3x, thus offering attractive valuations and expected profitability growth over the next two years to investors with a medium to long-term horizon. We believe the recent devaluation of PKR will likely support our exports and provide relief to the current account position. Any possible respite in the coming budget would also aid in restoring investor confidence.



With the IMF program just round the corner, we are of the view that the government needs to urgently address issues including low tax revenue, uneven distribution of revenue/expenditure between provincial and federal governments to achieve macroeconomic stability. FX Inflows in the form of multilateral and bilateral debt will be the main source of financing for current account and external debt repayments.

We continue to maintain an optimistic outlook on the local equity market in the short to medium-term. Despite recent increase in fixed income yields, we still find incredible value in the stock market for medium to long-term investors, as reflected in the strong double-digit earnings growth over the next two years. Banks and E&Ps, the two heavyweight sectors in the index are expected to perform during this time and would likely trigger the earnings' progression and lead the upside. The 100 index also offers a dividend yield of 7%, more than twice the average of peer markets.

### **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 also likes to take this opportunity to express its appreciation to the employees for their dedication, commitment, enthusiasm and hard work.

FOR & ON BEHALF OF THE BOARD

-----SD-----  
Yasir Qadri  
CHIEF EXECUTIVE

Karachi, Dated: 29 April 2019

# ULPF

## UBL Liquidity Plus Fund

### INVESTMENT OBJECTIVE

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

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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>	United Bank Limited Bank Alfalah Limited MCB- Global Faysal Bank Limited Samba Bank Allied Bank Limited Habib Bank Limited Sindh Bank Limited ZTBL Habib Metropolitan Bank Limited Askari Bank Limited National Bank Of Pakistan Meezan Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	AA(f) (JCR-VIS)

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

	<b>March 31, 2019 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>ASSETS</b>		
Bank balances	4 9,634,473	12,991,421
Placements and Term Deposit Receipts	5 1,200,000	1,580,000
Investments	6 -	-
Mark-up / interest receivable	90,174	18,914
Deposits, prepayments and other receivable	19,806	15,770
Advance tax	7 1,994	2,482
<b>TOTAL ASSETS</b>	<u>10,946,447</u>	<u>14,608,587</u>
<b>LIABILITIES</b>		
Payable to UBL Fund Managers Limited - Management Company	9,443	10,922
Payable to Central Depository Company of Pakistan Limited - Trustee	921	1,185
Payable to Securities and Exchange Commission of Pakistan	7,232	7,080
Accrued expenses and other liabilities	8 94,136	135,190
<b>TOTAL LIABILITIES</b>	<u>111,732</u>	<u>154,377</u>
<b>NET ASSETS</b>	<u>10,834,715</u>	<u>14,454,210</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>10,834,715</u>	<u>14,454,210</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	9 -----(Number of units)-----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>107,409,511</u>	<u>136,059,656</u>
	----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	<u>100.8730</u>	<u>106.2344</u>

The annexed notes from 1 to 17 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 (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Nine months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>INCOME</b>				
Financial income	879,150	347,259	302,011	161,743
Capital loss on sale of investments - net	(16,667)	(147)	(2,430)	(126)
Other income	485	-	288	-
<b>Total income</b>	<b>862,968</b>	<b>347,112</b>	<b>299,869</b>	<b>161,617</b>
<b>EXPENSES</b>				
Remuneration of UBL Fund Managers Limited - Management Company	64,982	29,329	22,541	12,122
Sindh Sales Tax on Management Company's remuneration	8,448	3,813	2,931	1,576
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8,436	5,195	2,520	2,315
Annual fee of Securities and Exchange Commission of Pakistan	7,233	4,052	2,107	1,881
Bank charges	500	626	197	271
Auditors' remuneration	674	590	132	117
Brokerage and settlement expenses	2,049	398	778	158
Allocated expenses	6,442	4,558	-	2,472
Fees and subscription charges	199	220	64	72
Other expenses	179	108	39	51
<b>Total operating expenses</b>	<b>99,142</b>	<b>48,889</b>	<b>31,309</b>	<b>21,035</b>
<b>Operating income for the period</b>	<b>763,826</b>	<b>298,223</b>	<b>268,560</b>	<b>140,582</b>
Provision for Sindh Workers' Welfare Fund	8.2 (14,983)	(5,853)	(5,266)	(2,759)
<b>Net income for the period before taxation</b>	<b>748,843</b>	<b>292,370</b>	<b>263,294</b>	<b>137,823</b>
Taxation	10 -	-	-	-
<b>Net income for the period after taxation</b>	<b>748,843</b>	<b>292,370</b>	<b>263,294</b>	<b>137,823</b>
<b>Allocation of net income for the period</b>				
Income already paid on units redeemed	(15,108)	(119,049)	(2,552)	(51,185)
<b>Net income for the period available for distribution</b>	<b>733,735</b>	<b>173,321</b>	<b>260,742</b>	<b>86,638</b>
Relating to capital gains	-	-	-	-
Excluding capital gains	733,735	173,321	260,742	86,638
	<b>733,735</b>	<b>173,321</b>	<b>260,742</b>	<b>86,638</b>
Earnings per unit	11			

The annexed notes from 1 to 17 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 (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	748,843	292,370	263,294	137,823
Other comprehensive income				
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>	<u>748,843</u>	<u>292,370</u>	<u>263,294</u>	<u>137,823</u>

The annexed notes from 1 to 17 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 CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	<b>Nine months period ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	748,843	292,370
<b>Adjustments for:</b>		
Financial income	(879,635)	(347,259)
Capital loss on sale of investments - net	16,667	147
Provision for Sindh Workers' Welfare Fund	14,983	5
	<u>(847,985)</u>	<u>(347,107)</u>
<b>Cash used in operations before working capital changes</b>	(99,142)	(54,737)
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Investments - net	(16,667)	(147)
Deposits, prepayments and other receivables	(4,036)	19,916
Advance tax	488	(24)
	<u>(20,215)</u>	<u>19,745</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(1,479)	5,149
Payable to Central Depository Company of Pakistan Limited - Trustee	(264)	533
Annual fee payable to Securities and Exchange Commission of Pakistan	152	1,562
Accrued expenses and other liabilities	(56,037)	(98,755)
	<u>(57,628)</u>	<u>(91,511)</u>
Cash used in operations	(176,985)	(126,503)
Profit received on bank balances and investments	808,375	317,661
Net cash generated from operating activities	<u>631,390</u>	<u>191,158</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	23,136,519	22,843,596
Payments against redemption of units	(26,019,341)	(15,802,641)
Dividend paid	(1,485,516)	-
Net cash (used in) / generated from financing activities	<u>(4,368,338)</u>	<u>7,040,955</u>
Net (decrease) / increase in cash and cash equivalents	(3,736,948)	7,232,113
Cash and cash equivalents at the beginning of the period	14,571,421	4,179,845
Cash and cash equivalents at the end of the period	<u>10,834,473</u>	<u>11,411,958</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	9,634,473	10,436,958
Placements and Term Deposit Receipts	1,200,000	975,000
	<u>10,834,473</u>	<u>11,411,958</u>

The annexed notes from 1 to 17 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 UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

Note	-----Nine months period ended-----			-----		
	March 31, 2019			March 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	14,120,429	333,781	14,454,210	4,002,156	80,087	4,082,243
Issuance of 229,510,626 units (2018: 221,549,895 units)						
Capital value of units	23,107,910	-	23,107,910	22,306,405	-	22,306,405
Element of income						
Due to net income earned	28,609	-	28,609	537,192	-	537,192
<b>Total proceeds on issuance of units</b>	<b>23,136,519</b>	<b>-</b>	<b>23,136,519</b>	<b>22,843,597</b>	<b>-</b>	<b>22,843,597</b>
Redemption of 258,160,771 units (2018: 153,186,996 units)						
Capital value of units	(25,992,504)	-	(25,992,504)	(15,423,393)	-	(15,423,393)
Element of income						
Due to net income earned	(11,729)	(15,108)	(26,837)	(260,200)	(119,049)	(379,249)
<b>Total payments on redemption of units</b>	<b>(26,004,233)</b>	<b>(15,108)</b>	<b>(26,019,341)</b>	<b>(15,683,593)</b>	<b>(119,049)</b>	<b>(15,802,642)</b>
Total comprehensive income for the period	-	748,843	748,843	-	292,370	292,370
<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>						
Re. 0.2669 per unit declared on July 15, 2018 as cash dividend	(4,803)	(33,543)	(38,346)	-	-	-
Re. 0.2539 per unit declared on July 29, 2018 as cash dividend	(3,678)	(36,912)	(40,590)	-	-	-
Re. 0.2629 per unit declared on August 12, 2018 as cash dividend	(364)	(36,890)	(37,254)	-	-	-
Re. 0.2502 per unit declared on August 26, 2018 as cash dividend	(192)	(34,310)	(34,502)	-	-	-
Re. 0.2500 per unit declared on September 09, 2018 as cash dividend	(481)	(34,740)	(35,221)	-	-	-
Re. 0.2461 per unit declared on September 23, 2018 as cash dividend	(216)	(33,390)	(33,606)	-	-	-
Re. 0.2691 per unit declared on October 07, 2018 as cash dividend	(2,975)	(34,290)	(37,265)	-	-	-
Re. 0.2955 per unit declared on October 21, 2018 as cash dividend	(333)	(38,315)	(38,648)	-	-	-
Re. 0.2938 per unit declared on November 04, 2018 as cash dividend	(2,086)	(36,837)	(38,923)	-	-	-
Re. 0.2732 per unit declared on November 18, 2018 as cash dividend	(916)	(37,553)	(38,469)	-	-	-
Re. 0.2746 per unit declared on December 02, 2018 as cash dividend	(127)	(35,477)	(35,604)	-	-	-
Re. 0.3109 per unit declared on December 16, 2018 as cash dividend	(350)	(35,167)	(35,517)	-	-	-
Re. 0.3683 per unit declared on December 30, 2018 as cash dividend	(1,271)	(36,664)	(37,935)	-	-	-
Re. 0.3675 per unit declared on January 13, 2019 as cash dividend	(1,660)	(30,070)	(31,730)	-	-	-
Re. 0.3707 per unit declared on January 27, 2019 as cash dividend	(2,713)	(36,804)	(39,517)	-	-	-
Re. 0.3531 per unit declared on February 10, 2019 as cash dividend	(3,524)	(39,736)	(43,260)	-	-	-
Re. 0.3686 per unit declared on February 24, 2019 as cash dividend	(979)	(45,399)	(46,378)	-	-	-
Re. 0.3323 per unit declared on March 10, 2019 as cash dividend	(594)	(41,548)	(42,142)	-	-	-
Re. 0.3785 per unit declared on March 24, 2019 as cash dividend	(292)	(44,860)	(45,152)	-	-	-
<b>Net income for the period less distribution</b>	<b>(529,252)</b>	<b>(207,421)</b>	<b>(736,673)</b>	<b>-</b>	<b>292,370</b>	<b>292,370</b>
<b>Net assets at the end of the period</b>	<b>10,723,463</b>	<b>111,252</b>	<b>10,834,715</b>	<b>11,162,160</b>	<b>253,408</b>	<b>11,415,568</b>
Undistributed income brought forward comprises of:						
Realised gain		333,781				
Unrealised loss		-			80,087	
Total undistributed income brought forward		333,781			80,087	
<b>Income available for distribution:</b>						
Relating to capital gains		-			-	
Excluding capital gains		733,735			173,321	
		733,735			173,321	
<b>Distribution during the period:</b>						
Annual distribution of Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend		(253,759)			-	
Interim distributions during the nine months period and quarter ended March 31, 2019 as cash dividend		(702,505)			-	
		(956,264)			-	
<b>Undistributed income carried forward</b>		<b>111,252</b>			<b>253,408</b>	
Undistributed income carried forward comprises of:						
Realised gain		111,252				
Unrealised gain		-				
<b>Total undistributed income carried forward</b>		<b>111,252</b>			<b>253,408</b>	
				<b>(Rupees)</b>	<b>(Rupees)</b>	
Net assets value per unit at the beginning of the period				106,2344	100,6834	
Net assets value per unit at the end of the period				100,8730	104,8182	

The annexed notes from 1 to 17 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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 UBL Liquidity Plus Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. It was constituted under the Trust Deed dated May 07, 2009 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is a money market scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended money market scheme in accordance with Circular No. 7 of 2009 issued by the SECP and it commenced its operations on June 21, 2009.
- 1.4 The principal activity of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 27, 2018 and a stability rating of "AA (f)" to the Fund as on December 31, 2018.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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.

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, 2018.

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, 2018, 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 period ended March 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 annual audited financial statements of the Fund for the year ended June 30, 2018 except as explained in note 3.3.
- 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 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

#### **i. Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

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

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

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

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

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

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
	Note			----- (Rupees in '000) -----	
<b>Financial assets</b>					
Bank balances - Saving Accounts	(a)	Loans and receivables	Amortised cost	12,991,421	12,991,421
Term Deposit Receipts (TDRs)	(a)	Loans and receivables	Amortised cost	1,580,000	1,580,000
Mark-up / interest receivable	(a)	Loans and receivables	Amortised cost	18,914	18,914
Deposits and other receivable	(a)	Loans and receivables	Amortised cost	15,431	15,431
				14,605,766	14,605,766

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

ii. **Impairment of financial assets**

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

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

### iii. Transition

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

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

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

		<b>March 31, 2019</b>	<b>June 30, 2018</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	<b>-----</b>
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In current account	4	4
	In saving accounts	4.1	12,991,417
		<u>9,634,469</u>	<u>12,991,421</u>
		<u>9,634,473</u>	<u>12,991,421</u>

- 4.1 Profit rates on these savings accounts range between 4.00% to 11.15% per annum (June 30, 2018: 3.75% to 6.60% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 15.319 million (June 30, 2018: Rs. 32.157 million) on which return is earned ranging between 8.25% to 10% (June 30, 2018: 4.00%) per annum.

## 5 PLACEMENTS AND TERM DEPOSIT RECEIPTS (TDRs)

Opening balance		1,580,000	-
Acquired during the period		40,562,000	14,416,000
Matured during the period		(40,942,000)	(12,836,000)
Closing balance	5.1&5.2	<u>1,200,000</u>	<u>1,580,000</u>

5.1 Letter of Placements (LOPs) having face value of Rs. 1,200 million carrying interest rate of 10.80% and will be matured on May 15, 2019.

5.2 As per Regulation 55(5) of the Regulations, exposure of a collective investment scheme to any single entity shall not exceed an amount equal to ten per cent of total net assets of the collective investment scheme. The Fund has made investments in TDRs of following entities in excess of ten percent of its net assets as of the date of condensed interim statement of assets and liabilities:

Entity	Amount (Rupees in '000)	Percentage of Net Assets
TDR - Pak Brunei Investment Co	1,200,000	11.08%

## 6 INVESTMENTS

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

Name of security	At the beginning of the period	Acquired during the period	Sold / matured during period	At the end of the period	Market value as at March 31, 2019	Market value as at June 30, 2018	Percentage of investment
	Note	No. of holdings			(Rupees in '000)		
<b>Market</b>							
<b>Treasury Bills</b>							
T bills 3 months	-	867,930	867,930	-	-	-	0%
	-	867,930	867,930	-	-	-	0%

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

## **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 section 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2019.

## **8 ACCRUED EXPENSES AND OTHER LIABILITIES**

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

Provision for Federal Excise Duty (FED) as at March 31, 2019 amounted to Rs. 55.390 million (June 30, 2018: 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, 2018. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 55.390 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.52 (June 30, 2018: Re. 0.4071).

### **8.2 Provision for Sindh Workers' Welfare Fund (SWWF)**

Provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2019 amounted to Rs. 23.539 million (June 30, 2018: Rs. 13.822 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, 2018.

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. 0.27 (June 30, 2018: Re. 0.1016).

## **9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019.

## **10 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, 2019 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## **11 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.

## **12 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 nine months and quarter ended March 31, 2019 is 0.89% which includes 0.25% representing Government Levy, Worker's Welfare Fund and SECP fee.

## **13 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 Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b>Transactions during the nine months period and quarter ended March 31, 2019</b>						
Profit on savings accounts	-	22,139	-	-	-	-
Bank charges	-	77	-	-	-	-
Units issued	136,779	6,128	-	18,030	3,615	7,814,316
Units redeemed	791,123	16,151	-	186,316	14,744	5,024,816
Purchase of securities	-	-	-	1,518,709	-	-
Sale of securities	-	6,023,448	-	491,649	-	-
Remuneration (including Sindh sales tax)	73,430	-	8,436	-	-	-
Allocated expenses	6,442	-	-	-	-	-
Custody fee	-	-	5	-	-	-
Dividend paid	38,911	925	-	9,788	2,086	192,417

**Transactions during the half year ended March 31, 2018**

Profit on savings accounts	-	9,555	-	-	-	-
Bank charges	-	70	-	-	-	-
Units issued	1,030,299	12,500	-	2,461,076	12,763	2,328,849
Units redeemed	359,882	14,700	-	2,207,524	2,607	899,322
Purchase of securities	-	4,495,025	-	226,916	-	-
Sale of securities	-	346,633	-	418,132	-	-
Remuneration (including sales tax)	33,142	-	5,195	-	-	-
Allocated expenses	4,558	-	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						

**Balances held as at March 31, 2019**

Units held (in Units '000)	-	14	-	-	128	33,190
Units held (in Rupees '000)	-	1,453	-	-	12,903	3,347,961
Bank balances	-	15,319	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	9,312	-	921	-	-	-
Other payables	131	-	-	-	-	-
Allocated expense payable	-	-	-	-	-	-
Profit receivable	-	265	-	-	-	-
Term Deposit Receipt	-	1,100,000	-	-	-	-

**Balances held as at June 30, 2018**

Units held (in Units '000)	6,496	114	-	1,668	238	25,045
Units held (in Rupees '000)	690,099	12,111	-	177,199	25,284	2,660,641
Bank balances	-	32,158	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	7,935	-	1,185	-	-	-
Other payables	113	-	-	-	-	-
Allocated expense payable	2,874	-	-	-	-	-
Profit receivable	-	221	-	-	-	-

## 14 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 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.

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).

<b>Carrying Amount</b>	
<b>As at March 31, 2019</b>	
<b>Fair value through profit or loss</b>	<b>Amortized cost</b>

### **Financial assets not measured at fair value**

Bank balances	-	9,634,473
Placements and Term Deposit Receipts	-	1,200,000
Mark up / interest receivable	-	90,174
Other receivables	-	19,806
	-	<u>10,944,453</u>

### **Financial liabilities not measured at fair value**

Payable to Management Company	-	8,372
Payable to Trustee	-	815
Accrued expenses and other liabilities	-	2,488
	-	<u>11,675</u>

<b>Carrying Amount</b>		
-----As at June 30, 2018-----		
<b>Fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Other financial liabilities</b>
<b>Financial assets not measured at fair value</b>		
Bank balances	12,991,421	-
Placements and Term Deposit Receipts	1,580,000	-
Mark up / interest receivable	18,914	-
Other receivables	15,495	-
	<u>14,605,830</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>		
Payable to Management Company	-	10,007
Payable to Trustee	-	1,049
Accrued expenses and other liabilities	-	49,264
	<u>-</u>	<u>60,320</u>

- 14.1 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 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.

## 16 GENERAL

- 16.1 Figures have been rounded off to the nearest thousand rupees.

## 17 DATE OF AUTHORIZATION FOR ISSUE

- 17.1 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 29, 2019.

**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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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 Bank Alfalah Limited MCB- Global Faysal Bank Limited Samba Bank Allied Bank Limited Habib Bank Limited Sindh Bank Limited ZTBL Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	AA(f) (JCR-VIS)

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

		<b>31 March 2019 (Unaudited)</b>	30 June 2018 (Audited)
	<i>Note</i>	----- <b>(Rupees in '000)</b> -----	
<b>Assets</b>			
Bank balances	4	<b>1,723,897</b>	1,490,596
Term deposit receipts and placement	5	<b>185,000</b>	135,000
Profits receivable		<b>13,901</b>	3,058
Deposit, prepayments and other receivables		<b>7,313</b>	1,769
Advance tax	6	<b>1,080</b>	1,071
<b>Total assets</b>		<b>1,931,191</b>	1,631,494
<b>Liabilities</b>			
Payable to the Management Company		<b>2,184</b>	998
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>210</b>	169
Payable to Securities and Exchange Commission of Pakistan		<b>1,009</b>	828
Accrued expenses and other payables	7	<b>15,931</b>	13,827
<b>Total liabilities</b>		<b>19,334</b>	15,822
<b>Net assets</b>		<b>1,911,857</b>	1,615,672
<b>Unit holders' fund</b> (as per the statement attached)		<b>1,911,857</b>	1,615,672
<b>Contingency</b>	8	<b>(Number of Units)</b>	
<b>Number of units in issue</b> (face value of units is Rs. 100 each)		<b>17,954,871</b>	15,298,865
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>106.4812</b>	105.6073

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

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

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

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

**UBL Money Market Fund**  
**Condensed Interim Income Statement (Unaudited)**  
For the nine months period and quarter ended 31 March 2019

	Nine months period ended 31 March		Quarter ended 31 March	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
<b>Income</b>				
Financial income	126,699	51,892	50,093	24,725
Net capital (loss)/gain on sale of investments	(2,334)	4	(429)	5
Other income	126	31	67	-
<b>Total income</b>	<b>124,491</b>	<b>51,927</b>	<b>49,731</b>	<b>24,730</b>
<b>Expenses</b>				
Remuneration of the Management Company	9,374	6,173	3,740	1,986
Sindh Sales Tax on the Management Company's remuneration	1,219	802	487	258
Allocation of expenses relating to the Fund	1,345	799	463	380
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,776	1,222	601	519
Annual fee of Securities and Exchange Commission of Pakistan	1,009	599	348	285
Bank charges	207	246	72	53
Auditors' remuneration	596	495	128	98
Listing fees	21	21	7	7
Legal and professional charges	123	83	41	42
Brokerage expenses	271	27	114	7
Other expenses	213	184	68	54
<b>Total operating expenses</b>	<b>16,154</b>	<b>10,651</b>	<b>6,069</b>	<b>3,689</b>
<b>Net income from operating activities</b>	<b>108,337</b>	<b>41,276</b>	<b>43,662</b>	<b>21,041</b>
Provision for Sindh Workers' Welfare Fund	7.2 (2,126)	(810)	(857)	(413)
<b>Net income for the period before taxation</b>	<b>106,211</b>	<b>40,466</b>	<b>42,805</b>	<b>20,628</b>
Taxation	9 -	-	-	-
<b>Net income for the period after taxation</b>	<b>106,211</b>	<b>40,466</b>	<b>42,805</b>	<b>20,628</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period after taxation	106,211	40,466	42,805	20,628
Income already paid on units redeemed	(79,620)	(17,577)	(53,352)	(9,474)
Accounting income available for distribution	<u>26,591</u>	<u>22,889</u>	<u>(10,547)</u>	<u>11,154</u>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	26,591	22,889	(10,547)	11,154
	<u>26,591</u>	<u>22,889</u>	<u>(10,547)</u>	<u>11,154</u>
Earnings per unit	11			

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

# UBL Money Market Fund

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period and quarter ended 31 March 2019

	Nine months period ended 31 March		Quarter ended 31 March	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>106,211</b>	40,466	<b>42,805</b>	20,628
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>106,211</b>	40,466	<b>42,805</b>	20,628

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

SD

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

SD

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

SD

\_\_\_\_\_  
Director

# UBL Money Market Fund

## Condensed Interim Statement of Movement in Unit holders' Fund (Unaudited)

For the nine months period ended 31 March 2019

	March 31, 2019			March 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	1,590,492	25,180	1,615,672	869,767	6,473	876,240
<b>Issuance of 45,006,012 units</b> (2018: 29,816,417 units)						
- Capital value	4,521,579	-	4,521,579	2,995,534	-	2,995,534
- Element of income	111,228	-	111,228	63,855	-	63,855
Total proceeds on issuance of units	4,632,807	-	4,632,807	3,059,389	-	3,059,389
<b>Redemption of 42,350,006 units</b> (2018: 26,833,020 units)						
- Capital value	(4,254,740)	-	(4,254,740)	(2,695,810)	-	(2,695,810)
- Element of loss	(29,819)	(79,620)	(109,439)	(42,599)	(17,577)	(60,176)
Total payments on redemption of units	(4,284,559)	(79,620)	(4,364,179)	(2,738,409)	(17,577)	(2,755,986)
Total comprehensive income for the period	-	106,211	106,211	-	40,466	40,466
Final distribution for the year ended 30 June 2018: Rs. 5.1412 per unit declared on 2 July 2018 (31 March 2018: Nil)	(59,908)	(18,746)	(78,654)	-	-	-
Net income for the period less distribution	(59,908)	87,465	27,557	-	40,466	40,466
<b>Net assets at end of the period</b>	<b>1,878,832</b>	<b>33,025</b>	<b>1,911,857</b>	<b>1,190,747</b>	<b>29,362</b>	<b>1,220,109</b>
<b>Undistributed income brought forward:</b>						
- Realised income		25,180			6,473	
- Unrealised income		-			-	
		25,180			6,473	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		26,591			22,889	
		26,591			22,889	
Final distribution for the year ended 30 June 2018: Rs. 5.1412 per unit declared on 2 July 2018 (31 March 2018: Nil)		(18,746)			-	
<b>Undistributed income carried forward</b>		<b>33,025</b>			<b>29,362</b>	
<b>Undistributed income carried forward comprise of:</b>						
- Realised income		33,025			29,362	
- Unrealised income		-			-	
		33,025			29,362	
				(Rupees)	(Rupees)	
<b>Net assets value per unit at beginning of the period</b>				<b>105.6073</b>	<b>100.4661</b>	
<b>Net assets value per unit at end of the period</b>				<b>106.4812</b>	<b>104.2369</b>	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Money Market Fund  
Condensed Interim Cash Flow Statement (Unaudited)  
For the nine months period ended 31 March 2019

	<b>Nine Months Period Ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	106,211	40,466
<b>Adjustments for non-cash and other items:</b>		
Financial income	(126,699)	(51,892)
Provision for Sindh Workers' Welfare Fund	2,126	-
Net capital loss on sale of investments	2,334	(4)
	<b>(122,239)</b>	<b>(51,896)</b>
<b>Working capital changes</b>		
<i>(Increase) / decrease in assets</i>		
Investments	(2,334)	4
Deposits, prepayments and other receivables	(104)	(463)
Advance tax	(9)	(544)
	<b>(2,447)</b>	<b>(1,003)</b>
<i>Increase / (decrease) in liabilities</i>		
Payable to the Management Company	1,186	20
Payable to Central Depository Company of Pakistan Limited - Trustee	41	48
Payable to Securities and Exchange Commission of Pakistan	181	92
Accrued expenses and other payables	(22)	(2,915)
	<b>1,386</b>	<b>(2,755)</b>
Profits received during the period	<b>115,856</b>	49,549
<b>Net cash generated from operating activities</b>	<b>98,767</b>	34,361
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	4,627,367	3,059,389
Payments on redemption of units	(4,364,179)	(2,755,986)
Cash distribution to unit holders	(78,654)	-
<b>Net cash generated from financing activities</b>	<b>184,534</b>	303,403
<b>Net increase in cash and cash equivalents</b>	<b>283,301</b>	337,764
Cash and cash equivalents at beginning of the period	<b>1,625,596</b>	885,801
<b>Cash and cash equivalents at end of the period</b>	<b>1,908,897</b>	1,223,565
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,723,897	1,123,565
Term deposit receipts and placement	185,000	100,000
	<b>1,908,897</b>	1,223,565

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

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

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

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

# UBL Money Market Fund

## Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months period and quarter ended 31 March 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.

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

JCR-VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 27 December 2018.

The Fund has been rated as AA(f) by JCR - VIS on 31 December 2018.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

2.1.2 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 30 June 2018.

2.1.3 These condensed interim financial information are unaudited and are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xix) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.1.4 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, 2018, 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 March 31, 2018.

**2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 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**

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, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 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.

## **3.2 Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

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

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

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

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

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

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

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Profit / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at 1 July 2018.

	<i>Note</i>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
<b>Financial assets</b>					
(Rupees in '000)					
Bank balances	(a)	Loans and receivables	Amortised cost	1,490,596	1,490,596
Term deposit receipts and placement	(a)	Loans and receivables	Amortised cost	135,000	135,000
Profits receivable	(a)	Loans and receivables	Amortised cost	1,769	1,769
Deposit and other receivables	(a)	Loans and receivables	Amortised cost	1,672	1,672

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

## ii. Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

## iii. Transition

The changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. However, there is no impact of the changes in accounting policies on the Fund's financial position except for the classification of assets and liabilities of the comparative period.

- 3.3** The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and 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.
- 3.4** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2018.

	Note	31 March 2019 (Unaudited)	30 June 2018 (Audited)
----- (Rupees in '000) -----			
<b>4. BANK BALANCES</b>			
In PLS savings accounts	4.1	1,723,832	1,490,510
In current account	4.2	65	86
		<u>1,723,897</u>	<u>1,490,596</u>

4.1 Profit rates on PLS savings accounts ranges between 4% to 11% (30 June 2018: 3.75% to 7.60%) per annum. This includes balance with United Bank Limited (Holding Company of the Management Company) of Rs. 4.5183 million (30 June 2018: Rs. 2.405 million) carrying profit rate of 8.25% (30 June 2018: 4%) per annum.

4.2 This represents balance with United Bank Limited.

#### 5. TERM DEPOSIT RECEIPTS AND PLACEMENT

Term deposit receipts	5.1	-	135,000
Placement		185,000	-
		<u>185,000</u>	<u>135,000</u>

5.1 This represents letter of placements with commercial banks and carries profit rate of 10.80% (30 June 2018: 7.35%) per annum and will mature upto 15 May 2019.

#### 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 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 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for tax year 2019.

#### 7. ACCRUED EXPENSES AND OTHER PAYABLES

7.1 There is no change in the status of the legal proceedings on this matter, which has been fully disclosed in note 13.1 to the annual audited financial statements for the year ended 30 June 2018. As a matter of abundant caution, the Management Company has maintained full provision for Federal Excise Duty (FED) till 30 June 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 0.51 per unit (30 June 2018: Rs. 0.60 per unit).

7.2 There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 13.2 to the annual audited financial statements for the year ended 30 June 2018. The Management Company, based on an opinion obtained by Mutual Fund Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh Workers' Welfare Fund (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. 0.26 per unit (30 June 2018: Rs. 0.16 per unit).

## **8. CONTINGENCY**

As at 31 March 2019, there is no contingency.

## **9. TAXATION**

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

## **10. 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 March 2019 is 1.02% which include 0.26% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## **11. 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.

## **12. 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 / commercial terms.

Details of transactions with the related parties and balances with them at the nine months period ended 31 March 2019 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
<b>Transaction during their period</b>						
----- Nine months period ended 31 March 2019 (Un-Audited) ----- ----- (Rupees in '000) -----						
Profit on savings accounts	-	3,461	-	-	-	-
Bank charges	-	53	-	-	-	-
Units issued	75,955	598	-	589,338	13,427	-
Units redeemed	682,953	23,986	-	338,793	4,130	-
Purchase of securities	-	-	-	980,283	-	-
Sale of securities	-	1,106,348	-	395,528	-	-
Remuneration	9,374	-	1,572	-	-	-
Sales tax on remuneration	1,219	-	204	-	-	-
Reimbursement of expenses	1,345	-	-	-	-	-
Central Depository Company Expense	-	-	3	-	-	-
Dividend Paid	30,986	1,171	-	7,662	0.45	-
<b>Balances held</b>						
----- As at 31 March 2019 (Un-Audited) -----						
Units held (in Units '000)	-	-	-	3,976	92	-
Units held (in Rupees '000)	-	-	-	423,347	9,814	-
Bank balances*	-	4,518	-	-	-	-
Profit receivable on savings account	-	32	-	-	-	-
Term Deposit Receipt	-	190,000	-	-	-	-
Remuneration payable**	1,459	-	210	-	-	-
Sales load and other payable	516	185	-	-	-	-
Other payables	46	-	-	-	-	-
Reimbursement of expenses payable	163	-	-	-	-	-
Security Deposit	-	-	100	-	-	-

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

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

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
<b>Transaction during their period</b>						
----- Nine months period ended 31 March 2018 (Un-Audited) ----- ----- (Rupees in '000) -----						
Profit on savings accounts	-	228	-	-	-	-
Bank charges	-	55	-	-	-	-
Units issued	601,355	-	-	1,096,214	-	-
Units redeemed	-	7,194	-	237,955	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	247,595	-	1,404,789	-	-
Remuneration	6,975	-	1,222	-	-	-
Reimbursement of expenses	799	-	-	-	-	-
Central Depository Company Expense	-	-	6	-	-	-
<b>Balances held</b>						
----- As at June 30, 2018 (Audited) -----						
Units held (in Units '000)	6,027	228	-	1,490	0.09	-
Units held (in Rupees '000)	636,491	24,046	-	157,384	9	-
Bank balances*	-	2,491	-	-	-	-
Remuneration payable**	651	-	169	-	-	-
Sales load and other payable	122	206	-	-	-	-
Payable against allocated expenses	209	-	-	-	-	-
Profit receivable	-	7	-	-	-	-
Security Deposit	-	-	100	-	-	-

\* These carry profit rate of 4% per annum.

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

### 13. 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 March 2019	Note	Carrying amount				Fair value			
		At fair value through profit or loss	At fair value through other comprehensive income	Amortized Cost	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

#### Financial assets not measured at fair value

13.1

Bank balances	-	-	1,723,897	1,723,897				
Term deposit receipts and placement	-	-	185,000	185,000				
Profits receivable	-	-	13,901	13,901				
Deposits, prepayments and other receivables	-	-	7,313	7,313				
	-	-	1,930,111	1,930,111				

#### Financial liabilities not measured at fair value

13.1

Payable to the Management Company	-	-	2,184	2,184				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	210	210				
Accrued expenses and other payables	-	-	771	771				
	-	-	3,165	3,165				

30 June 2018

	Carrying amount				Total	Fair value			
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total

(Rupees in '000)

#### Financial assets not measured

##### at fair value

13.1

Bank balances	-	-	1,490,596	-	1,490,596				
Term deposit receipt	-	-	135,000	-	135,000				
Profits receivable	-	-	3,058	-	3,058				
Deposits, prepayments and other receivables	-	-	1,769	-	1,769				
	-	-	1,630,423	-	1,630,423				

#### Financial liabilities not measured at fair value

13.1

Payable to the Management Company	-	-	-	998	998				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	169	169				
Accrued expenses and other payables	-	-	-	670	670				
	-	-	-	1,837	1,837				

13.1 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.

**14. GENERAL**

**14.1** This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.

**15 DATE OF AUTHORISATION FOR ISSUE**

**15.1** This condensed interim financial information were authorised for issue on April 29, 2019 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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited (for detail of others, please visit our website: <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 Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited National Bank of Pakistan Limited Zarai Taraqati Bank Limited Soneri Bank Limited
<b>Management Co. Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	A+(f) (JCR-VIS)

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

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4 1,474,058	1,645,436
Term deposit receipts	5 -	185,000
Investments	6 1,540,535	2,277,353
Mark up / interest receivable	7,647	5,142
Prepayments and other receivables	2,006	4,336
Advance tax	7 5,174	5,122
<b>TOTAL ASSETS</b>	<u>3,029,420</u>	<u>4,122,389</u>
<b>LIABILITIES</b>		
Payable to UBL Fund Managers Limited - Management Company	2,133	2,477
Payable to Central Depository Company of Pakistan Limited - Trustee	188	206
Payable to Securities and Exchange Commission of Pakistan	959	2,045
Accrued expenses and other liabilities	8 1,407,414	2,240,621
<b>TOTAL LIABILITIES</b>	<u>1,410,694</u>	<u>2,245,349</u>
<b>NET ASSETS</b>	<u>1,618,726</u>	<u>1,877,040</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>1,618,726</u>	<u>1,877,040</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	
	------(Number of units)-----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>14,495,426</u>	<u>16,977,050</u>
	------(Rupees)-----	
<b>NET ASSETS VALUE PER UNIT</b>	<u>111.6715</u>	<u>110.5634</u>

The annexed notes from 1 to 17 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Note	Nine Months Period Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2019	2018	2019	2018
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>INCOME</b>					
Financial income		118,330	136,227	42,299	38,144
Capital (loss) / gain on sale of investments - net		(2,141)	(5,201)	2,283	(236)
Unrealised (loss) / gain on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net		(69)	(85)	2,376	8
Other income		46	99	19	14
<b>TOTAL INCOME</b>		<b>116,166</b>	<b>131,040</b>	<b>46,977</b>	<b>37,930</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company		13,246	22,118	4,259	6,139
Sindh Sales tax on Management Company's remuneration		1,722	2,875	553	798
Allocated expenses		1,279	2,208	393	613
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,720	2,508	542	729
Annual fee of Securities and Exchange Commission of Pakistan		959	1,656	294	460
Bank and other charges		141	258	38	66
Auditors' remuneration		391	346	87	70
Brokerage and settlement expenses		539	363	284	101
Legal and professional charges		157	83	50	42
Fee and subscription charges		233	233	77	77
<b>Total operating expenses</b>		<b>20,387</b>	<b>32,648</b>	<b>6,577</b>	<b>9,095</b>
<b>Operating income for the period</b>		<b>95,779</b>	<b>98,392</b>	<b>40,400</b>	<b>28,835</b>
Provision for Sindh Workers' Welfare Fund	8.2	(1,879)	(1,931)	(792)	(565)
<b>Net income for the period before taxation</b>		<b>93,900</b>	<b>96,461</b>	<b>39,608</b>	<b>28,270</b>
Taxation	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>93,900</b>	<b>96,461</b>	<b>39,608</b>	<b>28,270</b>
<b>Allocation of net income for the period</b>					
Income already paid on units redeemed		(14,637)	(24,752)	(8,512)	(14,668)
<b>Net income for the period available for distribution</b>		<b>79,263</b>	<b>71,709</b>	<b>31,096</b>	<b>13,602</b>
Relating to capital gains		-	-	-	-
Excluding capital gains		79,263	71,709	31,096	13,602
		<u>79,263</u>	<u>71,709</u>	<u>31,096</u>	<u>13,602</u>
<b>Earnings per unit</b>	11				

The annexed notes from 1 to 17 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	<b>Nine Months Period Ended</b>		<b>Quarter Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>----- (Rupees in '000) -----</b>		<b>----- (Rupees in '000) -----</b>	
Net income for the period after taxation	93,900	96,461	39,608	28,270
Other comprehensive income				
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>93,900</b>	<b>96,461</b>	<b>39,608</b>	<b>28,270</b>

The annexed notes from 1 to 17 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 NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	<b>Nine Months Period Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	93,900	96,461
<b>Adjustments for:</b>		
Financial income	(118,330)	(136,227)
Unrealised loss on revaluation of investments at fair value through profit or loss - net	69	85
Capital loss on sale of investments - net	2,141	5,201
Provision for Sindh Workers' Welfare Fund	1,879	1,931
	<u>(114,241)</u>	<u>(129,010)</u>
<b>Cash used in operations before working capital changes</b>	<u>(20,341)</u>	<u>(32,549)</u>
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Investments - net	(201,315)	2,247,803
Prepayments and other receivables	2,330	8,746
Advance tax	(52)	(3,614)
	<u>(199,037)</u>	<u>2,252,935</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	(344)	(1,579)
Payable to Central Depository Company of Pakistan Limited - Trustee	(18)	(97)
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,086)	(6,270)
Accrued expenses and other liabilities	(835,086)	(51,212)
	<u>(836,534)</u>	<u>(59,158)</u>
Cash (used in) / generated from operations	<u>(1,055,912)</u>	<u>2,161,228</u>
Profit received on bank balances and investments	115,825	140,072
Net cash flow (used in) / generated from operating activities	<u>(940,087)</u>	<u>2,301,300</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	592,023	959,313
Payments against redemption of units	(859,881)	(2,064,090)
Dividend paid	(84,356)	-
Net cash used in financing activities	<u>(352,214)</u>	<u>(1,104,777)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(1,292,301)</u>	<u>1,196,523</u>
Cash and cash equivalents at the beginning of the period	4,101,409	1,141,088
Cash and cash equivalents at the end of the period	<u><u>2,809,108</u></u>	<u><u>2,337,611</u></u>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,474,058	2,337,611
Market Treasury Bills	1,335,050	-
	<u><u>2,809,108</u></u>	<u><u>2,337,611</u></u>

The annexed notes from 1 to 17 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 NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	-----Nine Months Period Ended-----					
	March 31, 2019			March 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	1,609,216	267,824	1,877,040	3,132,466	206,716	3,339,182
Issuance of 5,492,609 units (2018: 8,971,487 units)						
Capital value of units	579,990	-	579,990	947,341	-	947,341
Element of income	12,033	-	12,033	11,972	-	11,972
Due to net income earned	592,023	-	592,023	959,313	-	959,313
<b>Total proceeds on issuance of units</b>						
Redemption of 7,974,233 units (2018: 19,237,217 units)						
Capital value of units	(842,036)	-	(842,036)	(2,031,346)	-	(2,031,346)
Element of income	(3,208)	(14,637)	(17,845)	(7,992)	(24,752)	(32,744)
Due to net income earned	(845,244)	(14,637)	(859,881)	(2,039,338)	(24,752)	(2,064,090)
<b>Total payments on redemption of units</b>						
Total comprehensive income for the period	-	93,900	93,900	-	96,461	96,461
Distribution 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>	(23,040)	32,584	9,544	-	96,461	96,461
<b>Net assets at the end of the period</b>	<u>1,332,955</u>	<u>285,771</u>	<u>1,618,726</u>	<u>2,052,441</u>	<u>278,425</u>	<u>2,330,866</u>
Undistributed income brought forward comprises of:						
Realised gain		268,218			201,669	
Unrealised (loss) / gain		(394)			5,047	
Total undistributed income brought forward		<u>267,824</u>			<u>206,716</u>	
<b>Income available for distribution:</b>						
Relating to capital gains		-			-	
Excluding capital gains		79,263			71,709	
Distribution during the period:						
Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend		(61,316)			-	
<b>Undistributed income carried forward</b>		<u>285,771</u>			<u>278,425</u>	
<b>Undistributed income carried forward comprises of:</b>						
Realised gain		285,840			278,510	
Unrealised loss		(69)			(85)	
<b>Total undistributed income carried forward</b>		<u>285,771</u>			<u>278,425</u>	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net assets value per unit at the beginning of the period			<u>110.5634</u>			<u>105.5946</u>
Net assets value per unit at the end of the period			<u>111.6715</u>			<u>109.1387</u>

The annexed notes from 1 to 17 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 NINE MONTHS PERIOD ENDED MARCH 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 the 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an income scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended income scheme in accordance with Circular No. 7 of 2009 issued by the SECP.
- 1.4 The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 27, 2018 and a stability rating of "A+(f)" to the Fund as at March 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 published audited financial statements of the Fund for the year ended June 30, 2018.

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, 2018, 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 nine months ended March 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 gives a true and fair view of the state of the Fund's affairs as at March 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**

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, 2018 except as disclosed in note 3.6.
- 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, 2018.
- 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, 2018. 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 except as disclosed in note 3.6.
- 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, 2018.

3.6 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

**i. Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

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

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

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

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

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

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

		<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
	<b>Note</b>			<b>(Rupees in '000)</b>	
<b>Financial assets</b>					
Investments	(a)	Held for Trading	Fair value through profit or loss	2,277,353	2,277,353
Bank balances	(b)	Loans and receivables	Amortised cost	1,645,436	1,645,436
Term Deposit Receipts (TDRs)	(b)	Loans and receivables	Amortised cost	185,000	185,000
Mark up / interest receivable	(b)	Loans and receivables	Amortised cost	5,142	5,142
Other receivables	(b)	Loans and receivables	Amortised cost	4,272	4,272
				<u>4,117,203</u>	<u>4,117,203</u>

- (a) These financial assets classified as 'held for trading' have been classified as fair value through profit and loss (FVTPL).
- (b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

## ii. Impairment of financial assets

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

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

## iii. Transition

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

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

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

	<b>March 31, 2019 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>4 BANK BALANCES</b>		
Cash at bank		
In savings accounts	<u>1,474,058</u>	<u>1,645,436</u>
4.1	Profit rates on these savings accounts range from 3.75% to 11.05% per annum (June 30, 2018: 3.75% to 7.4% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 3.425 million (June 30, 2018: Rs. 2.459 million) on which return is earned at 4% (June 30, 2018:4%) per annum.	
<b>5 TERM DEPOSIT RECEIPTS</b>		
Opening balance	185,000	-
Acquired during the period	-	470,000
Matured during the period	<u>(185,000)</u>	<u>(285,000)</u>
Closing balance	<u>-</u>	<u>185,000</u>
5.1	This term deposit receipt carried interest at the rate of 7.35% per annum and matured on July 20, 2018.	
<b>6 INVESTMENTS</b>		
6.1	<b>Government securities classified as financial asset at fair value through profit or loss (June 30, 2018: Government securities designated at fair value through profit or loss)</b>	
Pakistan Investment Bonds	199,060	-
Market Treasury Bills	1,335,050	2,270,973
GOP Ijarah Sukuk	<u>6,425</u>	<u>6,380</u>
	<u>1,540,535</u>	<u>2,277,353</u>

## 6.2 Details of Government Securities are as follows:

Name of security	Note	At the beginning	Acquired during	Sold / matured	At the end of the	Market value as at	Market value as	Percentage of investment
		of the period	the period	during period	period	March 31, 2019	at June 30, 2018	
		No. of holdings			(Rupees in '000)			
<b>Pakistan Investment Bonds</b>								
PIB- 10 Years	6.3	-	5,500	3,500	2,000	199,060	-	12.92%
PIB- 05 Years		-	375	375	-	-	-	0.00%
PIB- 03 Years		-	7,000	7,000	-	-	-	0.00%
<b>Market Treasury Bills</b>								
T-bill 3 months	6.4	22,780	124,740	134,020	13,500	1,335,050	2,270,973	86.66%
<b>GOP Ijarah Sukuk</b>								
3 Year	6.5	65	1,500	1,500	65	6,425	6,380	0.42%
		<u>22,845</u>	<u>139,115</u>	<u>146,395</u>	<u>15,565</u>	<u>1,540,535</u>	<u>2,277,353</u>	<u>100.00%</u>

6.3 These represent floating rate Pakistan Investment Bond (PIBs) having face value of Rs. 200.000 million carrying mark-up (coupon) at the rate of 11.0499 % at period end. Mark-up is reset and received semi-annually.

6.4 These represent Market Treasury Bills (MTBs) having a face value of Rs. 1,350.000 million (June 30, 2018: Rs. 2,278.000 million) and carrying purchase yield of 10.85% per annum (June 30, 2018: 6.26% to 6.55% per annum).

6.5 These represent Government of Pakistan (GOP) Ijarah Sukuk having face value of Rs. 6.500 million (June 30, 2018: Rs 6.500 million) and carry purchase yield of 5.24% per annum (June 30, 2018: 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). 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 Income Tax Return for Tax Year 2019.

## 8 ACCRUED EXPENSES AND OTHER LIABILITIES

### 8.1 Provision for indirect taxes and duties

Provision for Federal Excise Duty (FED) as at March 31, 2019 amounted to Rs. 52.558 million (June 30, 2018: 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, 2018. As a matter of abundant caution, the Management Company has maintained 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. 3.333 per unit (June 30, 2018: Rs.2.846 per unit).

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

Provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2019 amounted to Rs. 18.893 million (June 30, 2018: Rs. 17.014 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, 2018.

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. 1.3034 per unit (June 30, 2018: Rs. 1.0022 per unit).

## **9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

## **10 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, 2019 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## **11 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.

## **12 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 1.31% as on March 31, 2019 and this includes 0.28% representing Government levy, Sindh Workers Welfare Fund and SECP fee.

## 13 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 nine months period end are as follows:

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b>Transactions during the nine months ended March 31, 2019</b>						
Profit on savings accounts	-	181	-	-	-	-
Bank charges	-	36	-	-	-	-
Units issued	-	-	-	-	4	14,731
Units redeemed	-	-	-	-	1	15,000
Sales load paid	293	10	-	-	-	-
Purchase of securities	-	-	-	491,649	-	-
Remuneration (including Sindh sales tax)	14,968	-	1,720	-	-	-
Allocated expenses	1,279	-	-	-	-	-
Dividend paid	-	-	-	-	5	19,810
<b>Transactions during the nine months ended March 31, 2018</b>						
Profit on savings accounts	-	462	-	-	-	-
Bank charges	-	99	-	-	-	-
Units issued	-	-	-	-	4	50,094
Units redeemed	265,447	-	-	-	5	54,234
Purchase of securities	-	246,600	-	1,822,921	-	-
Sale of securities	-	-	-	-	-	-
Remuneration (including Sindh sales tax)	24,993	-	2,508	-	-	-
Allocated expenses	2,208	-	-	-	-	-
	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
----- (Rupees in '000) -----						
<b>Balances held as at March 31, 2019</b>						
Units held (in Units '000)	-	-	-	-	1	3,987
Units held (in Rupees '000)	-	-	-	-	111	445,210
Bank balances	-	3,425	-	-	-	-
Remuneration payable	1,680	-	188	-	-	-
Sales load payable	149	147	-	-	-	-
Conversion charges payable	150	-	-	-	-	-
Allocated expenses payable	137	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	34	-	-	-	-
<b>Balances held as at June 30, 2018</b>						
Units held (in Units '000)	-	-	-	-	1	3,997
Units held (in Rupees '000)	-	-	-	-	106	441,872
Bank balances	-	2,459	-	-	-	-
Remuneration payable	1,822	-	206	-	-	-
Sales load payable	165	1	-	-	-	-
Conversion charges payable	145	-	-	-	-	-
Allocated expenses payable	328	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	18	-	-	-	-

## 14 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 March 31, 2019		As at March 31, 2019		
Fair value through profit or loss	Amortized cost	Level 1	Level 2	Level 3

----- Rupees in '000 -----

### Financial assets measured at fair value

Pakistan Investment Bonds	199,060	-	-	199,060	-
Market Treasury Bills	1,335,050	-	-	1,335,050	-
Government of Pakistan Ijara Sukuk	6,425	-	-	6,425	-
	1,540,535	-	-	1,540,535	-

### Financial assets not measured at fair value

Bank balances	-	1,474,058	-	-	-
Mark up / interest receivable	-	7,647	-	-	-
Other receivables	-	-	-	-	-
	-	1,481,705	-	-	-
	1,540,535	1,481,705	-	1,540,535	-

### Financial liabilities not measured at fair value

Payable to Management Company	-	1,933	-	-	-
Payable to Trustee	-	166	-	-	-
Accrued expenses and other liabilities	-	1,335,471	-	-	-
	-	1,337,570	-	-	-

	Carrying Amount			Fair value		
	As at June 30, 2018			As at June 30, 2018		
	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3
----- Rupees in '000-----						
<b>Financial assets measured at fair value</b>						
Market Treasury Bills	2,270,973	-	-	-	2,270,973	-
Government of Pakistan Ijara Sukuk	6,380	-	-	-	6,380	-
	<u>2,277,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,277,353</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>						
Bank balances	-	1,645,436	-	-	-	-
Term deposit receipt	-	185,000	-	-	-	-
Mark up / interest receivable	-	5,142	-	-	-	-
Other receivables	-	4,272	-	-	-	-
	<u>-</u>	<u>1,839,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,277,353</u>	<u>1,839,850</u>	<u>-</u>	<u>-</u>	<u>2,277,353</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>						
Payable to Management Company	-	-	2,267	-	-	-
Payable to Trustee	-	-	182	-	-	-
Accrued expenses and other liabilities	-	-	2,169,786	-	-	-
	<u>-</u>	<u>-</u>	<u>2,172,235</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 14.1 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.

- 14.2 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.

#### 14.3 Transfers during the period

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

### 15 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.

**16 GENERAL**

16.1 Figures have been rounded off to the nearest thousand rupees.

**17 DATE OF AUTHORIZATION FOR ISSUE**

17.1 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 29 April 2019.

**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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited (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>	United Bank Limited Bank Alfalah Limited Faysal Bank Limited Telenor MicroFinance Bank Allied Bank Limited Khushhali Bank Ltd. MCB Bank Limited JS Bank Limited Samba Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited National bank of Pakistan Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	A- (f) (JCR-VIS)

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

		(Un-audited) March 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2018
<b>ASSETS</b>			
Bank balances	4	1,044,647	326,966
Investments	5	172,150	21,908
Mark-up receivable		12,558	3,280
Advance tax	6	234	224
Deposits, prepayments and other receivables		5,041	25,163
Receivable against margin trading system (MTS)		-	192,347
<b>TOTAL ASSETS</b>		<b>1,234,630</b>	<b>569,888</b>
 <b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company		3,046	434
Payable to Central Depository Company of Pakistan - Trustee		184	94
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		920	249
Accrued and other liabilities	7	4,955	11,843
<b>TOTAL LIABILITIES</b>		<b>9,105</b>	<b>12,620</b>
 <b>NET ASSETS</b>		<b>1,225,525</b>	<b>557,268</b>
 <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,225,525</b>	<b>557,268</b>
 <b>CONTINGENCIES AND COMMITMENTS</b>	8		
		----- (Number of units) -----	
 <b>NUMBER OF UNITS IN ISSUE</b>		<b>10,504,595</b>	<b>4,857,673</b>
		----- (Rupees) -----	
 <b>NET ASSETS VALUE PER UNIT</b>		<b>116.6655</b>	<b>114.7192</b>

The annexed notes from 1 to 15 form an integral part of of this condensed interim financial information.

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Note	Nine months period ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Rupees in '000)					
<b>INCOME</b>					
Financial income		118,048	11,622	41,773	6,556
Gain / (loss) on sale of securities - net		878	(23)	749	(8)
Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - net		251	(285)	(66)	30
Other income		144	27	103	13
<b>Total income</b>		<b>119,321</b>	<b>11,341</b>	<b>42,559</b>	<b>6,591</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company		11,895	1,630	4,219	464
Sales tax on remuneration of Management Company		1,546	212	548	60
Remuneration of the Trustee		1,678	296	539	165
Sales tax on remuneration of the Trustee		218	39	70	21
Annual fee - Securities and Exchange Commission of Pakistan		920	131	290	73
Allocated expense		1,227	-	387	-
Selling and marketing expense		884	-	387	-
Auditors' remuneration		286	257	80	56
Brokerage and settlement charges		700	561	203	226
Amortization of preliminary expenses and floatation costs		-	190	-	61
Listing fee		21	21	7	7
Legal and professional charges		122	74	40	33
Bank charges and other expenses		195	171	57	52
<b>Total expenses</b>		<b>19,692</b>	<b>3,582</b>	<b>6,827</b>	<b>1,218</b>
<b>Net operating income for the period</b>		<b>99,629</b>	<b>7,759</b>	<b>35,732</b>	<b>5,373</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	(1,955)	(153)	(700)	(106)
<b>Net income for the period before taxation</b>		<b>97,674</b>	<b>7,606</b>	<b>35,032</b>	<b>5,267</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>97,674</b>	<b>7,606</b>	<b>35,032</b>	<b>5,267</b>
<i>Allocation of net income for the period</i>					
Income already paid on units redeemed		(76,335)	(1,032)	(61,666)	(873)
<b>Net income for the period available for distribution</b>		<b>21,339</b>	<b>6,574</b>	<b>(26,634)</b>	<b>4,394</b>
<i>Net income available for distribution:</i>					
- Relating to capital gains		79	-	(194)	-
- Excluding capital gains		21,260	6,574	(26,440)	4,394
		<b>21,339</b>	<b>6,574</b>	<b>(26,634)</b>	<b>4,394</b>

**Earning per unit**

10

The annexed notes from 1 to 15 form an integral part of of this condensed interim financial information.

**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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Nine months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	97,674	7,606	35,032	5,267
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>97,674</b>	<b>7,606</b>	<b>35,032</b>	<b>5,267</b>

The annexed notes from 1 to 15 form an integral part of of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine months period ended	
	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	97,674	7,606
<b>Adjustments for:</b>		
Financial income	(118,048)	(11,622)
(Gain) / loss on sale of securities - net 'at fair value through profit or loss' - net	(878)	23
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(251)	285
Amortization of preliminary expenses and floatation costs	-	190
Provision for Sindh Workers' Welfare Fund (SWWF)	1,955	153
	<u>(117,222)</u>	<u>(10,971)</u>
<b>Cash used in operations before working capital changes</b>	<b>(19,548)</b>	<b>(3,365)</b>
<b>Working capital changes</b>		
<b>Decrease / (increase) in assets</b>		
Investments	(149,113)	(40,648)
Receivable against margin trading system (MTS)	192,347	(247,835)
Advance tax	(10)	-
Deposits, prepayments and other receivables	20,122	(285)
	<b>63,346</b>	<b>(288,768)</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	2,612	323
Payable to Central Depository Company of Pakistan - Trustee	90	92
Annual fee payable to the Securities and Exchange Commission of Pakistan	671	(36)
Accrued and other liabilities	(8,843)	(1,177)
	<b>(5,470)</b>	<b>(798)</b>
Financial income received	108,770	9,265
<b>Net cash flows generated from / (used in) operating activities</b>	<b>147,098</b>	<b>(283,666)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipt from issuance of units	2,708,508	859,373
Net payment against redemption of units	(2,114,882)	(310,642)
Distribution during the period	(23,043)	-
<b>Net cash generated from financing activities</b>	<b>570,583</b>	<b>548,731</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>717,681</b>	<b>265,065</b>
Cash and cash equivalents at beginning of the period	326,966	144,616
<b>Cash and cash equivalents at end of the period</b>	<b>1,044,647</b>	<b>409,681</b>
<b>Cash and cash equivalents</b>		
Bank balances	1,044,647	409,681
	<u>1,044,647</u>	<u>409,681</u>

The annexed notes from 1 to 15 form an integral part of of this condensed interim financial information.

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 NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine months period ended					
	March 31, 2019			March 31, 2018		
	Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Total
----- (Rupees in '000) -----						
<b>Net assets at beginning of the period</b>	539,431	17,837	557,268	167,032	10,334	177,366
Amount received on issuance of 24,174,646 units (2018: 7,634,115 units)						
Capital value	2,658,614	-	2,658,614	839,564	-	839,564
Element of income during the period; - Relating to net income for the period after taxation	49,894	-	49,894	19,809	-	19,809
	<b>2,708,508</b>	<b>-</b>	<b>2,708,508</b>	<b>859,373</b>		<b>859,373</b>
Redemption of 18,527,724 (2018: 2,763,343) units						
Capital value	(2,037,592)	-	(2,037,592)	(303,899)	-	(303,899)
Element of income during the period; - Relating to net income for the period after taxation	(955)	(76,335)	(77,290)	(5,711)	(1,032)	(6,743)
	<b>(2,038,547)</b>	<b>(76,335)</b>	<b>(2,114,882)</b>	<b>(309,610)</b>	<b>(1,032)</b>	<b>(310,642)</b>
Total comprehensive income for the period	-	97,674	97,674	-	7,606	7,606
Distribution during the period Rs.4.7439 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>1,193,851</b>	<b>31,674</b>	<b>1,225,525</b>	<b>716,795</b>	<b>16,908</b>	<b>733,703</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised	-	17,837	17,837	-	9,892	9,892
- Unrealised	-	-	-	-	442	442
	<b>-</b>	<b>17,837</b>	<b>17,837</b>	<b>-</b>	<b>10,334</b>	<b>10,334</b>
<b>Accounting income available for distribution:</b>						
- Relating to capital gains	-	79	79	-	-	-
- Excluding capital gains	-	21,260	21,260	-	6,574	6,574
	<b>-</b>	<b>21,339</b>	<b>21,339</b>	<b>-</b>	<b>6,574</b>	<b>6,574</b>
Distribution during the period Rs.4.7439 per unit declared on July 02, 2018 as cash dividend		(7,502)	(7,502)	-		
<b>Undistributed income carried forward</b>		<b>31,674</b>	<b>31,674</b>	<b>-</b>	<b>16,908</b>	<b>16,908</b>
<b>Undistributed income carried forward comprising of:</b>						
- Realised		31,423	31,423	-	17,193	17,193
- Unrealised gain / (loss)		251	251	-	(285)	(285)
		<b>31,674</b>	<b>31,674</b>	<b>-</b>	<b>16,908</b>	<b>16,908</b>
					----- (Rupees) -----	
<b>Net assets value per unit at beginning of the period</b>					<b>114.7192</b>	<b>109.9753</b>
<b>Net assets value per unit at end of the period</b>					<b>116.6655</b>	<b>113.1639</b>

The annexed notes from 1 to 15 form an integral part of of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 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 / sukuk 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** JCR - VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 27, 2018
- 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** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are 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") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 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, 2018.
- 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, 2018, 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 March 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 gives a true and fair view of the state of the Fund's affairs as at March 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

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, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES

- 3.1 The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 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.

- 3.2 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 01, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

### Classification and measurement of financial assets and financial liabilities

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 01, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Revised carrying amount under IFRS 9
	Note			----- (Rupees in '000) -----	
Debt securities	(a)	Held for trading	FVTPL	21,908	21,908
Bank balances	(c)	Loans and receivables	Amortised cost	326,966	326,966
Deposits and other receivables	(c)	Loans and receivables	Amortised cost	25,163	25,163
Dividend, mark-up and other receivable	(c)	Loans and receivables	Amortised cost	3,280	3,280

(a) These financial assets classified as 'Held for trading' have been classified as fair value through profit and loss (FVTPL)

(b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).

(c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

**Impairment of financial assets**

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

**Transition**

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

### 3.3 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 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in note 3.2.

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Saving accounts	4.1	<u>1,044,647</u>	<u>326,966</u>
<b>4.1</b>	These carry mark-up at the rates ranging from 5.5% to 11.1% (June 30, 2018: 3.75% to 7.5%) per annum and include a balance of Rs.2.85 (June 30, 2018: Rs.3.74) million held with United Bank Limited (a related party).		

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>			
<b>Investments by Category</b>			
<b>'At Fair Value Through Profit or Loss'</b>			
Government Securities - Market Treasury Bills	5.1	-	-
Government Securities - Pakistan Investment bonds	5.2	-	-
Debt securities - Term Finance Certificates	5.3	22,150	21,908
<b>Letter of Placement</b>			
Pak Libya Holding Company	5.4	<u>150,000</u>	<u>-</u>
		<u>172,150</u>	<u>21,908</u>

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

Purchase yield range	Maturity upto	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	March 31, 2019			Market value as a % of net assets	as a % of total investments
						Carrying value	Market value	Unrealised Gain / (loss)		
----- (Number of holding) -----						----- (Rupees in '000) -----			----- % -----	
Market Treasury Bills - 3 months	10.528%	9-May-19	-	11,250	(11,250)	-	-	-	0.00%	0.00%

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

Purchase yield range	Maturity upto	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	March 31, 2019			Market value as a % of net assets	as a % of total investments
						Carrying value	Market value	Unrealised Gain / (loss)		
----- (Number of holding) -----						----- (Rupees in '000) -----			----- % -----	
Pakistan Investment Bonds	8.533%	9-Aug-28	-	1,001,000	(1,001,000)	-	-	-	0.00%	0.00%

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

Particulars	Note	Number of certificates			As at March 31, 2019	March 31, 2019			Market value as a % of net assets	Market value as a % of total
		As at July 01, 2018	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealised Gain / (loss)		
----- (Rupees in '000) -----						----- % -----				
<b>Commercial banks</b>										
Bank AL Habib Limited - unlisted (Issue date - March 17, 2016)	6.3.1 & 6.3.2	2,000	-	-	2,000	10,063	10,353	290	0.84%	46.74%
Habib Bank Limited - unlisted (Issue date - February 19, 2016)	6.3.1 & 6.3.2	120	-	-	120	11,836	11,797	(39)	0.96%	53.26%
<b>Total as at March 31, 2019 (un-audited)</b>						<b>21,899</b>	<b>22,150</b>	<b>251</b>	<b>1.81%</b>	<b>100%</b>
Total as at June 30, 2018 (audited)						22,167	21,908	(259)		

5.3.1 These carry profit rate from 11.34% to 11.58% (June 2018: from 6.92% to 7.23%).

6.3.2 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	4,994	9,988,000	6M KIBOR + 0.75%	March 17, 2026
Habib Bank Limited	120	99,880	11,985,600	6M KIBOR + 0.5%	February 19, 2026

## 5.4 Disclosure of Excess Exposure

As per Regulation 55(5) of the Regulations, exposure of a collective investment scheme to any single entity shall not exceed an amount equal to ten per cent of total net assets of the collective investment scheme. The Fund has made investments in LOP of following entity in excess of ten percent of its net assets as of the date of condensed interim statement of assets and liabilities:

Name of Investment	% of Net Assets	Excess/ Less
LOP - Pak Libya Holding Co.	12.24%	2.24%

**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 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2019.

**7. ACCRUED AND OTHER LIABILITIES****7.1 Provision for Workers' Welfare Fund (WWF)**

As disclosed in note 18 to the annual financial statements for the year ended June 30, 2018, 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 18.2 to the annual audited financial statements for the year ended June 30, 2018.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2019 amounting to Rs. 2.645 million (June 30, 2018: Rs. 0.691 million). 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. 0.25 (June 30, 2018: Re. 0.14).

**7.2 Provision for indirect taxes and duties**

This includes provision for federal excise duty (FED) as at March 31, 2019 amounting to Rs. 1.557 million (June 30, 2018: Rs. 1.557). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 18.1 to the annual audited financial statements for the year ended June 30, 2018. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 1.557 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.15 (June 30, 2018: Re.0.32).

**8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019.

**9. 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. As the Management Company intends to distributed through cash at least 90% of the Fund's net accounting income as reduced by capital gain whether realised or unrealised by the year-end to the unit holders, accordingly, no provision for taxation has been recognized in this condensed interim financial information.

**10. 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.

**11. TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.32% as on March 31, 2019 and this includes 0.28% representing government levy, worker's welfare fund and SECP fee and 0.03% representing expenses related to MTS.

## 12. 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 nine months period ended March 31, 2019 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Rupees in '000) -----						
<b>For The Nine months Ended March 31, 2019 (Un-audited)</b>						
<b>Transactions during the period</b>						
Mark-up on bank accounts	-	195	-	-	-	-
Bank charges	-	15	-	-	-	-
Units issued	1,992,347	-	-	-	877	277,250
Units redeemed	1,400,000	-	-	-	3,441	357,760
Sale of investment	-	-	-	978,463	-	-
Dividend paid	-	-	-	-	600	11,566
Remuneration *	13,441	-	1,896	-	-	-
CDS charges	-	-	70	-	-	-
Allocated expense	1,227	-	-	-	-	-
Selling and marketing expense	884	-	-	-	-	-
<b>For The Nine months Ended March 31, 2018 (Un-audited)</b>						
<b>Transactions during the period</b>						
Mark-up on bank accounts	-	196	-	-	-	-
Bank charges	-	5	-	-	-	-
Units issued	168,078	-	-	-	22,005	399,208
Units redeemed	168,452	-	-	-	11,005	25,990
Remuneration *	1,842	-	335	-	-	-
Custody charges	-	-	13	-	-	-
<b>As at March 31, 2019 (Un-audited)</b>						
<b>Balances held</b>						
Units held (units in '000)	5,587	-	-	-	104	1,754
Units held (Rupees in '000)	651,810	-	-	-	12,133	204,631
Bank balances	-	2,855	-	-	-	-
Remuneration payable*	1,302	-	184	-	-	-
Deposits	-	-	100	-	-	-
Sales load and other payable	753	-	-	-	-	-
Allocated expense payable	107	-	-	-	-	-
Selling and marketing expense	884	-	-	-	-	-
Mark-up receivable	-	24	-	-	-	-
<b>As at June 30, 2018 (Audited)</b>						
<b>Balances held</b>						
Units held (units in '000)	-	-	-	-	126	2,438
Units held (Rupees in '000)	-	-	-	-	14,512	279,705
Bank balances	-	3,738	-	-	-	-
Deposits	-	-	-	-	-	-
Remuneration payable*	409	-	94	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payables	25	-	-	-	-	-
Mark-up receivable	-	19	-	-	-	-

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

**13. 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). Adoption of IFRS 13, has no affect on these financial statements.

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:

Note	Fair value		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
<b><u>March 31, 2019 (Un-audited)</u></b>			
<b>Financial assets measured at fair value</b>			
Term finance certificates	-	22,150	-
	<hr/> <hr/>		
	Fair value		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
<b><u>June 30, 2018 (Audited)</u></b>			
<b>Financial assets measured at fair value</b>			
Term finance certificates	-	21,908	-
	<hr/> <hr/>		

**13.1** The Fund has not disclosed the fair values for other 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.

**13.2** There were no transfers between various levels of fair value hierarchy during the

**14. GENERAL**

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

**15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on April 29, 2019 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**

# 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 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited (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 Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited JS Bank Limited Khushhali Bank Ltd. MCB Bank Limited National Bank of Pakistan Samba Bank Limited Silk Bank Limited Sindh Bank Limited Summit Bank Limited Telenor Microfinance Bank Limited The Bank of Punjab United Bank Limited Zarai Taraqiati Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	A(f) (JCR-VIS)

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

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees in '000) -----			
<b>Assets</b>			
Bank balances	4	1,176,186	811,972
Investments	5	414,767	506,522
Mark-up receivable		19,972	14,827
Advance tax	6	3,406	3,399
Deposits, prepayments and other receivables		10,180	9,972
<b>TOTAL ASSETS</b>		<b>1,624,511</b>	<b>1,346,692</b>
<b>Liabilities</b>			
Payable to the Management Company		4,821	2,861
Remuneration payable to the Trustee		204	196
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		587	2,418
Accrued and other liabilities	7	38,667	39,615
<b>TOTAL LIABILITIES</b>		<b>44,279</b>	<b>45,090</b>
<b>NET ASSETS</b>		<b>1,580,232</b>	<b>1,301,602</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,580,232</b>	<b>1,301,602</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>17,629,799</b>	<b>14,573,165</b>
----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<b>89.6342</b>	<b>89.3150</b>

The annexed notes from 1 to 15 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 GROWTH AND INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019 (UN-AUDITED)**

	Note	Nine Months Period Ended		Quarter Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Rupees in '000)					
<b>Income</b>					
Financial income		75,187	182,052	30,942	37,549
Net gain / (loss) on investments classified as 'At fair value through profit or loss'					
- Net (loss) / gain on sale and redemption of investments		(1,121)	(4,843)	223	(1,684)
- Net gain from spread transactions		-	8,258	-	2
- Net unrealised (loss) / gain on revaluation of investments		(6,322)	846	1,695	880
		(7,443)	4,261	1,918	(802)
Net capital (loss) on sale and redemption of investments classified as 'fair value other comprehensive income'		-	(13,874)	-	(13,874)
Other income		3,697	3,168	1,197	993
Reversal of provision - net		7,778	5,833	1,859	1,944
<b>Total income</b>		<b>79,219</b>	<b>181,440</b>	<b>35,916</b>	<b>25,810</b>
<b>Expenses</b>					
Remuneration of the Management Company		10,357	42,919	2,725	8,127
Sales tax on management fee		1,346	5,579	354	1,056
Expenses allocated by the Management Company		783	2,861	274	542
Remuneration of the Trustee		1,374	3,461	470	757
Annual fee - Securities and Exchange Commission of Pakistan		587	2,146	205	406
Selling and marketing expense		3,133	-	1,098	-
Auditors' remuneration		414	437	23	89
Legal and professional charges		114	137	38	96
Brokerage expense		161	1,749	96	389
Custody and settlement charges		460	1,932	91	30
Bank charges and other expenses		301	444	97	114
<b>Total expenses</b>		<b>19,030</b>	<b>61,665</b>	<b>5,471</b>	<b>11,606</b>
<b>Net operating income for the period</b>		<b>60,189</b>	<b>119,775</b>	<b>30,445</b>	<b>14,204</b>
Provision for Sindh Workers' Welfare Fund	7.2	(1,182)	(2,350)	(598)	(276)
<b>Net income for the period before taxation</b>		<b>59,007</b>	<b>117,425</b>	<b>29,847</b>	<b>13,928</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>59,007</b>	<b>117,425</b>	<b>29,847</b>	<b>13,928</b>
<i>Allocation of net income for the period:</i>					
Income already paid on units redeemed		(28,303)	(81,645)	(12,338)	(50,525)
Accounting income available for distribution:		30,704	35,780	17,509	(36,597)
- Relating to capital gains		-	-	-	-
- Excluding capital gains		30,704	35,780	17,509	(36,597)
		30,704	35,780	17,509	(36,597)

Earnings per unit

11.

The annexed notes from 1 to 15 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 GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019 (UN-AUDITED)**

	Nine Months Period Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>59,007</b>	117,425	<b>29,847</b>	13,928
<b>Other comprehensive income:</b>				
Other comprehensive loss for the period	-	(6,254)	-	14,643
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'fair value through other comprehensive income'	-	-	-	-
	-	(6,254)	-	14,643
<b>Total comprehensive income for the period</b>	<b><u>59,007</u></b>	<u>111,171</u>	<b><u>29,847</u></b>	<u>28,571</u>

The annexed notes from 1 to 15 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 GROWTH AND INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)**

Note	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	59,007	117,425
<b>Adjustments for:</b>		
Financial income	(75,187)	(182,052)
Net (loss) / gain on investments classified as 'At fair value through profit or loss'		
- Net loss on sale and redemption of investments	1,121	-
- Net unrealised gain / (loss) on revaluation of investments	6,322	(4,261)
Net capital loss on sale and redemption of investments classified as 'FVOCI'	-	13,874
Reversal of provision - net	(7,778)	-
Provision for Sindh Workers' Welfare Fund	1,182	-
	<b>(74,340)</b>	<b>(172,439)</b>
<b>Decrease / (increase) in assets</b>		
Investments	92,090	1,318,807
Placements and term deposit receipts	-	260,000
Advance tax	(7)	(415)
Fair value of derivative asset	-	2,090
Receivable against settlement of spread transactions	-	98,942
Receivable against margin trading system	-	358,681
Advances, deposits, prepayments and other receivables	(208)	222,489
	<b>91,875</b>	<b>2,260,594</b>
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	1,960	(5,159)
Remuneration payable to the Trustee	8	(262)
Annual fee - Securities and Exchange Commission of Pakistan	(1,831)	(1,041)
Accrued and other liabilities	(2,130)	(10,226)
	<b>(1,993)</b>	<b>(16,688)</b>
Finance income received	70,042	194,521
<b>Net cash generated from operating activities</b>	<b>144,591</b>	<b>2,383,413</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	1,791,347	1,563,367
Payments against redemption of units	(1,507,188)	(5,959,478)
cash distribution to unit holders	(64,536)	-
<b>Net cash generated/ (used) in financing activities</b>	<b>219,623</b>	<b>(4,396,111)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>364,214</b>	<b>(2,012,698)</b>
Cash and cash equivalents at the beginning of the period	811,972	2,891,184
<b>Cash and cash equivalents at the end of the period</b>	<b>1,176,186</b>	<b>878,486</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balances	1,176,186	878,486
	<b>1,176,186</b>	<b>878,486</b>

The annexed notes from 1 to 15 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 GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 ( UN-AUDITED)**

	March 31, 2019				March 31, 2018			
	Capital value	Undistributed income	Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net	Total	Capital value	Undistributed 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>	1,742,361	(440,998)	239	1,301,602	6,184,368	(477,097)	-	5,707,271
Amount received on issuance of 20,459,155 (2018: 18,230,048) units								
Capital value	1,736,833	-	-	1,736,833	1,547,598	-	-	1,547,598
Element of income during the period;								
- Relating to other comprehensive Income for the period	-	-	-	-	(537)	-	-	(537)
- Relating to net income for the period after taxation	54,514	-	-	54,514	16,306	-	-	16,306
	<b>1,791,347</b>	<b>-</b>	<b>-</b>	<b>1,791,347</b>	<b>1,563,367</b>	<b>-</b>	<b>-</b>	<b>1,563,367</b>
Amount paid on redemption of 17,402,521 (2018: 69,206,214) units								
Capital value	(1,477,347)	-	-	(1,477,347)	(5,875,102)	-	-	(5,875,102)
Element of income during the period;								
- Relating to other comprehensive Income for the period	(1,538)	(28,303)	-	(29,841)	6,949	-	-	6,949
- Relating to net income for the period after taxation	-	-	-	-	(91,325)	-	-	(91,325)
	<b>(1,478,885)</b>	<b>(28,303)</b>	<b>-</b>	<b>(1,507,188)</b>	<b>(5,868,153)</b>	<b>(91,325)</b>	<b>-</b>	<b>(5,959,478)</b>
Total comprehensive income for the period	-	59,007	-	59,007	-	117,425	(6,254)	111,171
Distribution during the period Rs.4.4223 per unit declared on July 02, 2018 as cash dividend	(21,945)	(42,591)	-	(64,536)	-	-	-	-
Net income / (loss) for the period less distribution	(21,945)	16,416	-	(5,529)	-	117,425	(6,254)	111,171
<b>Net assets at end of the period</b>	<b>2,032,878</b>	<b>(452,885)</b>	<b>239</b>	<b>1,580,232</b>	<b>1,879,582</b>	<b>(450,997)</b>	<b>(6,254)</b>	<b>1,422,331</b>
<b>Undistributed income brought forward:</b>								
- Realised	-	(440,855)	-	(440,855)	-	(491,263)	-	(491,263)
- Unrealised	-	(143)	239	96	-	14,166	-	14,166
	<b>-</b>	<b>(440,998)</b>	<b>239</b>	<b>(440,759)</b>	<b>-</b>	<b>(477,097)</b>	<b>-</b>	<b>(477,097)</b>
<b>Accounting income available for distribution:</b>								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	30,704	-	30,704	-	35,780	-	35,780
	<b>-</b>	<b>30,704</b>	<b>-</b>	<b>30,704</b>	<b>-</b>	<b>35,780</b>	<b>-</b>	<b>35,780</b>
Other comprehensive income for the period	-	-	-	-	-	-	(6,254)	(6,254)
Distribution during the period	-	(42,591)	-	(42,591)	-	-	-	-
<b>Undistributed income carried forward</b>	<b>-</b>	<b>(452,885)</b>	<b>239</b>	<b>(452,646)</b>	<b>-</b>	<b>(441,317)</b>	<b>(6,254)</b>	<b>(447,571)</b>
<b>Undistributed income carried forward</b>								
- Realised	-	(446,563)	-	(446,563)	-	(442,163)	-	(442,163)
- Unrealised	-	(6,322)	239	(6,083)	-	846	(6,254)	(5,408)
	<b>-</b>	<b>(452,885)</b>	<b>239</b>	<b>(452,646)</b>	<b>-</b>	<b>(441,317)</b>	<b>(6,254)</b>	<b>(447,571)</b>
	----- (Rupees) -----							
<b>Net assets value per unit at beginning of the period</b>				<b>89.3150</b>				<b>84.8927</b>
<b>Net assets value per unit at end of the period</b>				<b>89.6342</b>				<b>87.5116</b>

The annexed notes from 1 to 15 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 GROWTH AND INCOME FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 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** JCR - VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 27, 2018
- 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**

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:

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

- 2.2** 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, 2018.

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, 2018.

2.3 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, 2018, 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 March 31, 2018.

2.4 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 March 31, 2019.

#### 2.5 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.

#### 2.6 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, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 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.

3.2 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

#### Classification and measurement of financial assets and financial liabilities

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL            These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.

Financial assets at amortised cost    These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit /income statement.

Debt investments at FVOCI            These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI            These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at 1 July 2018.

		original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Revised carrying amount under IFRS 9
				----- (Rupees in '000) -----	
	Note				
Debt securities	(a)	Held for trading	FVTPL	506,522	506,522
Debt securities (Fully provided)	(d)	Available for sale	FVOCI	-	-
Bank balances	(c)	Loans and receivables	Amortised Cost	811,972	811,972
Deposits, prepayments and other receivables	(c)	Loans and receivables	Amortised Cost	9,972	9,972
Dividend, mark-up and other receivable	(c)	Loans and receivables	Amortised Cost	14,827	14,827

- (a) These financial assets classified as 'Held for trading ' have been classified as fair value through profit and loss (FVTPL)
- (b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).
- (c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.
- (d) These financial assets (fully provided) classified as Available for sale have been classified as fair value through other comprehensive income (FVOCI)

### Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

### Transition

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Current accounts		50	50
Saving accounts	4.1	<u>1,176,136</u>	<u>811,922</u>
		<u>1,176,186</u>	<u>811,972</u>
<b>4.1</b> These include balance of Rs.0.05 (2018: Rs.0.05) million held with United Bank Limited (related party).			
<b>4.2</b> These include balances of Rs.2.143 (2018: Rs.2.56) million held with United Bank Limited and Rs.0.02 (2018: Rs.384.15) million held with Khushhali Bank Limited (related parties). These carry mark-up at rates ranging between 3.75% to 11.05% per annum (2018: 4.00% to 7.50%) per annum.			
<b>5. INVESTMENTS</b>			
<b>Investments by category</b>			
<b>' At Fair Value Through Profit or Loss'</b>			
Debt securities - unquoted	5.1	276,114	420,807
Debt securities - quoted	5.1	28,653	85,715
Government securities	5.5	-	-
		<u>304,767</u>	<u>506,522</u>
<b>'Fair Value Through Other Comprehensive Income'</b>			
Equity securities - listed	5.2	-	-
Debt securities - quoted	5.2	-	-
Debt securities - unquoted	5.3	-	-
		-	-
<b>Letter of Placement</b>			
Investment in Letter of Placement'	5.4	<u>110,000</u>	-
		<u>414,767</u>	<u>506,522</u>

5.1 Investment in debt securities - 'At fair value through profit or loss' (Term Finance Certificates  
(Term Finance Certificates and sukuk certificates of Rs.5,000 each)

Particulars	Note	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised (loss) / gain	Market value as a percentage of total investments	Market value as a percentage of net assets
		----- (Number of certificates) -----			----- (Rupees in '000) -----					
<b>Quoted</b>										
<b>Personal goods</b>										
Azgard Nine Limited - TFC (September 20, 2005)	5.2.1	1,000	-	-	1,000	1,366	-	-	0.00%	0.00%
Less: Provision for impairment						(1,366)	-	-		
<b>Commercial banks</b>										
MCB Bank Limited-TFC (June 20, 2014)		11,300	-	(11,300)	-	-	-	-	-	0.00%
Soneri Bank Limited - TFC (July 08, 2015)		2,000	-	-	2,000	10,169	9,826	(343)	2.37%	0.62%
Dawood Hercules Corporation Limited - sukuk (November 16, 2017)		190	-	-	190	19,038	18,827	(211)	4.54%	1.19%
<b>March 31, 2019</b>						<b>29,207</b>	<b>28,653</b>	<b>(554)</b>	<b>6.91%</b>	<b>1.81%</b>
<b>June 30, 2018</b>						<b>86,456</b>	<b>85,715</b>	<b>(741)</b>		
<b>Unquoted</b>										
<b>Personal goods</b>										
Azgard Nine Limited - PPTFC (December 04, 2007)	5.2.1	7,000	-	-	7,000	13,181	-	-	0.00%	0.00%
Less: Provision for impairment						(13,181)	-	-		
<b>Household goods</b>										
New Allied Electronics Industries Limited - TFC (May 15, 2007)	5.2.1	18,000	-	-	18,000	18,094	-	-	0.00%	0.00%
Less: Provision for impairment						(18,094)	-	-		
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)	5.2.1	10,000	-	-	10,000	35,000	-	-	0.00%	0.00%
Less: Provision for impairment						(35,000)	-	-		
<b>Commercial Banks</b>										
JS Bank Limited - TFC (December 14, 2016)		9,000	-	-	9,000	45,296	44,304	(992)	10.68%	2.80%
Habib Bank Limited - TFC (February 19, 2016)*		572	-	(148)	424	41,820	41,681	(139)	10.05%	2.64%
JS Bank Limited - TFC (December 29, 2017)		1,000	-	-	1,000	99,960	96,839	(3,121)	23.35%	6.13%
<b>Fertilizer</b>										
Engro Fertilizer Limited -SUKUK (July 09, 2014)		3,600	-	(3,600)	-	-	-	-	0.00%	0.00%

Particulars	Note	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019			Unrealised (loss) / gain	Market value as a percentage of total investments	Market value as a percentage of net assets
						(Number of certificates)				
<b>Investment Banks</b>										
Jahangir Siddiqui & Company Limited (July 18, 2017)		30,000	-	(10,000)	20,000	88,544	87,237	(1,307)	21.03%	5.52%
						-				
<b>Chemical</b>										
Ghani Gases Limited - Sukuk (February 02, 2017)*		93	-	-	93	6,262	6,053	(209)	1.46%	0.38%
<b>Electricity</b>										
WAPDA - TFC (September 27, 2013)		20,000	-	(20,000)	-	-	-	-	0.00%	0.00%
<b>Financial services</b>										
Security Leasing Corporation Limited - Sukuk (September 19, 2007) – II	5.2.1	5,000	-	-	5,000	5,574				
Less: Provision for impairment						(5,574)				
						-	-	-	0.00%	0.00%
<b>March 31, 2019</b>						<b>281,882</b>	<b>276,114</b>	<b>(5,768)</b>	<b>66.57%</b>	<b>17.47%</b>
<b>June 30, 2018</b>						<b>420,210</b>	<b>420,807</b>	<b>597</b>		

5.1.1	Name of security	Number of certificates	Interest rate per annum	Maturity
	Soneri Bank Limited	2,000	6M KIBOR + 1.35%	July 8, 2023
	Dawood Hercules Corporation Limited	190	3M KIBOR + 1.00%	November 16, 2022
	JS Bank Limited	9,000	6M KIBOR + 1.40%	December 16, 2023
	JS Bank Limited	1,000	6M KIBOR + 1.40%	December 29, 2024
	Habib Bank Limited	424	6M KIBOR + 0.50%	February 19, 2026
	Jahangir Siddiqui & Co. Ltd	20,000	6M KIBOR + 1.40%	July 18, 2022
	Ghani Gases Limited	93	3M KIBOR + 1.00%	February 2, 2023

5.2 Investment in debt securities - 'Fair value through Other Comprehensive Income'  
(Term Finance Certificates and sukuk certificates of Rs.5,000 each)

Name of security	Note	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised gain / (loss)	Market value as a percentage of total investment	Market value as a percentage of net assets
		----- (Number of certificates) -----			----- (Rupees in '000) -----					
<b>Quoted</b>										
<b>Personal goods</b>										
Azgard Nine Limited - TFC (September 20, 2005) Less: Provision for impairment	5.2.1	21,150	-	-	21,150	28,890 (28,890)	-	-	0.00%	0.00%
Azgard Nine Limited - TFC (May 17, 2010) Less: Provision for impairment	5.2.1	10,000	-	-	10,000	29,375 (29,375)	-	-	0.00%	0.00%
<b>Financial services</b>										
Trust Investment Bank Limited - TFC (July 04, 2008) Less: Provision for impairment	5.2.1	23,877	-	-	23,877	44,499 (44,499)	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%
<b>March 31, 2019</b>						-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>June 30, 2018</b>						-	-	-		
<b>Unquoted</b>										
<b>Household goods</b>										
New Allied Electronics Industries (Pvt) Limited (May 15, 2007) Less: Provision for impairment	5.2.1	13,000	-	-	13,000	13,068 (13,068)	-	-	0.00%	0.00%
<b>Chemicals</b>										
Agritech Limited - PP TFC (January 14, 2008) Less: Provision for impairment	5.2.1	147,000	-	-	147,000	558,988 (558,988)	-	-	0.00%	0.00%
Agritech Limited - PP TFC (November 30, 2007) Less: Provision for impairment	5.2.1	58,000	-	-	58,000	254,223 (254,223)	-	-	0.00%	0.00%
Agritech Limited - Sukuk (August 06, 2008) Less: Provision for impairment	5.2.1	3,800	-	-	3,800	14,453 (14,453)	-	-	0.00%	0.00%
<b>Personal goods</b>										
Azgard Nine Limited - PP (December 04, 2007) Less: Provision for impairment	5.2.1	33,000	-	-	33,000	62,137 (62,137)	-	-	0.00%	0.00%
<b>Financial services</b>										
Security Leasing Corporation Limited - Sukuk (September 19, 2007) - II Less: Provision for impairment	5.2.1	15,000	-	-	15,000	16,454 (16,454)	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%
<b>March 31, 2019</b>						-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>June 30, 2018</b>						-	-	-		

5.2.1 Due to non-recoverability of these investments, the Fund has classified these as non-performing securities and recognized full provision there against.

**5.3 Disclosure of non compliant investments as at 31 March 2019**

Name of security	Note	As at July 01, 2018	Number of shares		As at March 31, 2019	Carrying value as at March 31, 2019	Percentage of total investment	Percentage of net assets
			Purchased during the Period	Sold during the Period				
						Amount in '000		
<b>Personal goods</b>								
Azgard Nine Limited	5.3.1	200,000	-	-	200,000	-	0%	0%

**5.3.1** These represents cumulative, non-voting, convertible and redeemable preference shares having a face value of Rs.10 each and carrying a profit rate of 8.95% per annum. These were due for redemption on 30 September 2009 but due to default by the company, management has made full provision of Rs.0.85 million against the outstanding amount.

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- (Rupees in '000) -----	

**5.3.2 Placements and term deposit receipts**

Pre-IPO placement	70,000	77,778
Term deposit receipts	-	-
Other placement	-	-
	70,000	77,778
Less: Provision for impairment	(70,000)	(77,778)
	-	-

**5.4 Investment in LOP**

Pak Libya Holding Company (Pvt) Ltd.	110,000	-
	110,000	-

**5.4.1** These carrying coupon rate 11% per annum.

Note	As at July 01, 2018	Purchased during the Period	Sold during the Period	As at March 31, 2019	Carrying value as at March 31, 2019	Percentage of total investment	Percentage of net assets
<b>5.5 Government Securities</b>							
	----- Number of shares -----				Amount in '000		
PIB- 03 Years	-	1,001,375	1,001,375	-	-	-	-
PIB- 05 Years	-	375	375	-	-	-	-
T-bill 3 months	-	10,420	10,420	-	-	-	-
	-	1,012,170	1,012,170	-	-	-	-

#### 5.6 Disclosure of Excess Exposure as at March 31, 2019

##### 5.6.1 Name of Investment

Name of Investment	Exposure Type	% of Issue	Limit	Excess
Trust Investment Bank Limited- TFC (04-07-08)	Per Issue	20%	10%	10%
Agritech Limited- TFC (30-11-07)	Per Issue	19%	10%	9%
New Allied Electronics (15-05-07)	Per Issue	17%	10%	7%
Security Leasing Sukuk (19-09-07)	Per Issue	13%	10%	3%
Agritech Limited- TFC (14-01-08)	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 2019.

## **7. ACCRUED AND OTHER LIABILITIES**

**7.1** This includes provision for federal excise duty (FED) as at March 31, 2019 amounting to Rs.24.36 million (June 30, 2018: Rs.24.36 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 17.1 to the annual audited financial statements for the year ended June 30, 2018. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 1.37 (June 30, 2018: Rs.1.67).

**7.2** The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2018, which has been fully disclosed in note 17.2. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs.0.64 (June 30, 2018: Re.0.69).

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019.

## **9. 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. As the Management Company intends to distributed through cash at least 90% of the Fund's net accounting income as reduced by capital gain whether realised or unrealised by the year-end to the unit holders, accordingly, no provision for taxation has been recognized in this condensed interim financial information.

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.

## **10. TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.94% as on March 31, 2019 and this includes 0.32% representing government levy, worker's welfare fund and SECP fee.

## **11. 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.



	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	----- (Rupees in '000) -----					
	----- (As at March 31, 2019) (Un-audited) -----					
<b>Balances held</b>						
Units held (units in '000)	7,974	-	-	-	130	2,796
Units held (Rupees in '000)	714,743	-	-	-	11,652	250,617
Bank balances *	-	2,213	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable - bank balances	-	49	-	-	-	-
Remuneration payable	1,348	-	204	-	-	-
Expenses allocated by the Management Company	128	-	-	-	-	-
Sales load and other payable selling and marketing	212	1	-	-	-	-
	3,133	-	-	-	-	-
CDC fee payable	-	-	44	-	-	-

\* These carry profit ranging between 5.5% to 11% per annum.

	----- (Rupees in '000) -----					
	----- (As at June 30, 2018) (Audited) -----					
<b>Balances held</b>						
Units held (number of units in '000)	-	-	-	-	1,261	5,921
Units held (Rupees in '000)	-	-	-	-	112,630	528,868
Bank balances *	-	386,702	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable - bank balances	-	2,472	-	-	-	-
Remuneration payable	2,060	-	196	-	-	-
Expenses allocated by the Management Company	-	-	-	-	-	-
	239	-	-	-	-	-
Sales load and other payable selling and marketing	90	2	-	-	-	-
	472	-	-	-	-	-

### 13. 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). Adoption of IFRS 13, has no affect on this condensed interim financial information.

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

**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 March 31, 2019 and June 30, 2018, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
<b><u>March 31, 2019 (Un-audited)</u></b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities	-	304,767	-	304,767
	-	304,767	-	304,767

	Fair value			
	Level 1	Level 2	Level 3	Total
<b><u>June 30, 2018 (Audited)</u></b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities	-	506,522	-	506,522
	-	506,522	-	506,522

### 14. GENERAL

14.1 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

14.2 Figures have been rounded off to the nearest thousand rupees.

### 15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on 29 April 2019.

**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 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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 Bank Alfalah Limited Habib Bank Limited JS Bank Limited MCB Bank Limited Samba Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Zarai Taraqati Bank Limited United Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES**  
**AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4.	275,203	1,146,417
Term deposit receipts and Certificate of Investment	5.	375,000	-
Investments	6	910,810	1,019,345
Receivable against settlement of spread transactions		-	37,347
Advance tax	7.	1,117	1,113
Dividend receivable and mark-up receivable		26,591	14,338
Deposits and other receivables		100,789	58,276
Preliminary expenses and floating costs		-	30
<b>TOTAL ASSETS</b>		<b>1,689,510</b>	<b>2,276,866</b>
<b>LIABILITIES</b>			
Payable to the Management Company	8.	3,969	5,338
Payable to Central Depository Company of Pakistan Limited - Trustee		268	302
Payable to Securities and Exchange Commission of Pakistan		1,486	2,196
Accrued expenses and other payables	9	19,616	19,781
<b>TOTAL LIABILITIES</b>		<b>25,339</b>	<b>27,617</b>
<b>NET ASSETS</b>		<b>1,664,171</b>	<b>2,249,249</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,664,171</b>	<b>2,249,249</b>
<b>CONTINGENCY AND COMMITMENT</b>	10.		
		----- (Number) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>12,165,495</b>	<b>16,713,201</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>136.7943</b>	<b>134.5792</b>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MOTNHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Nine Months Period ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
Note	----- (Rupees in '000) -----			
<b>Income</b>				
Financial income	88,807	67,844	30,144	18,975
Net capital (loss) on redemption and sale of investments	(14,294)	(114,225)	(9,790)	(3,529)
Dividend income	46,204	40,032	13,673	11,887
Net unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'	(57,429)	1,618	32,099	51,889
Other income	43	205	10	8
<b>Total income / (loss)</b>	<b>63,331</b>	<b>(4,526)</b>	<b>66,136</b>	<b>79,230</b>
<b>Expenses</b>				
Remuneration of the Management Company	15,642	17,449	4,656	5,116
Sindh Sales Tax of the Management Company's remuneration	2,033	2,268	605	665
Allocation of expenses relating to the Fund	1,564	1,745	465	512
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	2,616	2,820	805	857
Annual fee to Securities and Exchange Commission of Pakistan	1,486	1,658	442	486
Selling and marketing expense	6,257	6,980	1,863	2,046
Auditors' remuneration	480	438	97	84
Legal and professional charges	156	78	55	42
Brokerage and settlement expenses	2,211	1,608	837	580
Amortisation of preliminary expenses and floatation costs	29	150	2	49
Listing fee expense	21	21	7	7
Bank charges and other expenses	70	924	19	143
<b>Total expenses</b>	<b>32,565</b>	<b>36,139</b>	<b>9,853</b>	<b>10,587</b>
<b>Net operating income/ (loss) for the period</b>	<b>30,766</b>	<b>(40,665)</b>	<b>56,283</b>	<b>68,643</b>
Provision for Sindh Workers' Welfare Fund	(605)		(605)	
<b>Net income/ (loss) for the period before taxation</b>	<b>30,161</b>	<b>(40,665)</b>	<b>55,678</b>	<b>68,643</b>
Taxation	-	-	-	-
<b>Net Income/ (loss) for the period after taxation</b>	<b>30,161</b>	<b>(40,665)</b>	<b>55,678</b>	<b>68,643</b>
<i>Allocation of net income for the period:</i>				
Income already paid on units redeemed	(7,613)	-	-	-
<i>Accounting income available for distribution:</i>	<b>22,548</b>	<b>-</b>	<b>55,678</b>	<b>68,643</b>
<i>Accounting income available for distribution:</i>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	22,548	-	55,678	68,643
	<b>22,548</b>	<b>-</b>	<b>55,678</b>	<b>68,643</b>
<b>Earnings per unit</b>				

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MOTNHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Nine Months Period ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net Income/ (loss) for the period after taxation	30,161	(40,665)	55,678	68,643
<b>Other comprehensive income for the period:</b>				
<i>Items that are or may be reclassified subsequently to income statement</i>				
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'fair value through other comprehensive income'	-	-	-	28,843
<b>Total comprehensive income/ (loss) for the period</b>	<b>30,161</b>	<b>(40,665)</b>	<b>55,678</b>	<b>97,486</b>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine Months Period ended March 31,	
	2019	2018
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income/ (loss) for the period before taxation	30,161	(40,665)
<b>Adjustments for:</b>		
Financial income	(88,807)	(67,844)
Net capital (loss) on redemption and sale of investment	14,294	114,225
Dividend income	(46,204)	(40,032)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	57,429	(1,618)
Provision for Sindh Workers' Welfare Fund	605	-
Amortisation of preliminary expenses and floatation costs	29	150
	<b>(62,654)</b>	<b>4,881</b>
Net cash flows used in operations before working capital changes	<b>(32,493)</b>	<b>(35,784)</b>
<b>Working capital changes</b>		
<i>decrease / (Increase) in assets</i>		
Investments	36,812	(310,649)
Advance tax	(4)	129
Term deposit receipt	-	250,000
Fair value of derivative asset	-	(3,241)
Receivable against settlement of spread transactions	37,347	(126,885)
Receivable against sale of equity shares	-	(12,851)
Deposits, prepayments and other receivables	(42,513)	(20,681)
	<b>31,642</b>	<b>(224,178)</b>
<i>(decrease) / increase in liabilities</i>		
Payable to the Management Company	(1,369)	(1,989)
Payable to Central Depository Company of Pakistan Limited - Trustee	(34)	(38)
Payable to Securities and Exchange Commission of Pakistan	(710)	(625)
Payable against purchase of equity securities	-	187,721
Accrued expenses and other payables	(769)	3,333
	<b>(2,882)</b>	<b>188,402</b>
Markup income and dividend received	<b>122,758</b>	<b>107,572</b>
<b>Net cash flows generated from operating activities</b>	<b>119,025</b>	<b>36,012</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	140,553	1,281,808
Payments on redemption of units	(755,792)	(1,561,057)
<b>Net cash flows used in financing activities</b>	<b>(615,239)</b>	<b>(279,249)</b>
Cash and cash equivalents at beginning of the period	1,146,417	1,364,025
<b>Cash and cash equivalents at end of the period</b>	<b>650,203</b>	<b>1,120,788</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balances	275,203	1,120,788
Term deposit receipt and certificate of investment	375,000	-
	<b>650,203</b>	<b>1,120,788</b>

The annexed notes 1 to 17 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 ASSET ALLOCATION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

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

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.

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.

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.

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.

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.

JCR - VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 27, 2018

**2. BASIS OF PRESENTATION**

**2.1 Statement of compliance**

**2.1.1** 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:

- Interim 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 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, 2018.

**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, 2018, 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 nine months period ended March 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 gives a true and fair view of the state of the Fund's affairs as at March 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**

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, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 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.

**3.2** IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 01, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

## **Classification and measurement of financial assets and financial liabilities**

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark up or dividend income, are recognised in income statement
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in Income Statement
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 01, 2018.

	<b>Note</b>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under</b>	<b>New carrying amount under IFRS 9</b>
<b>Financial assets</b>					
Debt securities	(a)	Held for trading	FVTPL	160,828	160,828
Quoted equity securities	(b)	Available for sale	FVTPL	501,375	501,375
Quoted equity securities	(b)	Held for trading	FVTPL	338,481	338,481
Quoted equity securities (spread transactions)	(b)	Held for trading	FVTPL	16,990	16,990
Fair Value of derivative	(b)	Held for trading	FVTPL	1,671	1,671
Bank balances	(c)	Loans and receivables	Amortised cost	1,146,417	1,146,417
Dividend receivable and mark-up receivable	(c)	Loans and receivables	Amortised cost	14,338	14,338
Deposits and other receivables	(c)	Loans and receivables	Amortised cost	58,276	58,276

(a) These financial assets classified as 'Held for trading ' have been classified as fair value through profit and loss (FVTPL)

(b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fairvalue of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).

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

#### **Impairment of financial assets**

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

## Transition

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Saving accounts	4.1	<u>275,203</u>	<u>1,146,417</u>

4.1 These carry mark-up at the rates ranging from 3.75% to 11.15% (June 30, 2018: 4.00% to 6.61%) per annum and include a balance of Rs.2.281 (June 30, 2018: Rs.5.628) million held with United Bank Limited (a related party).

## 5. TERM DEPOSIT RECEIPTS AND CERTIFICATE OF INVESTMENT

Term Deposit Investment	5.1	<u>185,000</u>	-
Certificate of Investment	5.2	<u>190,000</u>	-
		<u>375,000</u>	-

5.1 This term deposit receipt carries interest at the rate of 11.05% per annum and will mature on April 05, 2019.

5.2 This certificate of investment carries interest at the rate of 11% per annum and will mature on May 10, 2019.

### 5.3 Disclosure of Excess Exposure (Per Entity) as at Mar 31, 2019

Name of Investment	% of Net Assets	Limit	Excess/ Less
JS Bank Limited ₹DR	11.12%	10%	1.12%
Pak Libya Holding Company Ltd.TDR	11.42%	10%	1.42%

## 6 INVESTMENTS

### At Fair Value Through Profit or Loss

- Government securities - Market treasury bills	6.1	-	-
- Government securities - Pakistan Investment Bonds	6.2	<u>99,530</u>	-
- Debt securities - Term Finance Certificates / Sukuks	6.3	<u>149,217</u>	160,828
- Quoted equity securities	6.4	<u>662,063</u>	338,481
- Quoted equity securities (spread transactions)	6.5	-	16,990
-Fair value of derivative		-	1,671
		<u>910,810</u>	<u>517,970</u>

### At Fair Value Through Other Comprehensive Income

- Quoted equity securities		-	501,375
		<u>910,810</u>	<u>1,019,345</u>



**6.3 Investment in debt securities - at fair value through profit or loss  
(Term Finance Certificates of Rs.5,000 each)**

Name of Security	Note	As at July	Purchased	Sold /	As at March	Carrying	Market value	Unrealised	Percentage of total investments	Percentage of net assets	
		01, 2018	during the period	matured during the period	31, 2019	value as at March 31, 2019	as at March 31, 2019	gain / (loss)			
		-----	(Number of certificates)	-----	-----	(Rupees in '000)	-----	-----			
<b>Unquoted</b>											
<b>Power generation and distribution</b>											
Pakistan Water and Power Development Authority (WAPDA)	6.3.1 & 6.3.2	2,000	-	(2,000)	-	-	-	-	0.00%	0.00%	
<b>Food and energy</b>											
Dawood Hercules Corporation Limited	6.3.1 & 6.3.2	40	-	-	40	4,008	3,964	(44)	0.44%	0.24%	
<b>Investment and brokerage services</b>											
Jahangir Siddiqui and Company Limited	6.3.1 & 6.3.2	30,000	-	-	30,000	132,815	130,856	(1,959)	14%	7.86%	
<b>Cement</b>											
Javedan Corporation Limited		-	150	-	150	15,000	14,397	(603)	2%	0.87%	
<b>Total as at March 31, 2019</b>		<u>32,040</u>	<u>150</u>	<u>(2,000)</u>	<u>30,190</u>	<u>151,823</u>	<u>149,217</u>	<u>(2,606)</u>			
<b>Total as at June 30, 2018</b>						<u>159,042</u>	<u>160,828</u>				

6.3.1 These carry profit rate from 11.72% to 12.99% (June 2018: from 6.92% to 7.23%).

6.3.2 Significant terms and conditions of term finance certificates outstanding as at March 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 16, 2017)	4,000	3 Months KIBOR +1%	16-Nov-17	16-Nov-22
Jahangir Siddiqui and Company (July 18, 2017)	131,250	6 Months KIBOR +1.4%	18-Jul-17	18-Jul-22
Javedan Corporation Limited	15,000	6 Months KIBOR +1.75%	4-Oct-18	4-Oct-26

6.4 Quoted equity securities - 'At Fair Value Through Profit or Loss'

Name of the investee company	Note	As at July 01, 2018	Reclassification to fair value through profit and loss (see note 3.2)	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at March 31, 2019	Cost / carrying value as at March 31, 2019	Market value as at March 31, 2019	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares)						(Rupees in '000)			(%)				
<b>Oil and gas exploration companies</b>													
Mari Petroleum Company Limited		-	3,980	3,160	398	-	7,538	10,261	9,387	(874)	1.03%	0.56%	0.01%
Oil and Gas Development Company Limited		217,200	27,000	75,000	-	(89,500)	229,700	35,139	33,892	(1,247)	3.72%	2.04%	0.01%
Pakistan Petroleum Limited		157,500	20,000	22,200	26,625	(77,200)	149,125	27,415	27,587	172	3.03%	1.66%	0.01%
Pak Oil Fields Limited		-	92,550	24,100	18,510	(62,800)	72,360	39,607	32,363	(7,244)	3.55%	1.94%	0.03%
								<b>112,422</b>	<b>103,229</b>	<b>(9,193)</b>	<b>11.33%</b>	<b>6.20%</b>	<b>0.06%</b>
<b>Oil and gas marketing companies</b>													
Pakistan State Oil Company Limited	6.4.2	41,120	46,200	44,400	16,464	(88,700)	59,484	14,326	12,859	(1,467)	1.41%	0.77%	0.02%
<b>Power generation and distribution</b>													
Hub Power Company Limited		222,800	379,000	78,500	-	(45,000)	635,300	58,451	46,587	(11,864)	5.11%	2.80%	0.05%
Pakgen Power Limited		-	446,000	-	-	-	446,000	8,599	6,806	(1,793)	0.75%	0.41%	0.12%
Lalpir Power Limited		-	563,000	-	-	-	563,000	10,815	7,876	(2,939)	0.86%	0.47%	0.15%
Saif Power Limited		-	3,356,500	85,000	-	-	3,441,500	91,166	79,602	(11,564)	8.74%	4.78%	0.89%
								<b>169,031</b>	<b>140,871</b>	<b>(28,160)</b>	<b>15.46%</b>	<b>8.46%</b>	<b>1.21%</b>
<b>Chemicals</b>													
ICI Pakistan Limited		19,050	-	-	-	(19,050)	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited		297,000	200,000	210,868	-	(235,500)	472,368	14,870	17,156	2,286	1.88%	1.03%	0.05%
								<b>14,870</b>	<b>17,156</b>	<b>2,286</b>	<b>1.88%</b>	<b>1.03%</b>	<b>0.05%</b>
<b>Fertilizer</b>													
Engro Corporation Limited		105,400	87,800	40,500	-	(119,300)	114,400	36,039	37,435	1,396	4.11%	2.25%	0.02%
Engro Fertilizers Limited	6.4.1	543,000	376,500	-	-	(605,000)	314,500	23,559	22,502	(1,057)	2.47%	1.35%	0.02%
Fauji Fertilizer Bin Qasim Limited		-	200,000	330,500	-	(149,500)	381,000	15,011	13,045	(1,966)	1.43%	0.78%	0.04%
Fauji Fertilizer Company Limited		-	87,000	175,500	-	(69,000)	193,500	19,233	20,213	980	2.22%	1.21%	0.02%
Dawood Hercules Corporation Limited		-	-	50,000	-	(50,000)	-	-	-	-	-	-	-
								<b>93,842</b>	<b>93,195</b>	<b>(647)</b>	<b>10.23%</b>	<b>5.59%</b>	<b>0.10%</b>
<b>Cement</b>													
Attock Cement Pakistan Limited		20,000	-	-	-	(20,000)	-	-	-	-	-	-	-
Cherat Cement Company Limited		148,000	118,000	3,800	-	(249,800)	20,000	1,926	1,256	(670)	0.14%	0.08%	0.01%
Kohat Cement Company Limited		79,000	148,900	50,000	69,870	(7,000)	340,770	32,165	29,248	(2,917)	3.21%	1.76%	0.17%
Pioneer Cement Limited		-	39,000	10,000	-	(35,000)	14,000	582	487	(95)	0.05%	0.03%	0.01%
D.G Khan Cement Company Limited		14,000	17,500	11,500	-	(43,000)	-	-	-	-	-	-	-
Lucky Cement Limited		-	-	56,400	-	(26,350)	30,050	13,452	12,869	(583)	1.41%	0.77%	0.01%
Fauji Cement Company Limited		-	15,000	-	-	(15,000)	-	-	-	-	-	-	-
								<b>48,125</b>	<b>43,860</b>	<b>(4,265)</b>	<b>4.81%</b>	<b>2.64%</b>	<b>0.20%</b>
<b>Automobile parts and accessories</b>													
Thal Limited		37,550	-	-	-	(19,900)	17,650	8,428	7,448	(980)	0.82%	0.45%	0.04%
								<b>8,428</b>	<b>7,448</b>	<b>(980)</b>	<b>0.82%</b>	<b>0.45%</b>	<b>0.04%</b>
<b>Investment banks / investment companies / securities companies</b>													
Pakistan Stock Exchange Limited		833	-	-	-	(833)	-	-	-	-	0.00%	0.00%	0.00%
								<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each.

Name of the investee company	Note	As at July 01, 2018	Reclassification to fair value through profit and loss (see note 3.2)	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at March 31, 2019	Cost / carrying value as at March 31, 2019	Market value as at March 31, 2019	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares)						(Rupees in '000)			(%)				
<b>Commercial banks</b>													
Habib Bank Limited		22,600	265,400	247,500	-	(115,000)	420,500	63,031	55,712	(7,319)	6.12%	3.35%	0.03%
Allied Bank Limited		438,000	226,000	33,000	-	(367,500)	329,500	34,035	35,599	1,564	3.91%	2.14%	0.03%
Bank Alfalah Limited		160,000	535,000	171,000	69,500	(37,000)	898,500	42,230	42,292	62	4.64%	2.54%	0.05%
Faysal Bank Limited	6.4.2	1,150	-	-	-	(1,000)	150	4	4	-	0.00%	0.00%	0.00%
Habib Metropolitan Bank Limited		-	-	160,000	-	(160,000)	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited		-	-	55,000	-	(55,000)	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited**	6.4.1	80,900	161,500	195,000	-	(129,100)	308,300	49,421	43,017	(6,404)	4.72%	2.58%	0.03%
National Bank of Pakistan		-	-	122,000	-	(122,000)	-	-	-	-	0.00%	0.00%	0.00%
								<b>188,721</b>	<b>176,624</b>	<b>(12,097)</b>	<b>19.39%</b>	<b>10.61%</b>	<b>0.14%</b>
<b>Textile</b>													
Nishat Mills Limited		600	-	147,000	-	(38,700)	108,900	14,678	14,659	(19)	1.61%	0.88%	0.03%
Gul Ahmed Textile Mills Limited		-	-	608,000	-	(263,500)	344,500	15,055	19,626	4,571	2.15%	1.18%	0.10%
								<b>29,733</b>	<b>34,285</b>	<b>4,552</b>	<b>3.76%</b>	<b>2.06%</b>	<b>0.13%</b>
<b>Engineering</b>													
Amreli Steels Limited		100	92,500	-	-	(92,500)	100	7	4	(3)	0.00%	0.00%	0.00%
International Industries limited		-	-	10,000	-	(10,000)	-	-	-	-	-	-	0.00%
Ittefaq Iron Industries Limited		227,896	-	-	-	(227,896)	-	-	-	-	0.00%	0.00%	0.00%
Aisha Steel Limited		900	400,000	-	-	(400,900)	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited		-	-	11,000	-	(11,000)	-	-	-	-	0.00%	0.00%	0.00%
								<b>7</b>	<b>4</b>	<b>(3)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>FOOD &amp; PERSONAL CARE PRODUCT</b>													
Al Shaheer Corporation Limited		-	-	98,000	-	-	98,000	2,030	1,762	(268)	-	-	-
<b>Glass and ceramics</b>													
Tariq Glass Industries Limited		127,800	-	-	-	(84,000)	43,800	4,694	4,435	(259)	0.49%	0.27%	0.06%
<b>Insurance</b>													
Adamjee Insurance Company Limited		-	423,500	168,500	-	-	592,000	27,921	23,710	(4,211)	2.60%	1.42%	0.17%
<b>Paper and Board</b>													
Packages Limited		-	-	9,400	-	(4,500)	4,900	1,800	1,861	61	0.20%	0.11%	0.01%
<b>Pharmaceuticals</b>													
The Searl Company Limited	6.4.2	6,622	-	-	318	(4,500)	2,440	720	579	(141)	0.06%	0.03%	0.00%
Highnoon Laboratories Limited	6.4.2	5,546	-	-	-	(5,000)	546	224	185	(39)	0.02%	0.01%	0.00%
								<b>944</b>	<b>764</b>	<b>(180)</b>	<b>0.08%</b>	<b>0.04%</b>	<b>0.00%</b>
<b>Total equity securities 'At Fair Value Through Profit or Loss' as at March 31, 2019</b>								<b>716,894</b>	<b>662,063</b>	<b>(54,831)</b>	<b>58%</b>	<b>32%</b>	
<b>Total equity securities 'At Fair Value Through Profit or Loss' as at June 30, 2018</b>								<b>357,126</b>	<b>338,481</b>	<b>(18,645)</b>			

\*\* This represents investment held in a related party.

6.4.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	March 31, 2019	June 30, 2018
	(Number of shares)	
Engro Fertilizer limited	300,000	20,715
United Bank Limited	50,000	6,132
	<b>350,000</b>	<b>26,847</b>

6.4.2 The Finance Act, 2015 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 Sindh High Court 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 Sindh High Court has granted stay order till the final outcome of the case. Certain 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.636,997 at March 31, 2019. Such shares have not been deposited by the investee company in CDC account in Income Tax department. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end. Furthermore, the Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the period ended 31 March 2019, are not liable to withholding of Income Tax.

6.5 Quoted equity securities - Spread transactions

Name of the investee company	As at July 01, 2018	Purchased during period	Sold during the period	As at March 31, 2019	Cost / carrying value	Market value	Appreciation / (diminution)	As percentage of total investments	As percentage of net assets	Market value as a percentage of paid-up capital of the investee
Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each.										
<b>Refinery</b>										
Attock Refinery Limited	-	16,000	(16,000)	-	-	-	-	-	-	-
<b>Cement</b>										
D.G Khan Cement Company Limited	-	19,500	(19,500)	-	-	-	-	-	-	0.00%
Fauji Cement Company Limited	-	41,500	(41,500)	-	-	-	-	-	-	0.00%
Power Cement Limited	2,039,500	-	(2,039,500)	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	37,500	(37,500)	-	-	-	-	-	-	-
Pioneer Cement Limited	-	28,500	(28,500)	-	-	-	-	-	-	0.00%
										<b>0.01%</b>
<b>Fertilizer</b>										
Engro Fertilizers Limited	-	61,500	(61,500)	-	-	-	-	-	-	-
Engro Corporation Limited	-	5,000	(5,000)	-	-	-	-	-	-	-
<b>Food and personal care products</b>										
Fauji Foods Limited	-	205,000	(205,000)	-	-	-	-	-	-	0.00%
Engro Foods Limited	-	3,500	(3,500)	-	-	-	-	-	-	0.00%
										0.00%
<b>Oil and gas exploration companies</b>										
Oil and Gas Development Company Limited	-	4,500	(4,500)	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	2,000	(2,000)	-	-	-	-	-	-	0.00%
Sui Northern Gas Pipelines	-	12,000	(12,000)	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	28,000	(28,000)	-	-	-	-	-	-	0.00%
										0.00%
<b>Commercial banks</b>										
United Bank Limited	-	156,000	(156,000)	-	-	-	-	-	-	-
The Bank of Punjab	-	6,646,000	(6,646,000)	-	-	-	-	-	-	-
<b>Textile and Composite</b>										
Nishat Chunain Limited	-	6,000	(6,000)	-	-	-	-	-	-	-
<b>Total equity securities as on March 31, 2019</b>						-	-	0.00%	0.00%	0.00%
<b>Total equity securities as on June 30, 2018</b>						-	-	-	-	-

## **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 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 2019.

## **8. PAYABLE TO MANAGEMENT COMPANY**

**8.1** The Management Company has charged remuneration at the rate of 1% (June 30, 2018: 1%) of average annual net assets of the Funds. The remuneration is paid to the Management Company on monthly basis in arrears.

**8.2** The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on

## **9. ACCRUED EXPENSES AND OTHER PAYABLES**

### **9.1 Provision for Sindh Workers' Welfare Fund**

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.1 of annual financial statements for the year ended June 30, 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs.0.94 (June 30, 2018: Rs.0.65).

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

This includes provision for federal excise duty (FED) as at March 31, 2019 amounting to Rs.6.272 million (June 30, 2018: Rs.6.272 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 16.2 to the annual audited financial statements for the year ended June 30, 2018. Had the provision not been provided for, the net assets value per unit would have been higher by Re.0.52 (June 30, 2018: Re.0.38).

## **10. CONTINGENCY AND COMMITMENT**

As at March 31, 2019, there is no contingency and commitment.

## **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. Since the Fund has incurred a net loss during the period, 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 this condensed financial information 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 1.59% as on March 31, 2019 and this includes 0.22% representing Government Levy, Sindh Workers' Welfare Fund and SECP Fee.

## **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 (Pvt) Ltd. (Subsidiary of Management Company) Entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the fund, the directors and officer of the management company and unit holders holding more than 10% units of the Fund.

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.

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the period end, other than those which have been specifically disclosed elsewhere in this condensed interim financial information 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 nine months period ended 31 March 2019) (Un-audited) -----						
<b>Transactions during the period</b>						
Mark-up on bank accounts	-	181	-	-	-	-
Bank charges	-	5	-	-	-	-
Dividend income	-	1,584	-	-	-	-
Units issued	-	-	-	-	800	-
Units redeemed	-	-	-	-	774	-
Purchase of securities	-	54,049	-	-	-	-
Sale of securities	-	289,605	-	245,427	-	-
Selling and marketing expense	6,257	-	-	-	-	-
Remuneration	15,642	-	2,616	-	-	-
CDC charges	-	-	67	-	-	-
Sales tax on management fee	2,033	-	-	-	-	-
Allocated expenses	1,564	-	-	-	-	-

----- (For the nine months period ended 31 March 2018) (Un-audited) -----						
<b>Transactions during the period</b>						
Mark-up on bank accounts	-	212	-	-	-	-
Bank charges	-	17	-	-	-	-
Units issued	-	-	-	-	500	-
Units redeemed	-	801,196	-	-	-	-
Purchase of securities	-	292,523	-	-	-	-
Sale of securities	-	31,743	-	-	-	-
Dividend received	-	2,387	-	-	-	-
Selling and marketing expense	6,980	-	-	-	-	-
Remuneration	17,449	-	2,820	-	-	-
Settlement charges	-	-	105	-	-	-
Sales tax on management fee	2,268	-	-	-	-	-
Allocated expenses	1,745	-	-	-	-	-

----- (As at 31 March 2019) (Un-audited) -----						
<b>Balances held</b>						
Units held (Number of units in '000)	-	-	-	-	56	-
Units held (Amount in '000)	-	-	-	-	7,660	-
Bank balances *	-	2,281	-	-	-	-
Deposits	-	-	-	-	-	-
Remuneration payable **	1,725	-	268	-	-	-
Sales load and other payable	228	42	-	-	-	-
Selling and marketing expense payable	1,863	-	-	-	-	-
Allocated expenses	153	-	-	-	-	-
Profit receivable	-	17	-	-	-	-
Investments	-	43,017	-	-	-	-

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

\*\* This balance is inclusive of Sindh Sales Tax payable

----- (As at 30 June 2018) (Audited) -----						
<b>Balances held</b>						
Units held (Number of units in '000)	-	-	-	-	56	-
Units held (Amount in '000)	-	-	-	-	7,572	-
Bank balances *	-	5,628	-	-	-	-
Remuneration payable **	2,095	-	302	-	-	-
Sales load and other payable	601	604	-	-	-	-
Selling & Marketing Expense Payable	2,266	-	-	-	-	-
Allocated expenses	376	-	-	-	-	-
Profit receivable	-	22	-	-	-	-
Settlement charges payable	-	-	-	-	-	-
Investments	-	40,977	-	-	-	-

\* These carry profit rate of 4% per annum.

\*\* This balance is inclusive of Sindh Sales Tax payable

## 15. 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).

As at March 31, 2019 and June 30, 2018, the Fund held the following instruments measured at fair values:

	Fair value		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
<b>March 31, 2019 (Un-audited)</b>			
<b>Financial assets measured at fair value</b>			
Investments in debt securities	-	149,217	-
Government securities-Pakistan Investment Bond	-	99,530	-
Quoted equity security	662,063	-	-
	<b>662,063</b>	<b>248,747</b>	<b>-</b>

	Fair value		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
<b>June 30, 2018 (Audited)</b>			
<b>Financial assets measured at fair value</b>			
Investments in debt securities	-	160,828	-
Government securities	-	-	-
Quoted equity security	856,846	-	-
Derivative asset	1,671	-	-
	<b>858,517</b>	<b>160,828</b>	<b>-</b>

**16. GENERAL**

**16.1** This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.

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

**17. DATE OF AUTHORISATION FOR ISSUE**

**17.1** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 29 April 2019.

**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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (for detail of others, please visit our website: <a href="http://www.ublfunds.com.pk">www.ublfunds.com.pk</a> )
<b>Auditors</b>	Deloitte- M. Yousuf Adil Saleem & Co.
<b>Bankers</b>	United Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited Silk Bank Limited Sindh Bank Limited Soneri Bank Limited National Bank of Pakistan
<b>Management Co. Rating</b>	AM 1 (JCR-VIS)

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

		(Un-audited) March 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2018
<b>ASSETS</b>			
Bank balances	4	415,548	581,965
Investments	5	5,827,466	6,413,217
Dividend and profit receivable		68,141	15,156
Security deposits, prepayments and other receivables		10,213	9,552
Advance tax	6	2,930	2,894
<b>Total assets</b>		<b>6,324,298</b>	<b>7,022,784</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company		20,248	22,147
Payable to Central Depository Company of Pakistan Limited - Trustee		699	761
Payable to Securities and Exchange Commission of Pakistan		4,980	6,565
Payable against purchase of investments		25,892	1,903
Accrued expenses and other liabilities	7	96,991	99,997
<b>Total liabilities</b>		<b>148,810</b>	<b>131,373</b>
<b>Net Assets</b>		<b>6,175,488</b>	<b>6,891,411</b>
<b>Unitholders' Fund (As Per Statement Attached)</b>		<b>6,175,488</b>	<b>6,891,411</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
		----- (Number of units) -----	
<b>Number of Units in Issue</b>		<b>95,360,122</b>	<b>100,596,734</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>64.76</b>	<b>68.51</b>
<b>Face Value per Unit</b>		<b>100</b>	<b>100</b>

The annexed notes from 1 to 15 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 STOCK ADVANTAGE FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Note	Nine months period ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(Rupees in '000)</b>					
<b>INCOME</b>					
Profit on bank deposits		35,213	38,946	11,907	12,013
Profit on Treasury Bills		6,006	-	-	-
Loss on sale of securities - net		(76,076)	(388,964)	(30,278)	(119,406)
Dividend income		241,963	229,003	60,175	60,220
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1	(425,200)	(246,358)	338,543	621,298
<b>Total income / (loss)</b>		<b>(218,094)</b>	<b>(367,373)</b>	<b>380,347</b>	<b>574,125</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company		104,848	101,972	31,801	33,376
Sindh sales tax on remuneration of Management Company		13,630	13,256	4,134	4,339
Allocated expenses		5,242	5,099	1,589	1,669
Selling and marketing expenses		20,970	20,395	6,360	6,676
Remuneration of Central Depository Company of Pakistan Limited - Trustee		6,772	6,610	2,075	2,165
Annual fee - Securities and Exchange Commission of Pakistan		4,980	4,844	1,510	1,586
Listing and rating fee		21	21	7	7
Auditors' remuneration		426	378	97	80
Brokerage and settlement charges		11,569	7,923	3,728	2,266
Legal and professional charges		124	240	42	43
Bank and other charges		158	180	55	43
<b>Total expenses</b>		<b>168,740</b>	<b>160,918</b>	<b>51,398</b>	<b>52,250</b>
<b>Net operating (loss) / income for the period</b>		<b>(386,834)</b>	<b>(528,291)</b>	<b>328,949</b>	<b>521,875</b>
Provision for Sindh Workers' Welfare Fund	7.2	-	-	-	-
<b>Net (loss) / income for the period before taxation</b>		<b>(386,834)</b>	<b>(528,291)</b>	<b>328,949</b>	<b>521,875</b>
Taxation	9	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(386,834)</b>	<b>(528,291)</b>	<b>328,949</b>	<b>521,875</b>
<b>Allocation of net income for the period</b>					
- Net loss for the period after taxation		-	-	-	-
- Income already paid on units redeemed		-	-	-	-
<b>Accounting income available for distribution :</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
<b>Earnings per unit</b>	10				

The annexed notes from 1 to 15 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 STOCK ADVANTAGE FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	<b>Nine months period ended</b>		<b>Quarter ended</b>	
	<b>March 31, 2019</b>	March 31, 2018	<b>March 31, 2019</b>	March 31, 2018
	<b>----- (Rupees in '000) -----</b>			
Net (loss) / income for the period after taxation	<b>(386,834)</b>	(528,291)	<b>328,949</b>	521,875
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to income statement</i>				
- Unrealized gain on re-measurement of investments classified as 'available for sale - net'	-	247,580	-	226,032
<i>Items that will not be reclassified subsequently to income statement</i>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(386,834)</b>	(280,711)	<b>328,949</b>	747,907

The annexed notes from 1 to 15 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 STOCK ADVANTAGE FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	<b>Nine months period ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	<b>(386,834)</b>	(528,291)
<b>Adjustments for non-cash charges and other items:</b>		
Profit on bank deposits	<b>(35,213)</b>	(38,946)
Loss on sale of securities - net	<b>76,076</b>	388,964
Dividend income	<b>(241,963)</b>	(229,003)
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	<b>425,200</b>	246,358
5.1		
	<b>224,100</b>	367,373
	<b>(162,734)</b>	(160,918)
<b>Decrease / (increase) in assets</b>		
Investments	<b>84,475</b>	420,818
Receivable against sale of investments		
Security deposits, prepayments and other receivables		(16,503)
Advance tax	<b>(661)</b>	(39)
	<b>83,814</b>	404,276
<b>Decrease / (Increase) in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	<b>(1,899)</b>	(5,170)
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>(62)</b>	(68)
Payable to Securities and Exchange Commission of Pakistan	<b>(1,585)</b>	(1,332)
Payable against purchase of investments	<b>23,989</b>	(3,943)
Accrued expenses and other liabilities	<b>(3,006)</b>	(36,867)
	<b>17,437</b>	(47,380)
<b>Cash (used in) / generated from operations</b>		
	<b>(61,483)</b>	195,978
Profit received on bank deposits	<b>34,783</b>	37,555
Dividend received	<b>189,408</b>	189,093
Advance income tax	<b>(36)</b>	-
	<b>162,672</b>	422,626
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	<b>3,702,765</b>	4,838,689
Net payments on redemption of units	<b>(4,031,854)</b>	(5,176,030)
<b>Net cash used in financing activities</b>	<b>(329,089)</b>	(337,341)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(166,417)</b>	85,285
<b>Cash and cash equivalents at the beginning of the period</b>	<b>581,965</b>	1,025,087
<b>Cash and cash equivalents at the end of the period</b>	<b>415,548</b>	1,110,372

The annexed notes from 1 to 15 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 STOCK ADVANTAGE FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

**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 (the Management Company - a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) 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 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, Pakistan.

The Fund is an open ended mutual fund categorised 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 (stable outlook) to the Management Company as on December 27, 2018.

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**

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are 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") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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, 2018.

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, 2018, 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 March 31, 2018.

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 March 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**

Items included in this 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, ACCOUNTING ESTIMATES AND JUDGEMENTS AND CHANGES THEREIN**

**3.1** The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2018, except as disclosed in paragraph 3.2.

### **3.2 Impact of initial application of IFRS 9 Financial Instruments**

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

IFRS 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting

#### **Classification and measurement of financial assets and financial liabilities**

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at 1 July 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9	Effect on July 01, 2018 on Retained Earnings
	Note			------(Rupees in '000')-----		
<b>Financial assets</b>						
Investments - equity securities	(a)	HFT/AFS	FVTPL	6,413,217	6,413,217	-
Bank balances	(b)	AC	AC	581,965	581,965	-
Dividend and profit receivable	(b)	LR	AC	15,156	15,156	-
Deposits and other receivables	(b)	LR	AC	9,552	9,552	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "AFS" is available for sale
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss

(a) Equity securities previously classified as financial assets at fair value through profit or loss - held for trading and financial assets at fair value through other comprehensive income - available for sale have now been classified under Fair value through profit and loss with all changes in fair value recognised in income statement.

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

## Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds till further instructions. Meanwhile, SECP circular 33 of 2012 shall continue to apply for impairment requirements.

## Transition

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

		(Unaudited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
<b>4. BANK BALANCES</b>			
- Profit and loss sharing accounts	4.1	415,459	581,871
- Current account		89	94
		<b>415,548</b>	581,965
		<b>415,548</b>	581,965

4.1 Profit rates on these profit and loss sharing accounts range between 3.75% to 10.10% per annum (June 30, 2018: 3.75% to 7.4% per annum).

		(Unaudited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
<b>5. INVESTMENTS</b>			
<b>Equity Securities</b>			
<b>At fair value through profit or loss</b>			
- Equity securities	5.1	5,827,466	2,909,511
- Letter of rights		-	12,156
<b>Available for sale</b>			
- Equity securities	3.2 & 5.2	-	3,491,550
		<b>5,827,466</b>	6,413,217
		<b>5,827,466</b>	6,413,217

## 5.1 Equity securities - At fair value through profit and loss

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

Name of Investee Company	As at July 1, 2018	Right/ Purchase / Transfer in / bonus received during the period (Refer Note 3.2)	Sold during the period	As at March 31, 2019	Total carrying value as at March 31, 2019	Total market value as at March 31, 2019	Appreciation/ (diminution) as at March 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of investment	Investment as a percentage of paid-up capital of investee company	
Note	Number of shares				Rupees in '000			Percentage			
<b>OIL AND GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited	80,300	130	80,430	-	-	-	-	0.00	0.00	0.00	
Sui Northern Gas Pipe Line Company	66,300	104,000	170,300	-	-	-	-	0.00	0.00	0.00	
Pakistan State Oil Company Limited	5.5	226,940	1,057,028	637,053	646,915	153,544	139,850	(13,694)	2.26	2.40	
						153,544	139,850	(13,694)	2.26	2.40	
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Company Limited	1,082,900	2,049,120	459,868	2,672,152	410,851	394,276	(16,575)	6.38	6.77	0.06	
Pakistan Petroleum Limited	736,500	1,335,635	703,718	1,368,417	251,716	253,143	1,428	4.10	4.34	0.06	
Pakistan Oilfields Limited	4,400	580,280	65,832	518,848	277,343	232,055	(45,289)	3.76	3.98	0.18	
Marri Petroleum Company Limited	210,710	134,026	4,884	339,852	462,520	423,197	(39,322)	6.85	7.26	0.28	
					1,402,430	1,302,672	(99,758)	21.09	22.35		
<b>INV.BANK/INV.COS/SECURITIES COS</b>											
Pakistan Stock Exchange Limited	143	-	143	-	-	-	-	0.00	0.00	0.00	
								0.00	0.00		
<b>FERTILIZER</b>											
Engro Corporation Limited	768,800	1,012,800	696,758	1,084,842	338,509	354,993	16,483	5.75	6.09	0.21	
Engro Fertilizers Limited	5.4	1,951,500	744,119	878,818	1,816,801	129,992	(7,374)	2.10	2.23	0.14	
Fauji Fertilizer Company Limited	700	1,872,500	414,791	1,458,409	145,163	152,345	7,182	2.47	2.61	0.11	
Fauji Fertilizer Bin Qasim Limited	-	3,983,500	919,576	3,063,924	118,817	104,909	(13,908)	1.70	1.80	0.33	
					739,855	742,239	2,384	12.02	12.74		
<b>CHEMICALS</b>											
I.C.I Pakistan Limited	112,850	14,889	127,739	-	-	-	-	0.00	0.00	0.00	
Engro Polymer & Chemicals Limited	1,870,000	3,971,173	1,974,775	3,866,398	121,775	140,428	18,652	2.27	2.41	0.43	
Sitara Chemical Industries	-	44,000	44,000	-	-	-	-	0.00	0.00	0.00	
Engro Polymer and Chemicals Limited (Right 1)	1,378,251	250,000	1,628,251	-	-	-	-	0.00	0.00	0.00	
Lotte Chemical Pakistan Limited	-	1,990,500	1,489,000	501,500	7,383	7,131	(252)	0.12	0.12	0.03	
					129,158	147,559	18,401	2.39	2.53		
<b>CEMENT</b>											
Cherat Cement Company Limited	507,100	459,500	950,145	16,455	1,527	1,034	(493)	0.02	0.02	0.01	
D.G. Khan Cement Company Limited	11,400	1,100,200	1,111,600	-	-	-	-	0.00	0.00	0.00	
Attock Cement Pakistan Limited	-	204,600	204,600	-	-	-	-	0.00	0.00	0.00	
Maple Leaf Cement Factory	-	5,000	5,000	-	-	-	-	0.00	0.00	0.00	
Fauji Cement Company Limited	-	5,000	5,000	-	-	-	-	0.00	0.00	0.00	
Kohat Cement Company Limited	826,900	1,834,900	84,090	2,577,710	241,965	221,245	(20,720)	3.58	3.80	1.28	
Lucky Cement Limited	5.4	276,100	457,456	468,198	223,905	200,501	(23,404)	3.25	3.44	0.14	
Pioneer Cement Limited	7,700	330,200	337,900	-	-	-	-	0.00	0.00	0.00	
					467,396	422,780	(44,617)	6.85	7.25		
<b>AUTOMOBILE ASSEMBLER</b>											
Honda Atlas Cars (Pakistan) Limited	204,250	97,000	301,250	-	-	-	-	0.00	0.00	0.00	
Milatt Tractors Limited	16,010	2,120	18,130	-	-	-	-	0.00	0.00	0.00	
Pak Suzuki Motor Company Limited	4,400	67,500	71,900	-	-	-	-	0.00	0.00	0.00	
					-	-	-	0.00	0.00		
<b>PAPER AND BOARD</b>											
Century Paper and Board Mills	875,200	605,083	440,211	1,040,072	66,271	52,524	(13,747)	0.85	0.90	0.71	
Cherat Packaging limited	545	73	618	-	-	-	-	0.00	0.00	0.00	
Packages Limited	-	96,500	-	96,500	36,224	36,647	423	0.59	0.63	0.11	
					102,494	89,170	(13,324)	0.85	0.90		
<b>INSURANCE</b>											
Adamjee Insurance Company Limited	-	5,044,000	573,985	4,470,015	208,156	179,024	(29,132)	2.90	3.07	1.28	
					208,156	179,024	(29,132)	2.90	3.07		
<b>CABLE &amp; ELECTRICAL GOODS</b>											
Pak Electron Limited	-	300,000	-	300,000	7,675	6,957	(718)	0.11	0.12	0.06	
					7,675	6,957	(718)	0.11	0.12		
<b>COMMERCIAL BANKS</b>											
Bank Alfalah Limited	1,925,000	7,583,200	686,611	8,821,589	415,309	415,232	(76)	6.72	7.13	0.50	
Habib Bank Limited	354,600	4,347,100	1,221,601	3,480,099	539,332	461,078	(78,253)	7.47	7.91	0.24	
National Bank Of Pakistan	-	1,696,000	1,695,674	326	17	13	(3)	0.00	0.00	0.00	
MCB Bank Limited	900	684,600	683,814	1,686	334	331	(2)	0.01	0.01	0.00	
United Bank Limited	550,000	4,306,700	1,157,809	3,698,891	577,320	516,106	(61,214)	8.36	8.86	0.30	
Faysal Bank Limited	5.5	3,197,400	2,425,550	44,364	1,153	1,044	(109)	0.02	0.02	0.00	
Allied Bank Limited	1,759,400	2,296,500	1,161,674	2,874,226	297,130	310,531	13,401	5.03	5.33	0.25	
Bank AlHabib Limited	-	942,500	939,000	3,500	297	300	3	0.00	0.01	0.00	
Standard Chartered Bank	-	642,000	642,000	-	-	-	-	0.00	0.00	0.00	
Meezan Bank Limited	-	146,323	146,323	-	-	-	-	0.00	0.00	0.00	
					1,830,891	1,704,637	(126,255)	27.60	29.25		
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	966,900	495,421	376,990	1,085,331	152,351	146,096	(6,254)	2.37	2.51	0.31	
Gul Ahmed Textile Mills Limited	-	3,846,000	1,318,379	2,527,621	110,052	143,999	33,947	2.33	2.47	0.71	
Kohinoor Textile Mills Limited	5.5	4,275	250,000	250,639	12,799	11,246	(1,553)	0.18	0.19	0.08	
					275,202	301,341	26,139	4.88	5.17		
<b>POWER GENERATION AND DISTRIBUTION</b>											
The Hub Power Company Limited	5.4	1,894,300	3,320,589	757,580	4,457,309	409,037	326,854	(82,182)	5.29	5.61	0.39
Saf Power Limited	-	1,552,500	22,184	1,530,316	40,509	35,396	(5,113)	0.57	0.61	0.40	
Lahor Power limited	-	2,023,000	21,357	2,001,643	36,570	28,003	(8,567)	0.45	0.48	0.53	
PakGen Power Limited	-	2,381,000	25,165	2,355,835	43,373	35,560	(7,813)	0.58	0.62	0.63	
K-Electric Limited (Face value of Rs. 3.5 per share)	-	14,810,000	8,778,953	6,031,047	34,428	33,714	(714)	0.55	0.58	0.02	
					563,917	459,917	(104,000)	7.45	7.89		
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
Thal Limited (Face Value Rs. 5 per share)	269,300	88,284	93,864	263,720	123,639	111,290	(12,349)	1.80	1.91	0.33	
					123,639	111,290	(12,349)	1.80	1.91		
<b>ENGINEERING</b>											
Amreli Steels Limited	16,500	826,100	842,543	57	4	2	(2)	0.00	0.00	0.00	
International Steels Limited	388,500	929,162	1,178,242	139,420	13,939	8,927	(5,012)	0.14	0.15	0.03	
Mughal Iron And Steel Industries Limited	2,500	-	2,500	-	-	-	-	0.00	0.00	0.00	
Aisha Steel Mills Limited	-	900	900	-	-	-	-	0.00	0.00	0.00	
Ittefaq Iron Industries Limited	466,000	215,000	681,000	-	-	-	-	0.00	0.00	0.00	
International Industries Limited	100	150,000	31,600	118,500	17,111	14,706	(2,405)	0.24	0.25	0.10	
					31,055	23,635	(7,420)	0.38	0.41		
<b>Refinery</b>											
National Refinery Limited	-	62,000	-	62,000	9,872	10,432	559	0.17	0.18	0.08	
					9,872	10,432	559	0.17	0.18		
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al Shaheer Corporation	5.5	1,892,225	1,121,743	780,550	2,233,418	60,613	40,157	(20,456)	0.65	0.69	1.57
					60,613	40,157	(20,456)	0.65	0.69		
<b>PHARMACEUTICALS</b>											
The Searle Company Limited	5.5	46,228	115,316	4,118	157,426	42,980	37,283	(5,697)	0.60	0.64	0.07
					42,980	37,283	(5,697)	0.60	0.64		
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Systems Limited	926,500	338,500	246,000	1,019,000	103,789	108,524	4,735	1.76	1.86	0.91	
					103,789	108,524	4,735	0.00	0.00		
<b>Total March 31, 2019 (Un-audited)</b>	<b>25,880,527</b>	<b>87,348,820</b>	<b>43,764,376</b>	<b>69,464,971</b>	<b>6,252,666</b>	<b>5,827,466</b>	<b>(425,200)</b>				
Total June 30, 2018 (Audited)					3,331,321	2,909,511	(421,810)				

## 5.2 Equity Securites - At available for sale

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

Name of Security	As at July 1, 2018	Purchased/ bonus received during the period	Transfer out during the period (Refer Note 3.2)	Sold during the period	As at March 31, 2019	Total carrying value as at March 31, 2019	Total market value as at March 31, 2019	Appreciation/ (diminution) as at March 31, 2019	Market value of investment as a percentage of net assets	Market value of investment as a percentage of total investment	Investment as a percentage of investees' paid up capital
	(Number of shares)					(Rupees '000)			%		
<b>Quoted investments</b>											
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	85,400	-	85,400	-	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	1,988,000	-	1,988,000	-	-	-	-	-	-	-	-
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Sui Northern Gas Pipelines Limited	104,000	-	104,000	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	284,600	-	284,600	-	-	-	-	-	-	-	-
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Co. Limited	1,301,300	-	1,301,300	-	-	-	-	-	-	-	-
Mari Petroleum Company Limited	29,660	-	29,660	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited	733,100	-	733,100	-	-	-	-	-	-	-	-
Pakistan Oilfields Limited	319,150	-	319,150	-	-	-	-	-	-	-	-
<b>PAPER &amp; BOARD</b>											
Century Paper & Board Mills Limited	38,500	-	38,500	-	-	-	-	-	-	-	-
Cherat Packaging Limited	73	-	73	-	-	-	-	-	-	-	-
<b>FERTILIZER</b>											
Engro Corporation Limited	598,300	-	598,300	-	-	-	-	-	-	-	-
Engro Fertilizers Limited	363,500	-	363,500	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	953,500	-	953,500	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	2,273,000	-	2,273,000	-	-	-	-	-	-	-	-
<b>CEMENT</b>											
Pioneer Cement Limited	134,500	-	134,500	-	-	-	-	-	-	-	-
Fauji Cement Co. Limited	5,000	-	5,000	-	-	-	-	-	-	-	-
Cherat Cement Company Limited	447,600	-	447,600	-	-	-	-	-	-	-	-
Lucky Cement Company Limited	41,350	-	41,350	-	-	-	-	-	-	-	-
Attock Cement Company Limited	204,600	-	204,600	-	-	-	-	-	-	-	-
Kohat Cement Company Limited	791,700	-	791,700	-	-	-	-	-	-	-	-
D.G.Khan Cement Co. Limited	443,600	-	443,600	-	-	-	-	-	-	-	-
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited	1,883,000	-	1,883,000	-	-	-	-	-	-	-	-
Pakgen Power Limited	1,751,000	-	1,751,000	-	-	-	-	-	-	-	-
Lalpir Power Limited	1,463,000	-	1,463,000	-	-	-	-	-	-	-	-
Saif Power Limited	1,279,000	-	1,279,000	-	-	-	-	-	-	-	-
K Electric Limited*	12,324,000	-	12,324,000	-	-	-	-	-	-	-	-
<b>ENGINEERING</b>											
Amrell Steels Limited	826,100	-	826,100	-	-	-	-	-	-	-	-
Aisha Steel Limited	271,900	-	271,900	-	-	-	-	-	-	-	-
Ittefaq Iron Industries Limited	215,000	-	215,000	-	-	-	-	-	-	-	-
International Steels Limited	649,600	-	649,600	-	-	-	-	-	-	-	-
<b>COMMERCIAL BANKS</b>											
Allied Bank Limited	1,886,000	-	1,886,000	-	-	-	-	-	-	-	-
Habib Bank Limited	2,336,000	-	2,336,000	-	-	-	-	-	-	-	-
MCB Bank Limited	292,000	-	292,000	-	-	-	-	-	-	-	-
Bank Alfalah Limited	5,345,500	-	5,345,500	-	-	-	-	-	-	-	-
Faysal Bank Limited	2,425,550	-	2,425,550	-	-	-	-	-	-	-	-
United Bank Limited	1,793,300	-	1,793,300	-	-	-	-	-	-	-	-
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Thal Limited	29,500	-	29,500	-	-	-	-	-	-	-	-
<b>AUTOMOBILE ASSEMBLER</b>											
Honda Atlas Cars (Pakistan) Limited	53,300	-	53,300	-	-	-	-	-	-	-	-
Millat Tractors Limited	5,120	-	5,120	-	-	-	-	-	-	-	-
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Systems Limited	283,500	-	283,500	-	-	-	-	-	-	-	-
<b>CHEMICAL</b>											
Engro Polymer and Chemicals Limited	1,140,000	-	1,140,000	-	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	240,500	-	240,500	-	-	-	-	-	-	-	-
I.C.I Pakistan Limited	400	-	400	-	-	-	-	-	-	-	-
<b>Total March 31, 2019 (Un-audited)</b>											
Total June 30, 2018 (Audited)						3,576,651	3,491,550	(85,101)			

\*All shares have nominal face value of Rs.10 each except for the shares of Thal limited, K Electric Limited which have a face value of Rs. 5 and Rs. 3.5 each respectively.

### 5.3 Government securities

Issue Date	Tenor	Face value				Market value as at March 31, 2019	Market Value as a percentage of	
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019		Net assets	Market value of total investments

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

#### Market treasury bills

11-Oct-2018	3 months	-	500,000	500,000	-	-
06-Dec-2018	3 months	-	250,000	250,000	-	-
		-	<b>750,000</b>	<b>750,000</b>	-	-

**Carrying value before marked to market as at 31 March 2019**

**-**

**5.3.1** The effective yield on market treasury bills is 8.71% & 10.27% (30 June 2018: Nil) per annum.

**5.4** The above equity securities include 1.654 million shares (June 30, 2018: 1.654 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs.129.265 million (June 30, 2018: Rs. 139.031 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

**5.5** The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 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 and Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court 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 honourable 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. 13.42 million (June 30, 2018: Rs. 16.6 million) at year 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 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 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" date 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, 150A and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

## **7. ACCRUED EXPENSES AND OTHER LIABILITIES**

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

This includes provision for federal excise duty (FED) as at March 31, 2019 amounting to Rs. 34.896 million (June 30, 2018: 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 13.1 to the annual audited financial statements for the year ended June 30, 2018. 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. 0.37 (June 30, 2018: Re. 0.35).

### **7.2 Provision for Sindh Workers' Welfare Fund**

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at March 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 0.80 (June 30, 2018: Re. 0.49). The details regarding this provision are disclosed in note 13.2 to the annual audited financial statements for the year ended June 30, 2018.

Further, as disclosed in note 13.2 to the annual financial statements for the year ended June 30, 2018, 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 13.2 to the annual audited financial statements for the year ended June 30, 2018.

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

## **9. TAXATION**

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 period. Since the Fund has incurred net loss during the nine months period ended March 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 Income Tax Ordinance, 2001.

## 10. 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 for calculating EPU is not practicable.

## 11. 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 2.42% as on December 31, 2018 (June 30, 2018: 3.13%) and this includes 0.30% (June 30, 2018: 0.37%) representing Sindh Workers' Welfare Fund and SECP fee.

## 12. 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 at reporting date 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).

ASSETS	(Un-audited)			
	March 31, 2019			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through profit or loss				
- Equity securities	5,827,466	-	-	5,827,466

ASSETS	(Audited)			
	June 30, 2018			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through				
Held for trading				
- Equity securities	2,909,511	-	-	2,909,511
- Letter of rights	12,156	-	-	12,156
Available for sale				
- Equity securities	3,491,550	-	-	3,491,550
	6,413,217	-	-	6,413,217

12.1 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.

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

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

- 13.1 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.
- 13.2 Transactions with connected persons are in the normal course of business, at agreed / contracted rates.
- 13.3 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.
- 13.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 13.5 Details of transactions with related parties / connected persons during the period and balances held with them at the nine months period ended March 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
--------------------	--	---------	-------------------------------	---------------------------------	---

----- Nine months period ended March 31, 2019 -----

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

#### Transactions during the period

Profit on bank deposits	-	2,519	-	-	-
Bank charges	-	38	-	-	-
Value of units issued	257,704	-	-	5,064	750,000
Value of units redeemed	357,913	3,600	-	4,591	-
Purchase of securities	-	-	59,754	-	-
Sale of securities	-	-	36,983	-	-
Dividend received	-	25,932	-	-	-
Remuneration (including sales tax)	118,478	-	6,772	-	-
Allocation of expenses	5,242	-	-	-	-
CDS expenses	-	-	306	-	-
Selling and marketing expense	20,970	-	-	-	-

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

----- Nine months ended March 31, 2018 -----

----- (Units in '000) -----

Transactions during the period

Units issued	815,646	5,300	-	-	29,827	432,654
Units redeemed	785,762	-	-	-	27,905	375,986

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

Profit on bank deposits	-	2,986	-	-	-	-
Bank charges	-	52	-	-	-	-
Purchase of securities	-	276,711	-	-	-	-
Sale of securities	-	239,876	-	-	-	-
Dividend received	-	15,810	-	-	-	-
Remuneration expense (including sales tax)	115,228	-	6,610	-	-	-
Allocation of expenses	5,099	-	-	-	-	-
CDS expenses	-	-	480	-	-	-
Selling And Marketing Expense	13,719	-	-	-	-	-

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

----- As at March 31, 2019 -----

----- (Units in '000) -----

Balances held

Units held	<b>2,228</b>	<b>16</b>	-	-	<b>208</b>	<b>11,096</b>
------------	--------------	-----------	---	---	------------	---------------

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

Units held	<b>144,262</b>	<b>1,019</b>	-	-	<b>13,496</b>	<b>718,597</b>
Bank balances	-	<b>11,025</b>	-	-	-	-
Deposits	-	-	<b>100</b>	-	-	-
Investments	-	<b>516,106</b>	-	-	-	-
Profit receivable	-	<b>139</b>	-	-	-	-
Remuneration payable	<b>12,056</b>	-	<b>699</b>	-	-	-
Sales load payable	<b>1,216</b>	<b>40</b>	-	-	-	-
Conversion charges payable	<b>66</b>	-	-	-	-	-
Allocated expenses payable	<b>533</b>	-	-	-	-	-
Selling and marketing expense payable	<b>6,360</b>	-	-	-	-	-
Other Payable	<b>17</b>	-	-	-	-	-

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

As at June 30, 2018

(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.

**14. GENERAL**

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

14.2 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.

**15. DATE OF AUTHORISATION FOR ISSUE**

15.1 This condensed interim financial information was authorised for issue on April 29, 2019 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

# 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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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>	United Bank Limited JS Bank Limited Soneri Bank Limited
<b>Management Co. Rating</b>	AM1(JCR-VIS)

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
Note	----- (Rupees in '000) -----		
<b>ASSETS</b>			
Bank balances	5	7,245	3,330
Investments	6	211,912	42,907
Dividend, mark-up and other receivable		2,642	95
Advance tax	7.	42	29
Deposits and other receivables		3,183	2,500
Preliminary expenses and floatation costs		260	306
<b>TOTAL ASSETS</b>		<b>225,284</b>	<b>49,167</b>
<b>LIABILITIES</b>			
Payable to the Management Company		916	2,937
Payable to the Trustee		45	10
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		106	5
Accrued and other liabilities	10.	572	405
<b>TOTAL LIABILITIES</b>		<b>1,639</b>	<b>3,357</b>
<b>NET ASSETS</b>		<b>223,645</b>	<b>45,810</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>223,645</b>	<b>45,810</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11.	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,422,858</b>	<b>466,825</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>92.3064</b>	<b>98.1306</b>

The annexed notes from 1 to 16 form an integral part of of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH, 2019 (UN-AUDITED)**

	Nine months period ended March 31, 2019	Quarter ended March 31, 2019
<b>INCOME</b>		
Mark-up on bank account	809	398
Net capital gain on redemption and sale of investments	1,133	1,928
Dividend income	4,439	2,275
Net unrealised (loss)/ gain on revaluation of investments classified as 'at fair value through profit or loss'	(5,499)	5,480
<b>Total income</b>	<b>882</b>	<b>10,081</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	2,229	1,182
Sales tax on management fee	290	154
Allocated expenses by the Management Company	111	59
Selling and marketing expenses	446	237
Remuneration of the Trustee	223	119
Sales tax on remuneration of the Trustee	29	15
Annual fee to SECP	106	56
Amortization of preliminary expenses and floatation costs	47	16
Brokerage expenses	453	152
Auditors' remuneration	262	56
Custody and settlement charges	124	41
Bank charges and other expenses	162	43
<b>Total expenses</b>	<b>4,482</b>	<b>2,130</b>
<b>Net operating loss for the period</b>	<b>(3,600)</b>	<b>7,951</b>
<b>Net (loss) / income for the period before taxation</b>	<b>(3,600)</b>	<b>7,951</b>
Taxation	12. -	-
<b>Net (loss) / income for the period after taxation</b>	<b>(3,600)</b>	<b>7,951</b>
<i>Allocation of net income for the period:</i>		
Net income for the period after taxation	-	-
Income already paid on units redeemed	-	-
<i>Accounting income available for distribution</i>		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
<b>Earning per unit</b>	8.	

The annexed notes from 1 to 16 form an integral part of of this condensed interim financial information.

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

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

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

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

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH, 2019 (UN-AUDITED)**

	Nine months March 31, 2019 ----- (Rupees in '000) -----	Quarter ended March 31, 2019 -----
Other comprehensive (loss) / income for the period:	(3,600)	7,951
<b>To be reclassified to income statement in subsequent periods:</b>		
Net unrealised diminution on re-measurement of investments classified as 'fair value'	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(3,600)</b>	<b>7,951</b>

The annexed notes from 1 to 16 form an integral part of of this condensed interim financial information.

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

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

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

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

**UBL DEDICATED EQUITY FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)**

	Nine months period ended March 31, 2019 <hr style="border: 0.5px solid black;"/> (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period before taxation	(3,600)
<b>Adjustments for:</b>	
Mark-up on bank account	(809)
Net capital gain on redemption and sale of investments	(1,133)
Dividend income	(4,439)
Net unrealised (loss)/ gain on revaluation of investments classified as 'at fair value through profit or loss'	5,499
Amortization of preliminary expenses and floatation costs	47
	(835)
<b>Increase in assets</b>	
Investments	(173,372)
Advance tax	(13)
Deposits and other receivable	(683)
	(174,068)
<b>(Decrease) / Increase in liabilities</b>	
Payable to the Management Company	(2,021)
Payable to the Trustee	35
Annual fee payable to SECP	101
Accrued and other liabilities	167
	(1,718)
Mark-up and dividend received	2,701
<b>Net cash used in operating activities</b>	<hr style="border: 0.5px solid black;"/> (177,520)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net receipt from issuance of units	308,404
Net payment against redemption of units	(126,969)
<b>Net cash generated from financing activities</b>	181,435
<b>Net increase in cash and cash equivalents during the period</b>	3,915
Cash and cash equivalents at beginning of the period	3,330
<b>Cash and cash equivalents at end of the period</b>	<hr style="border: 0.5px solid black;"/> <b>7,245</b> <hr style="border: 0.5px solid black;"/>
<b>CASH AND CASH EQUIVALENTS</b>	
Bank balances	<hr style="border: 0.5px solid black;"/> <b>7,245</b> <hr style="border: 0.5px solid black;"/>

The annexed notes from 1 to 16 form an integral part of of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL DEDICATED EQUITY FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)**

	Nine months period ended March 31, 2019			
	Capital value	Undistributed Income	Unrealised appreciation on investments classified as 'OCI' - net	Total
	----- (Rupees in '000) -----			
<b>Net assets at beginning of the period</b>	46,598	-	(788)	45,810
Effect of change in accounting policy (see note 4.2)	-	(788)	788	-
Amount received on issuance of 3,294,112 units				
Capital value	323,253	-	-	323,253
Element of income during the period;				
- Relating to net income for the period after taxation	(14,849)	-	-	(14,849)
	308,404	-	-	308,404
Amount paid on redemption of 1,338,079 units				
Capital value	(131,306)	-	-	(131,306)
Element of income during the period;				
- Relating to income earned	4,337	-	-	4,337
	(126,969)	-	-	(126,969)
Total comprehensive (loss) / income for the period	-	(3,600)	-	(3,600)
Distribution during the period	-	-	-	-
Net (loss) / income for the period less distribution	-	(3,600)	-	(3,600)
<b>Net assets at end of the period</b>	<b>228,033</b>	<b>(4,388)</b>	<b>-</b>	<b>223,645</b>
<b>Undistributed income brought forward:</b>				
- Realised	-	-	-	-
- Unrealised	-	-	-	-
	-	-	-	-
Effect of change in accounting policy (see note 4.2)	-	(788)	-	(788)
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	-	-	-	-
Net loss for the period after taxation	-	(3,600)	-	(3,600)
Distribution during the period	-	-	-	-
<b>Undistributed loss carried forward</b>	<b>-</b>	<b>(4,388)</b>	<b>-</b>	<b>(4,388)</b>
<b>Undistributed loss carried forward</b>				
- Realised	-	1,111	-	1,111
- Unrealised	-	(5,499)	-	(5,499)
	-	(4,388)	-	(4,388)
				-- (Rupees) --
<b>Net assets value per unit at beginning of the period</b>				<b>98.1306</b>
<b>Net assets value per unit at end of the period</b>				<b>92.3064</b>

The annexed notes from 1 to 16 form an integral part of of this condensed interim financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Director

SD  
Chief Financial Officer

**UBL DEDICATED EQUITY FUND**  
**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)**

**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 JCR - VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 27, 2018.
- 1.6 As per the Offering Document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, the first financial statements were prepared from May 28, 2018 to June 30, 2018. Therefore no comparative figures are available for condensed interim income statement, condensed interim statement of comprehensive income and
- 1.7 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. STATEMENT OF COMPLIANCE**

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

**3. BASIS OF PREPARATION**

- 3.1 This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.
- 3.2 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.

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

- 4.1 The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 4.2.

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.

- 4.2 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 01, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

##### Classification and measurement of financial assets and financial liabilities

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 01, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Revised carrying amount under IFRS 9
Note				----- (Rupees in '000) -----	
Equity securities	(a)	Available for sale	FVTPL	42,803	42,803
Right shares	(b)	Held for Trading	FVTPL	104	104
Bank balances	(c)	Loans and receivables	Amortised cost	3,330	3,330
Deposits and other receivables	(c)	Loans and receivables	Amortised cost	2,500	2,500
Dividend, mark-up and other receivable	(c)	Loans and receivables	Amortised cost	95	95

(a) These financial assets classified as 'Held for trading ' have been classified as fair value through profit and loss (FVTPL)

(b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).

(c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

#### Impairment of financial assets

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

#### Transition

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Note	----- (Rupees in '000) -----	
<b>5. BANK BALANCES</b>		
Bank account - saving account	5.1 <u>7,245</u>	<u>3,330</u>
5.1 These carry mark-up at the rates ranging from 3.75% to 11.10% (June 2018: 3.75%) per annum and include a balance of Rs.7.23 (June 2018: Rs.3.33) million held with United Bank Limited (a related party).		
<b>6. INVESTMENTS</b>		
<b>Investments by Category</b>		
<b>At fair value through profit or loss</b>		
- Equity securities - listed	6.1 211,912	0
- Right shares	0	104
<b>Other comprehensive income</b>		
- Equity securities - listed	0	42,803
	<u>211,912</u>	<u>42,907</u>

## 6.1 Equity securities classified as '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 March 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, 2018	Reclassification from OCI	Purchased during the period	Sold during the period	As at March 31, 2019	Carrying value	Market value				(Diminution) / appreciation
----- (Rupees in '000) -----												
<b>Cement</b>												
D.G. Khan Cement Company Limited	-		3,000	2,400	5,400	-	-	-	0.00%	0.00%	0.00%	
Kohat Cement Company Limited	-		16,000	62,940	2,500	76,440	6,677	6,561	(116)	2.93%	3.10%	0.04%
Lucky Cement Company Limited	-		2,100	26,908	8,800	20,208	9,190	8,654	(536)	3.87%	4.08%	0.01%
Pioneer Cement Limited	-		9,000	-	9,000	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company limited	-		-	845	845	-	-	-	-	0.00%	0.00%	0.00%
							<b>15,867</b>	<b>15,215</b>	<b>(652)</b>	<b>6.80%</b>	<b>7.18%</b>	<b>0.04%</b>
<b>Oil and gas exploration companies</b>												
Mari Petroleum Company Limited	-		2,500	10,318	720	12,098	16,782	15,065	(1,717)	6.74%	7.11%	0.01%
Oil & Gas Development Company Limited	6.1.1	-	14,400	56,368	8,200	62,568	9,301	9,232	(69)	4.13%	4.36%	0.00%
Pakistan Oilfields Limited	-		-	22,452	4,400	18,052	8,951	8,074	(877)	3.61%	3.81%	0.01%
Pakistan Petroleum Limited	-		12,900	65,063	26,900	51,063	8,664	9,446	782	4.22%	4.46%	0.00%
							<b>43,698</b>	<b>41,817</b>	<b>(1,881)</b>	<b>18.70%</b>	<b>19.73%</b>	<b>0.02%</b>
<b>Oil and gas marketing companies</b>												
Pakistan State Oil Company Limited	-		2,900	32,453	8,000	27,353	6,342	5,913	(429)	2.64%	2.79%	0.01%
							<b>6,342</b>	<b>5,913</b>	<b>(429)</b>	<b>2.64%</b>	<b>2.79%</b>	<b>0.01%</b>
<b>Food and personal care products</b>												
Al Shaheer Corporation Limited	-		20,000	40,050	30,500	29,550	750	531	(219)	0.24%	0.25%	0.02%
							<b>750</b>	<b>531</b>	<b>(219)</b>	<b>0.24%</b>	<b>0.25%</b>	<b>0.02%</b>
<b>Fertilizer</b>												
Engro Fertilizers Limited	6.1.1	-	21,500	48,818	20,000	50,318	3,835	3,600	(235)	1.61%	1.70%	0.00%
Engro Corporation Limited	-		10,600	44,158	18,400	36,358	11,056	11,897	841	5.32%	5.61%	0.01%
Fauji Fertilizer Company Limited	-		4,500	64,791	17,000	52,291	4,733	5,462	729	2.44%	2.58%	0.00%
Fauji Fertilizer Bin Qasim Limited	-		12,500	131,576	29,500	114,576	4,168	3,923	(245)	1.75%	1.85%	0.01%
							<b>23,792</b>	<b>24,882</b>	<b>1,090</b>	<b>11.13%</b>	<b>11.74%</b>	<b>0.03%</b>
<b>Chemicals</b>												
Engro Polymer & Chemicals Limited	-		20,000	98,613	9,000	109,613	3,503	3,981	478	1.78%	1.88%	0.01%
I. C. I. Pakistan Ltd	-		-	1,069	1,019	50	31	33	2	0.01%	0.02%	0.00%
Lotte Chemical Pakistan Limited	-		-	21,000	21,000	-	-	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	-		-	13,100	-	13,100	4,398	3,930	(468)	1.76%	1.85%	0.06%
							<b>7,932</b>	<b>7,944</b>	<b>12</b>	<b>3.55%</b>	<b>3.75%</b>	<b>0.07%</b>
<b>Technology and communication</b>												
Systems Limited	-		10,000	38,000	5,500	42,500	4,430	4,526	96	2.02%	2.14%	0.04%
							<b>4,430</b>	<b>4,526</b>	<b>96</b>	<b>2.02%</b>	<b>2.14%</b>	<b>0.04%</b>
<b>Automobile parts and accessories</b>												
Thal Limited *	-		600	4,014	800	3,814	1,574	1,610	36	0.72%	0.76%	0.00%
							<b>1,574</b>	<b>1,610</b>	<b>36</b>	<b>0.72%</b>	<b>0.76%</b>	<b>0.00%</b>
<b>Leather and Tanneries</b>												
Service Industries Limited	-		-	4,650	-	4,650	3,463	3,092	(371)	1.38%	1.46%	0.00%
							<b>3,463</b>	<b>3,092</b>	<b>(371)</b>	<b>1.38%</b>	<b>1.46%</b>	<b>0.00%</b>
<b>Automobile assembler</b>												
Honda Atlas Cars (Pakistan) Limited	-		-	6,164	6,164	-	-	-	-	0.00%	0.00%	0.00%
							<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Engineering</b>												
Aisha Steel Limited	-		21,000	-	21,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	-		7,000	27,442	34,442	-	-	-	-	0.00%	0.00%	0.00%
International Industries Limited	-		-	11,300	6,100	5,200	915	645	(270)	0.29%	0.30%	0.00%
							<b>915</b>	<b>645</b>	<b>(270)</b>	<b>0.29%</b>	<b>0.30%</b>	<b>0.00%</b>

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

Name of Investee Company	Note	As at July 01, 2018	Number of shares				Balance as at March 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
			Reclassification from OCI	Purchased during the period	Sold during the period	As at March 31, 2019	Carrying value	Market value	Appreciation / (diminution)			
----- (Rupees in '000) -----												
<b>Insurance</b>												
Adamjee Insurance Company Limited	-		23,500	168,985	-	192,485	8,418	7,709	(709)	3.45%	3.64%	0.05%
							<b>8,418</b>	<b>7,709</b>	<b>(709)</b>	<b>3.45%</b>	<b>3.64%</b>	<b>0.05%</b>
<b>Commercial banks</b>												
Allied Bank Limited	-		36,500	99,174	24,000	111,674	11,209	12,065	856	5.39%	5.69%	0.01%
Bank Alfalah Limited	-		44,000	359,961	97,500	306,461	14,534	14,425	(109)	6.45%	6.81%	0.02%
Faysal Bank Limited	-		35,000	16,586	51,500	86	2	2	-	0.00%	0.00%	0.00%
Habib Bank Limited	6.1.1	-	17,000	154,801	35,100	136,701	18,544	18,112	(432)	8.10%	8.55%	0.01%
United Bank Limited	-		13,000	164,009	52,400	124,609	18,027	17,387	(640)	7.77%	8.20%	0.01%
Bank AL Habib Limited	-		-	35,000	35,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	-		-	15,714	15,714	-	-	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan	-		-	37,174	36,000	1,174	56	47	(9)	0.02%	0.02%	0.00%
							<b>62,372</b>	<b>62,038</b>	<b>(334)</b>	<b>27.74%</b>	<b>29.28%</b>	<b>0.05%</b>
<b>Textile composite</b>												
Nishat Mills Limited	-		9,700	44,490	13,300	40,890	5,309	5,504	195	2.46%	2.60%	0.01%
Gul Ahmed Textile Mills Limited	-		20,000	107,879	54,500	73,379	3,392	4,180	788	1.87%	1.97%	0.02%
Kohinoor Textile Mills Limited	-		-	3,636	-	3,636	171	163	(8)	0.07%	0.08%	0.00%
							<b>8,872</b>	<b>9,847</b>	<b>975</b>	<b>4.40%</b>	<b>4.65%</b>	<b>0.03%</b>
<b>Power generation and distribution</b>												
The Hub Power Company Limited	-		39,500	158,580	55,500	142,580	12,332	10,455	(1,877)	4.67%	4.93%	0.01%
Pakgen Power Limited	-		25,000	121,165	-	146,165	2,497	2,230	(267)	1.00%	1.05%	0.04%
K-Electric Limited **	-		75,000	251,453	87,500	238,953	1,397	1,336	(61)	0.60%	0.63%	0.00%
Lalpir Power Limited	-		-	21,357	-	21,357	348	299	(49)	0.13%	0.14%	0.01%
Saif Power Limited	-		-	70,684	-	70,684	1,797	1,635	(162)	0.73%	0.77%	0.02%
							<b>18,371</b>	<b>15,955</b>	<b>(2,416)</b>	<b>7.13%</b>	<b>7.54%</b>	<b>0.08%</b>
<b>Paper and board</b>												
Century Paper & Board Mills	-		-	47,711	4,500	43,211	2,388	2,182	(206)	0.98%	1.03%	0.03%
Packages Limited	-		-	6,900	600	6,300	2,469	2,392	(77)	1.07%	1.13%	0.01%
							<b>4,857</b>	<b>4,574</b>	<b>(283)</b>	<b>2.05%</b>	<b>2.16%</b>	<b>0.04%</b>
<b>Pharmaceuticals</b>												
Ferozsons Laboratories Limited	-		-	16,500	9,800	6,700	1,139	1,310	171	0.59%	0.62%	0.02%
The Searle Company Limited	-		-	7,710	-	7,710	1,992	1,826	(166)	0.82%	0.86%	0.00%
							<b>3,131</b>	<b>3,136</b>	<b>5</b>	<b>1.40%</b>	<b>1.48%</b>	<b>0.03%</b>
<b>Miscellaneous</b>												
Synthetic Products Limited	-		-	75,000	-	75,000	2,627	2,478	(149)	1.11%	1.17%	0.09%
							<b>2,627</b>	<b>2,478</b>	<b>(149)</b>	<b>1.11%</b>	<b>1.17%</b>	<b>0.09%</b>
<b>Total as at March 31, 2019</b>							<b>217,411</b>	<b>211,912</b>	<b>(5,499)</b>			

\* These have a face value of Rs.5 per share.

\*\* These have a face value of Rs.3.5 per share.

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	March 31, 2019	
	(Number of shares)	(Rupees in '000)
Oil & Gas Development Company Limited	14,400	2,125
Engro Fertilizers Limited	14,000	1,002
Habib Bank Limited	9,000	1,192
	<b>37,400</b>	<b>4,319</b>

**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 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 2019.

**8. 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.

**9. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 3.02% as on March 31, 2019 and this includes 0.35% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

**10. ACCRUED AND OTHER LIABILITIES**

**10.1 Provision for indirect taxes and duties**

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.01 (June 30, 2018: Re.0.03).

**11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 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. Since the Fund has incurred a net loss during the period, no provision for taxation has been made in these interim financial statements.

## **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 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 2019.

## **8. 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.

## **9. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 3.02% as on March 31, 2019 and this includes 0.35% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

## **10. ACCRUED AND OTHER LIABILITIES**

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

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.01 (June 30, 2018: Re.0.03).

## **11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 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. Since the Fund has incurred a net loss during the period, no provision for taxation has been made in these interim financial statements.

## **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 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 2019.

## **8. 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.

## **9. TOTAL EXPENSE RATIO**

Total Expense Ratio of the Fund is 3.02% as on March 31, 2019 and this includes 0.35% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

## **10. ACCRUED AND OTHER LIABILITIES**

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

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.01 (June 30, 2018: Re.0.03).

## **11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 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. Since the Fund has incurred a net loss during the period, no provision for taxation has been made in these interim financial statements.





# 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 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited (for detail of others, please visit our website: <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 United Bank Limited Soneri Bank Limited
<b>Management Co. Rating</b>	AM1 (JCR-VIS)

**UBL FINANCIAL SECTOR FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2019**

		<b>March 31, 2019 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>ASSETS</b>			
Bank balances	4	83,891	112,287
Investments	5	875,679	295,416
Mark-up Receivable		1,869	357
Dividend Receivable		14,422	-
Deposits, prepayments and other receivables		3,234	3,515
Preliminary expenses and floatation costs		961	1,141
Advance tax	6	39	-
<b>TOTAL ASSETS</b>		<u>980,095</u>	<u>412,716</u>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company		5,029	6,309
Payable to Central Depository Company of Pakistan Limited - Trustee		180	39
Payable to Securities and Exchange Commission of Pakistan		387	40
Accrued expenses and other liabilities	7	3,303	34,175
<b>TOTAL LIABILITIES</b>		<u>8,899</u>	<u>40,563</u>
<b>NET ASSETS</b>		<u>971,196</u>	<u>372,153</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>971,196</u>	<u>372,153</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	<b>----- (Number of units) -----</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>11,311,856</u>	<u>4,079,679</u>
		<b>----- (Rupees) -----</b>	
<b>NET ASSETS VALUE PER UNIT</b>		<u>85.8565</u>	<u>91.2211</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	Note	Nine Months Period Ended March 31, 2019 ----- (Rupees in '000) -----	Quarter ended March 31, 2019
<b>INCOME</b>			
Financial income		3,222	2,034
Dividend income		24,387	14,422
Capital loss on sale of investments - net		(8,768)	(940)
Unrealised (loss) / gain on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net		(44,402)	7,820
Other income		36	7
<b>Total (loss) / income</b>		<u>(25,525)</u>	<u>23,343</u>
<b>EXPENSES</b>			
Remuneration of UBL Fund Managers Limited - Management Company		8,152	3,623
Sindh Sales Tax on Management Company's remuneration		1,060	471
Allocated expenses		408	182
Remuneration of Central Depository Company of Pakistan Limited - Trustee		921	409
Annual fee of Securities and Exchange Commission of Pakistan		387	172
Bank charges		28	6
Auditors' remuneration		165	48
Brokerage and settlement expenses		2,580	1,632
Listing fee		21	7
Legal and professional charges		157	50
Amortization of preliminary expenses and floatation costs		180	59
Selling and marketing expenses		1,630	724
<b>Total operating expenses</b>		<u>15,689</u>	<u>7,383</u>
<b>Operating (loss) / income for the period</b>		<u>(41,214)</u>	<u>15,960</u>
Provision for Sindh Workers' Welfare Fund	7.1	-	-
<b>Net (loss) / income for the period before taxation</b>		<u>(41,214)</u>	<u>15,960</u>
Taxation	9	-	-
<b>Net (loss) / income for the period after taxation</b>		<u>(41,214)</u>	<u>15,960</u>
<b>Allocation of net income for the period</b>			
Income already paid on units redeemed		-	-
<b>Net (loss) / income for the period</b>		<u>(41,214)</u>	<u>15,960</u>
<b>Income available for distribution:</b>			
Relating to capital gains		-	-
Excluding capital gains		-	-
<b>Earnings per unit</b>	10	<u>-</u>	<u>-</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019**

	<b>Nine Months Period Ended March 31, 2019</b>	<b>Quarter ended March 31, 2019</b>
	----- (Rupees in '000) -----	
Net (loss) / income for the period	(41,214)	15,960
Other comprehensive income		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u><u>(41,214)</u></u>	<u><u>15,960</u></u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2019**

**Nine Months  
Period Ended  
March 31,  
2019  
(Rupees in '000)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss for the period before taxation	(41,214)
<b>Adjustments for:</b>	
Financial income	(3,222)
Dividend income	(24,387)
Capital loss on sale of investments - net	8,768
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	44,402
Amortization of preliminary expenses and floatation costs	180
	<u>25,741</u>
<b>Cash used in operations before working capital changes</b>	<b>(15,473)</b>
<b>Working capital changes</b>	
<b>(Increase) / decrease in assets</b>	
Investments - net	(633,433)
Advance tax	(39)
Deposits, prepayments and other receivables	281
	<u>(633,191)</u>
<b>(Decrease) / increase in liabilities</b>	
Payable to UBL Fund Managers Limited - Management Company	(1,280)
Payable to Central Depository Company of Pakistan Limited - Trustee	141
Annual fee payable to Securities and Exchange Commission of Pakistan	347
Accrued expenses and other liabilities	(30,872)
	<u>(31,664)</u>
Profit received on bank balances	1,710
Dividend received	9,965
<b>Net cash used in operating activities</b>	<b>(668,653)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Receipts from issuance of units	1,107,920
Payment against redemption of units	(467,663)
<b>Net cash generated from financing activities</b>	<b>640,257</b>
Net decrease in cash and cash equivalents	(28,396)
Cash and cash equivalents at the beginning of the period	112,287
<b>Cash and cash equivalents at the end of the period</b>	<b>83,891</b>

The annexed notes from 1 to 16 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 MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	-----Nine Months Period Ended March 31, 2019-----			
	Capital value	Undistributed loss	Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' (March 31, 2019: 'available for sale' - net	Total
	----- (Rupees in '000) -----			
Net assets at the beginning of the period	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 12,696,296 units				
Capital value of units	1,158,170	-	-	1,158,170
Element of loss				
Due to net loss incurred	(50,250)	-	-	(50,250)
<b>Total proceeds on issuance of units</b>	1,107,920	-	-	1,107,920
Redemption of 5,464,119 units				
Capital value of units	(498,444)	-	-	(498,444)
Element of loss	-	-	-	-
Due to net loss incurred	30,781	-	-	30,781
<b>Total payments on redemption of units</b>	(467,663)	-	-	(467,663)
Total comprehensive loss for the period	-	(41,214)	-	(41,214)
<b>Net assets at the end of the period</b>	<u>1,028,103</u>	<u>(56,907)</u>	<u>-</u>	<u>971,196</u>
Undistributed loss / Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' brought forward comprises of:				
Realised loss		(119)	-	(119)
Unrealised loss		-	(15,574)	(15,574)
Total undistributed loss brought forward		(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	-	-	-	-
Excluding capital gains	-	-	-	-
<b>Net loss for the period</b>		(41,214)	-	(41,214)
<b>Undistributed loss carried forward</b>		<u>(56,907)</u>	<u>-</u>	<u>(56,907)</u>
<b>Undistributed loss carried forward comprises of:</b>				
Realised loss		(12,505)	-	(12,505)
Unrealised loss		(44,402)	-	(44,402)
<b>Total undistributed loss carried forward</b>		<u>(56,907)</u>	<u>-</u>	<u>(56,907)</u>
				<b>(Rupees)</b>
Net assets value per unit at the beginning of the period				<u>91.2211</u>
Net assets value per unit at the end of the period				<u>85.8565</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 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 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 27, 2018. The Management Company is obliged to obtain a rating of the Fund, once the Fund becomes eligible for rating as per the criteria of the rating agency. However, criteria of rating agency requires a minimum performance history of one year for the funds to become eligible for ranking. Therefore, the Fund is not eligible for the rating.

## **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 published audited financial statements of the Fund for the period from April 6, 2018 to June 30, 2018.

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 period from April 6, 2018 to June 30, 2018. 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 for the period ended March 31, 2018 has not been presented as the Fund commenced its operations from April 6, 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 gives a true and fair view of the state of the Fund's affairs as at March 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 period from April 6, 2018 to June 30, 2018 except as explained in note 3.6.
- 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 June 30, 2018.
- 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, 2018. 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 except as disclosed in note 3.6.
- 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, 2018.
- 3.6 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

**i. Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

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

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

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

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

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

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2019.

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			----- (Rupees in '000) -----	
Investment	(a) Available for sale	Fair value through profit or loss	295,416	295,416
Bank balances	(b) Loans and receivables	Amortised cost	112,287	112,287
Mark-up / interest receivable	(b) Loans and receivables	Amortised cost	357	357
Deposits and other receivables	(b) Loans and receivables	Amortised cost	3,515	3,515
			<u>411,575</u>	<u>411,575</u>

- (a) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been reclassified as fair value through profit or loss (FVTPL).
- (b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

## ii. Impairment of financial assets

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

## iii. Transition

The Fund has used the exemption not to restate comparative periods. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39, therefore, the Fund transferred the balance of unrealised diminution on remeasurement of investments classified as 'available for sale - net' amounting to Rs. 15.574 million to undistributed income on July 1, 2018 in condensed interim statement of movement in unit holders' fund.

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

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

		<b>March 31, 2019</b>	<b>June 30, 2018</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	<b>-----</b>
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In savings accounts	4.1      83,891	112,287
4.1	Profit rates on these savings accounts range between 3% to 8% per annum (June 30, 2018: 3% to 4%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 83.878 million (June 30, 2018: Rs. 112.287 million).		

## 5 INVESTMENTS IN EQUITY SHARES

Financial assets classified as at fair value through profit or loss	5.1	875,679	-
Financial asset classified as at fair value through other comprehensive income (June 30, 2018: Available for sale)	5.2	-	295,416
		<u>875,679</u>	<u>295,416</u>

5.1 Financial asset classified as Fair value through profit or loss

Name of investee company	Number of shares					Balance as at March 31, 2019				As at March 31, 2019			
	As at July 1, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	Transferred in during the period due to adoption of IFRS 9	As at March 31, 2019	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised gain / (loss) on revaluation of investments	Market value as at June 30, 2018	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) -----							
<b>COMMERCIAL BANKS</b>													
Allied Bank Limited	-	1,078,300	-	308,500	526,000	1,295,800	138,962	139,998	1,036	54,257	14.42%	15.99%	1.22%
Bank Al Falah Limited	5.1.1	2,961,000	120,900	447,000	869,500	3,504,400	168,475	164,952	(3,523)	45,466	16.98%	18.84%	0.93%
United Bank Limited		695,200	-	180,400	199,500	714,300	106,101	99,666	(6,435)	33,712	10.26%	11.38%	0.81%
Habib Bank Limited	5.1.1	1,198,100	-	332,200	408,000	1,273,900	187,295	168,779	(18,516)	67,908	17.38%	19.27%	1.15%
MCB Bank Limited		537,100	-	145,900	132,500	523,700	105,154	102,923	(2,231)	26,205	10.60%	11.75%	0.87%
Faysal Bank Limited		300,000	-	859,000	559,000	-	-	-	-	14,533	0.00%	0.00%	0.00%
Bank Al Habib Limited		141,000	-	307,000	838,000	672,000	53,455	57,564	4,109	-	5.93%	6.57%	0.52%
National Bank of Pakistan		600,000	-	600,000	-	-	-	-	-	-	0.00%	0.00%	0.00%
		7,510,700	120,900	3,180,000	3,532,500	7,984,100	759,442	733,882	(25,560)	242,081	75.56%	83.81%	
<b>INSURANCE</b>													
Adamjee Insurance Company Limited		2,616,500	-	170,500	1,094,500	3,540,500	160,639	141,797	(18,842)	53,335	14.60%	16.19%	4.05%
		2,616,500	-	170,500	1,094,500	3,540,500	160,639	141,797	(18,842)	53,335	14.60%	16.19%	
<b>Total - March 31, 2019</b>		<b>10,127,200</b>	<b>120,900</b>	<b>3,350,500</b>	<b>4,627,000</b>	<b>11,524,600</b>	<b>920,081</b>	<b>875,679</b>	<b>(44,402)</b>	<b>295,416</b>	<b>90.17%</b>	<b>100.00%</b>	

5.1.1 The above securities include 500,000 shares of Bank alfalal limited and 90,000 shares of Habib bank limited pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 35.4591 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 The Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the nine months ended March 31, 2019, are not liable to withholding of income tax.

5.2 Financial asset classified as at fair value through other comprehensive income (June 30, 2018: Available for sale)

Name of investee company	Number of shares					Balance as at March 31, 2019				As at March 31, 2019			
	As at July 1, 2018	Purchased during the period	Bonus / right shares issued during the period	Sold during the period	Transferred out during the period due to adoption of IFRS 9	As at March 31, 2019	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised gain on revaluation of investments as at March 31, 2019	Market value as at June 30, 2018	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) -----							
<b>COMMERCIAL BANKS</b>													
Allied Bank Limited		526,000	-	-	(526,000)	-	-	-	-	54,257	0.00%	0.00%	0.00%
Bank Al Falah Limited		869,500	-	-	(869,500)	-	-	-	-	45,466	0.00%	0.00%	0.00%
United Bank Limited		199,500	-	-	(199,500)	-	-	-	-	33,712	0.00%	0.00%	0.00%
Habib Bank Limited		408,000	-	-	(408,000)	-	-	-	-	67,908	0.00%	0.00%	0.00%
MCB Bank Limited		132,500	-	-	(132,500)	-	-	-	-	26,205	0.00%	0.00%	0.00%
Faysal Bank Limited		559,000	-	-	(559,000)	-	-	-	-	14,533	0.00%	0.00%	0.00%
		2,694,500	-	-	(2,694,500)	-	-	-	-	242,081	0.00%	0.00%	
<b>INSURANCE</b>													
Adamjee Insurance Company Limited		1,094,500	-	-	(1,094,500)	-	-	-	-	53,335	0.00%	0.00%	0.00%
		1,094,500	-	-	(1,094,500)	-	-	-	-	53,335	0.00%	0.00%	
<b>Total - March 31, 2019</b>		<b>3,789,000</b>	<b>-</b>	<b>-</b>	<b>(3,789,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295,416</b>	<b>0.00%</b>	<b>0.00%</b>	

5.2.1 As mentioned in note 3.6 to this condensed interim financial information, after the adoption of IFRS 9, investments in equity securities held by the Fund as 'Available for sale' have been classified as financial assets at 'fair value through profit or loss' on July 1, 2018.

## **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). 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 Income Tax Return for Tax Year 2019.

## **7 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **7.1 Provision for Sindh Workers' Welfare Fund**

There is no change in the status of the legal proceeding with respect to Sindh Workers Welfare Fund which has been fully disclosed in note 13.1 to the audited financial statements for the period from April 6, 2018 to June 30, 2018. Since the Fund has incurred net loss during the period, therefore no provision against Sindh Workers Welfare Fund has been made.

## **8 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

## **9 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.

## **10 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.

## 11 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 2.89% as on March 31, 2019 and this includes 0.35% representing Government levy, Sindh Workers' Welfare Fund and SECP fee.

## 12 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 / commercial terms.

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

	Management Company	Associated Companies	Trustee	Funds Under Common Management	Directors and Key Executives	Other Connected persons / related parties
	----- (Rupees in '000) -----					
<b>Transactions during the nine months period ended March 31, 2019</b>						
Profit on savings accounts	-	3,221	-	-	-	-
Bank charges	-	28	-	-	-	-
Units issued	222,209	450,550	-	-	7,140	-
Units redeemed	222,814	-	-	-	2,856	-
Purchase of equity securities	-	102,141	-	38,665	-	-
Sale of equity securities	-	26,595	-	-	-	-
Sales load paid	3,495	-	-	-	-	-
Dividend	-	3,328	-	-	-	-
Remuneration (including sales tax)	9,212	-	921	-	-	-
CDS Expense	-	-	59	-	-	-
Allocated expenses	408	-	-	-	-	-
Selling and marketing expenses	1,630	-	-	-	-	-
<b>Balances held as at March 31, 2019</b>						
Units held (in Units '000)	1,496	5,136	-	-	67	-
Units held (in Rupees '000)	128,476	440,978	-	-	5,750	-
Bank balances	-	83,878	-	-	-	-
Profit receivable	-	1,869	-	-	-	-
Investments	-	99,666	-	-	-	-
Remuneration payable	1,804	-	180	-	-	-
Allocated expenses payable	80	-	-	-	-	-
Selling and marketing expense payable	1,630	-	-	-	-	-
Sales load payable	1,511	-	-	-	-	-
Dividend Receivable	-	1,978	-	-	-	-
Conversion charges payable	4	-	-	-	-	-

<b>Balances held as at June 30, 2018</b>						
Units held (in Units '000)	1,482	-	-	-	14	670
Units held (in Rupees '000)	135,179	-	-	-	1,249	61,130
Bank balances	-	112,287	-	-	-	-
Profit receivable	-	357	-	-	-	-
Investments	-	33,712	-	-	-	-
Remuneration payable	394	-	39	-	-	-
Other payables	3,735	-	-	-	-	-
Allocated expenses payable	32	-	-	-	-	-
Selling and marketing expense payable	169	-	-	-	-	-
Sales load payable	1,978	-	-	-	-	-
Conversion charges payable	1	-	-	-	-	-

### 13 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).

	<b>Carrying Amount</b>			<b>Fair value</b>		
	<b>As at March 31, 2019</b>			<b>As at March 31, 2019</b>		
	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	<b>Amortised cost</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Rupees in '000</b>						
<b>Financial assets measured at fair value</b>						
Investments	875,679	-	-	875,679	-	-
<b>Financial assets not measured at fair value</b>						
Bank balances	-	-	83,891	-	-	-
Mark-up / interest receivable	-	-	1,869	-	-	-
Deposits and other receivables	-	-	2,500	-	-	-
	-	-	88,260	-	-	-
	875,679	-	88,260	875,679	-	-
<b>Financial liabilities not measured at fair value</b>						
Payable to UBL Fund Managers Limited Management Company	-	-	1,596	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	159	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-
	-	-	1,756	-	-	-

	Carrying Amount			Fair value		
	As at June 30, 2018			As at June 30, 2018		
	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3
----- Rupees in '000 -----						
<b>Financial assets measured at fair value</b>						
Investments	295,416	-	-	295,416	-	-
<b>Financial liabilities not measured at fair value</b>						
Bank balances	-	112,287	-	-	-	-
Mark-up / interest receivable	-	357	-	-	-	-
Deposits and other receivables	-	3,515	-	-	-	-
		116,159				
	295,416	116,159	-	295,416	-	-
<b>Financial liabilities not measured at fair value</b>						
Payable to UBL Fund Managers Limited Management Company	-	-	6,264	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	35	-	-	-
Accrued expenses and other liabilities	-	-	34,132	-	-	-
	-	-	40,431	-	-	-

13.1 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.

### 13.2 Transfers during the period

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

## 14 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.

## 15 GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

## 16 DATE OF AUTHORIZATION FOR ISSUE

16.1 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 29 April 2019.

**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 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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 National Bank of Pakistan United Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	Not yet rated

**UBL CAPITAL PROTECTED FUND - III**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	5,267	221
Term deposit certificates	5	255,359	343,883
Investments	6	14,935	33,497
Markup / interest receivable		36,479	32,023
Advance income tax	7	329	328
Dividend receivable		57	205
Preliminary expenses and floatation costs		612	1,178
Deposits, prepayments, and other receivables		3,095	2,735
<b>TOTAL ASSETS</b>		<b>316,133</b>	<b>414,070</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company		271	374
Payable to the Central Depository Company of Pakistan Limited - Trustee		39	50
Annual Fee Payable to the Securities and Exchange Commission of Pakistan		183	315
Accrued expenses and other liabilities	8	600	510
<b>TOTAL LIABILITIES</b>		<b>1,093</b>	<b>1,249</b>
<b>NET ASSETS</b>		<b>315,040</b>	<b>412,821</b>
<b>Unit Holders' Fund</b> (As Per Statement Attached)		<b>315,040</b>	<b>412,821</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
		--- (Number of units) ---	
<b>Number of Units in Issue</b>		<b>3,054,958</b>	<b>4,101,515</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>103.1241</b>	<b>100.6508</b>

The annexed notes 1 to 16 form an integral part of these 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 (UN - AUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2019**

	For the Nine Month		Quarter Ended	
	Period ended March 31, 2019	Period ended March 31, 2018	March 31, 2019	March 31, 2018
Note	(Rupees in '000)			
<b>INCOME</b>				
Financial income	13,415	17,563	4,295	5,652
Dividend income	394	1,122	79	217
Net realised loss on sale of investments	(1,186)	(6,073)	(640)	(59)
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(2,293)	(4,811)	1,327	2,852
Other income	3,200	312	175	258
<b>TOTAL INCOME / (LOSS)</b>	<b>13,530</b>	<b>8,113</b>	<b>5,236</b>	<b>8,920</b>
<b>EXPENSES</b>				
Remuneration of UBL Fund Managers Limited - Management Company	1,830	2,370	586	778
Sindh sales tax on remuneration of the Management Company	238	308	76	101
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	358	464	114	152
Annual fee - Securities and Exchange Commission of Pakistan	183	237	59	78
Auditors' remuneration	224	247	47	42
Brokerage and settlement charges	20	318	2	128
Allocated expenses	244	316	78	104
Listing and supervisory fees	21	21	7	7
Bank and other charges	5	168	2	32
Legal and professional charges	151	83	50	42
Amortization of preliminary expenses and floatation costs	559	559	183	183
Other Expenses	340	-	98	-
	<b>4,173</b>	<b>5,091</b>	<b>1,302</b>	<b>1,647</b>
<b>Net income from operating activities</b>	<b>9,357</b>	<b>3,022</b>	<b>3,934</b>	<b>7,273</b>
Provision for Sindh Workers' Welfare Fund	8.1 (184)	(60)	(77)	(60)
<b>Net income for the period before taxation</b>	<b>9,173</b>	<b>2,962</b>	<b>3,857</b>	<b>7,213</b>
Taxation	10 -	-	-	-
<b>Net income for the period after taxation</b>	<b>9,173</b>	<b>2,962</b>	<b>3,857</b>	<b>7,213</b>
<b>Allocation of net income / (loss) for the period</b>				
Income already paid on units redeemed	(476)	-	(170)	-
<b>Net income for the period available for distribution</b>	<b>8,697</b>	<b>2,962</b>	<b>3,687</b>	<b>7,213</b>
<b>Accounting income available for distribution</b>				
Relating to capital gains	-	-	-	-
Excluding capital gains	8,697	2,962	3,687	7,213
<b>Earnings per unit</b>	<b>8,697</b>	<b>2,962</b>	<b>3,687</b>	<b>7,213</b>
	11			

The annexed notes 1 to 16 form an integral part of these 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 (UN - AUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2019**

	For the Nine Month Period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	<b>9,173</b>	2,962	<b>3,857</b>	7,213
<b>Other comprehensive income</b>	-		-	-
Unrealised loss on revaluation of investments classified as at fair value through other comprehensive income	-	(334)	-	(91)
<b>Total comprehensive income for the period</b>	<b><u>9,173</u></b>	<u>2,628</u>	<b><u>3,857</u></b>	<u>7,122</u>

The annexed notes 1 to 16 form an integral part of these 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 CASH FLOW STATEMENT (UN - AUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

**For the Nine Month Period ended  
March 31, 2019      March 31, 2018**  
----- (Rupees in '000) -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation 9,173 2,962

**Adjustments for non-cash charges and other items:**

Profit on saving accounts with banks	(13,415)	(17,563)
Dividend income	(394)	(1,122)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held for trading - net	2,293	4,811
Capital loss on sale of investment- net	1,186	6,073
Provision for Sindh Workers' Welfare Fund	184	
Amortization of preliminary expenses and floatation costs	565	565

**Cash used in operations before working capital changes**

(9,581)      (7,236)  
(408)      (4,274)

**Working capital changes**

**Increase / (Decrease) in assets**

Investments - net	85,045	9,566
Term deposit receipts	18,562	10,538
Advanced Income Tax	(1)	(53)
Security deposits, advances and other receivables	(359)	(1)
	<u>103,247</u>	<u>20,050</u>

**(Decrease) / Increase in liabilities**

Payable to UBL Fund Managers Limited - Management Company	(103)	(4,807)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	-
Payable to the Securities and Exchange Commission of Pakistan	(132)	101
Accrued expenses and other liabilities	(94)	(491)

(340)      (5,197)

Profit received on bank balances and term deposit receipts 8,959 694

Dividend received 542 971

**Net cash generated from operating activities**

112,000      12,244

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts from issuance of units 1,732 580  
Payments against redemption of units (106,676) (13,888)  
Dividend Paid (2,010)

**Net cash used in financing activities**

(106,954)      (13,308)

**Net increase in cash and cash equivalents during the period**

5,046      (1,064)

Cash and cash equivalents at the beginning of the period 221 1,692

**Cash and cash equivalents at the end of the period**

5,267      628

The annexed notes 1 to 16 form an integral part of these financial information.

**FOR UBL FUND MANAGERS LIMITED**  
(Management Company)

SD

SD

SD

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

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

\_\_\_\_\_  
Director

**UBL CAPITAL PROTECTED FUND - III**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2019**

FOR THE NINE MONTH PERIOD ENDED MARCH 31,2019

	31 March 2019				31 March 2018			
	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'available-for-sale' investments	Total	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'available-for-sale' investments	Total
	(Rupees in '000)				(Rupees in '000)			
<b>Net assets at beginning of the period</b>	410,162	2,604	55	412,821	426,517	688	-	427,205
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>Inflow on issuance of 17,320 units (2018: 5,810 units)</b>								
- Capital value (at net asset value per unit at the beginning of the period)	1,735	-	-	1,735	582	-	-	582
- Element of loss	-	-	-	-	-	-	-	-
Relating to other comprehensive income for the period	-	-	-	-	-	-	-	-
Relating to net income for the period after taxation	(3)	-	-	(3)	(2)	-	-	(2)
<b>Total proceeds on issuance of units</b>	1,732	-	-	1,732	580	-	-	580
<b>Outflow on redemption of 1,063,877 units (2018: 138,902 units)</b>								
- Capital value (at net asset value per unit at the beginning of the period)	(106,559)	-	-	(106,559)	(13,913)	-	-	(13,913)
- Amount paid out of element of income	-	-	-	-	5	-	-	5
Relating to other comprehensive income for the period	-	-	-	-	-	-	-	-
Relating to net income for the period after taxation	359	(476)	-	(117)	20	-	-	20
<b>Total payments on redemption of units</b>	(106,200)	(476)	-	(106,676)	(13,888)	-	-	(13,888)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	9,173	-	9,173	-	2,962	(334)	2,628
Distribution during the period	-	(2,010)	-	(2,010)	-	-	-	-
	-	7,163	-	7,163	-	2,962	(334)	2,628
<b>Net assets at end of the period</b>	<b>305,694</b>	<b>9,346</b>	<b>-</b>	<b>315,040</b>	<b>413,209</b>	<b>3,650</b>	<b>(334)</b>	<b>416,525</b>
<b>Undistributed income brought forward</b>								
- Realised	-	10,462	-	10,462	-	1,443	-	1,443
- Unrealised	-	(7,858)	-	(7,858)	-	(755)	-	(755)
Total undistributed income brought forward	-	2,604	-	2,604	-	688	-	688
Transfer of unrealised appreciation on re-measurement of investments classified as available for sale' - net available for sale' - net to undistributed income upon adoption of IFR	-	55	(55)	-	-	-	-	-
<b>Accounting income available for distribution</b>								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	8,697	-	8,697	-	2,962	-	2,962
	-	8,697	-	8,697	-	2,962	-	2,962
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>	<b>-</b>	<b>9,346</b>	<b>-</b>	<b>11,301</b>	<b>-</b>	<b>3,650</b>	<b>-</b>	<b>3,650</b>
<b>Undistributed income carried forward</b>								
- Realised	-	11,639	-	11,639	-	8,461	-	8,461
- Unrealised	-	(2,293)	-	(2,293)	-	(4,811)	(334)	(5,145)
	-	9,346	-	9,346	-	3,650	(334)	3,316
<b>Net assets value per unit at beginning of the period</b>				<b>100.6508</b>				<b>100.1608</b>
<b>Net assets value per unit at end of the period</b>				<b>103.1241</b>				<b>100.8023</b>

The annexed notes 1 to 16 form an integral part of these 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 (UNAUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 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 27, 2018.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are 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") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 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, 2018.
- 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, 2018, 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 period ended March 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 gives a true and fair view of the state of the Fund's affairs as at March 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 annual audited financial statements of the Fund for the year, ended June 30, 2018 except as explained in note 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.

There are certain standards, interpretations and amendments to approved accounting standards which

3.2 IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

**i. Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

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

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

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

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

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

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

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

**Debt investments at FVOCI** These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

		<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
	<b>Note</b>	----- (Rupees in '000) -----			
<b>Financial assets</b>					
Investments	(a)	Held for trading	Fair value through profit or loss	29,817	29,817
Investments	(b)	Available for sale	Fair value through profit or loss	3,680	3,680
Interest/ mark up receivable	(c)	Loans and receivables	Amortised cost	32,023	32,023
Bank balances	(c)	Loans and receivables	Amortised cost	221	221
Term Deposit Receipts (TDRs)	(c)	Loans and receivables	Amortised cost	33,497	343,883
Deposits	(c)	Loans and receivables	Amortised cost	2,735	2,735
				36,453	346,839
				36,453	346,839

- (a) These financial assets classified as 'Held for trading' have been classified as fair value through profit and loss (FVTPL)
- (b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).
- (c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

**ii. Impairment of financial assets**

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

**iii. Transition**

The Fund has used the exemption not to restate comparative periods. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39, therefore, the Fund transferred the balance of unrealised appreciation on remeasurement of investments classified as 'available for sale - net' amounting to Rs. 0.055 million to undistributed income on July 1, 2018 in condensed interim statement of movement in unit holders' fund.

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

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

		<b>March 31, 2019 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
		----- (Rupees in '000) -----	
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In savings accounts	5,267	221

- 4.1 Profit rates on these savings accounts range between 3.75 % to 9.25% per annum (June 30, 2018: 4% to 5.3%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 3.4775 million (June 30, 2018: Rs. 0.014 million).



6.1 Financial assets classified as at fair value through profit or loss

Name of investee company	Number of shares					Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net	Market value as a percentage of net assets	Market value as a percentage of total value of investments
	As at July 01, 2018	Purchased / bonus received during the period	Sold during the period	Transferred in during the period due to adoption of IFRS 9	As at March 31, 2019					
-----Number of shares-----					----- (Rupees in '000) -----					
<b>AUTOMOBILE SECTOR</b>										
Honda Atlas Cars (Pakistan) Limited	-	-	9,000	9,000	-	-	-	-	0.00%	0.00%
	-	-	9,000	9,000	-	-	-	-	0.00%	0.00%
<b>CEMENT</b>										
Cherat Cement Company Limited	33,500	-	33,500	-	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	5,000	-	1,500	-	3,500	1,778	1,499	(279)	0.48%	10.04%
	38,500	-	35,000	-	3,500	1,778	1,499	(279)	0.48%	10.04%
<b>FERTILIZER</b>										
Engro Fertilizers Limited	25,000	-	20,000	-	5,000	375	358	(17)	0.11%	2.40%
	25,000	-	20,000	-	5,000	375	358	(17)	0.11%	2.40%
<b>PHARMACEUTICALS</b>										
Hightnoon Laboratories Limited	967	-	-	-	967	397	327	(70)	0.10%	2.19%
The Searle Company Limited	972	70	500	-	542	160	128	(32)	0.04%	0.86%
	1,939	70	500	-	1,509	557	455	(102)	0.14%	3.05%
<b>POWER GENERATION &amp; DISTRIBUTION</b>										
The Hub Power Company Limited	6,400	-	-	-	6,400	590	469	(121)	0.15%	3.14%
	6,400	-	-	-	6,400	590	469	(121)	0.15%	3.14%
<b>CHEMICALS</b>										
I. C. I. Pakistan Limited	2,600	-	2,600	-	-	0	0	-	0.00%	0.00%
	2,600	-	2,600	-	-	-	-	-	0.00%	0.00%
<b>ENGINEERING</b>										
International Steels Limited	23,900	-	6,000	-	17,900	1,820	1,146	(674)	0.36%	7.67%
	23,900	-	6,000	-	17,900	1,820	1,146	(674)	0.36%	7.67%
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	4,500	450	-	-	4,950	6,778	6,164	(614)	1.96%	41.27%
	4,500	450	-	-	4,950	6,778	6,164	(614)	1.96%	41.27%
<b>TEXTILE COMPOSITE</b>										
Nishat Mills Limited	33,800	-	13,400	-	20,400	2,875	2,746	(129)	0.87%	18.39%
	33,800	-	13,400	-	20,400	2,875	2,746	(129)	0.87%	18.39%
<b>BANKING SECTOR</b>										
Habib Bank Limited	-	-	-	5,000	5,000	830	662	(168)	0.21%	4.44%
	-	-	-	5,000	5,000	830	662	(168)	0.21%	4.44%
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Thal Limited *	10,000	-	6,600	-	3,400	1,624	1,435	(189)	0.46%	9.61%
	10,000	-	6,600	-	3,400	1,624	1,435	(189)	0.46%	9.61%
<b>Total March 31, 2019</b>	<b>146,639</b>	<b>520</b>	<b>93,100</b>	<b>14,000</b>	<b>68,059</b>	<b>17,226</b>	<b>14,935</b>	<b>(2,293)</b>	<b>5%</b>	<b>100%</b>

As at June 30, 2018 (audited)

37,675      29,817      7,858

6.2 Financial assets classified as at fair value through other comprehensive income (June 30, 2018: Available for sale)

Name of investee company	Number of shares					Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealised gain on re-measurement of investments as at March 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of investments
	As at July 01, 2018	Purchased / bonus received during the period	Sold during the period	Transferred out during the period due to adoption of IFRS 9	As at March 31, 2019					
-----Number of shares-----					----- (Rupees in '000) -----					
<b>Commercial Bank</b>										
Habib Bank Limited	5,000	-	-	(5,000)	-	-	-	-	0.00%	0.00%
	5,000	-	-	(5,000)	-	-	-	-		
<b>Automobile Assembler</b>										
Honda Atlas Cars (Pakistan) Limited	9,000	-	-	(9,000)	-	-	-	-	0.00%	0.00%
	9,000	-	-	(9,000)	-	-	-	-		
<b>Total March 31, 2019</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>(14,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

As at June 30, 2018 (audited)

3,680

- 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. 0.044 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, during the period, the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.
- 6.1.2 The above securities include 18,100 shares pledged with the National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 2.150 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.2 As mentioned in note 3.6 to this condensed interim financial information, after the adoption of IFRS 9, investments in equity securities held by the Fund as 'Available for sale' have been classified as financial assets at 'fair value through profit or loss' on July 1, 2018.

## **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 Income Tax Return for Tax Year 2019.

## **8 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **8.1 Provision for Sindh Workers' Welfare Fund**

Provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2019 amounted to Rs. 0.368 million (June 30, 2018: Rs. 0.184 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, 2018.

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. 0.12 per unit (June 30, 2018: Re. 0.0449 per unit).

## **9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

## **10 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

## **11 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.

## **12 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 9 months period ended March 31, 2019 is 1.34% (2018: 1.22%) which includes 0.20% (2018: 0.16%) representing Government Levy, Worker's Welfare Fund and SECP fee.

## **13 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 / commercial terms.

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

	Management Company	Associated Companies	Trustee	Other Connected persons / related parties
----- (Rupees in '000) -----				
<b>Transactions during the nine months period ended March, 2019</b>				
Profit on savings accounts	-	104	-	-
Profit on Term deposit receipts	-	13,164	-	-
Bank charges	-	1	-	-
Units issued	-	758	-	-
Remuneration (including Sindh sales tax)	2,068	-	358	-
Allocated expenses	244	-	-	-
CDS expense	-	-	6	-
Dividend paid	-	876	-	-
<b>Transactions during the nine months period ended March 31, 2018</b>				
Profit on savings accounts and TDRs	-	17,506	-	-
Bank charges	-	4	-	-
Remuneration (including sindh sales tax)	2,676	-	464	-
Allocated expenses	316	-	-	-
CDS expense	-	-	6	-
	Management Company	Associated Companies	Trustee	Other Connected persons / related parties
----- (Rupees in '000) -----				
<b>Balances held as at March 31, 2019</b>				
Units held (in Units '000)	-	1,795	-	-
Units held (in Rupees '000)	-	185,108	-	-
Bank balances	-	3,447	-	-
Term Deposit Receipt	-	255,359	-	-
Deposits	-	-	100	-
Remuneration payable	228	-	39	-
Other payables	16	-	-	-
Profit receivable on saving account	-	21	-	-
Profit receivable on Term deposit receipts	-	36,442	-	-
Allocated expenses	27	-	-	-
<b>Balances held as at June 30, 2018</b>				
Units held (in Units '000)	-	1,706	-	1,003
Units held (in Rupees '000)	-	171,175	-	100,919
Bank balances	-	14	-	-
Deposits	-	-	100	-
Remuneration payable	288	-	50	-
Other payables	17	-	-	-
Term deposit receipts	-	343,882	-	-
Profit receivable on Term deposit receipts	-	32,017	-	-
Allocated expenses payable	69	-	-	-
Initial listing fee	-	-	-	110

## 14 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 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.

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 methods.

	<b>As at March 31, 2019</b>			
	<b>Fair Value</b>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets measured at fair value</b>	<b>14,936</b>			<b>14,936</b>
	<b>14,936</b>			<b>14,936</b>
	<b>As at June 30, 2018</b>			
	<b>Fair Value</b>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets measured at fair value	33,497			33,497
	33,497			33,497

14.1 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.

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

**15 GENERAL**

15.1 Figures have been rounded off to the nearest thousand rupees.

**16 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information were authorised for issue on APRIL 29, 2019 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**

# UFPF

## UBL Financial Planning Fund

### INVESTMENT OBJECTIVE

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans 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 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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 (JCR-VIS)
<b>Fund Rating</b>	Not yet rated

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

	March 31, 2019 (Un-audited)			Total	June 30, 2018 (Audited)		Total
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	
<b>ASSETS</b>	(Rupees in '000)						
Bank balances	1,258	741	1,304	3,303	749	80	829
Term Deposits Receipts	-	123,663	-	123,663	-	123,663	123,663
Investments	172,189	191,339	199,758	563,286	172,638	207,714	380,352
Mark-up and other receivables	20	6,968	5	6,993	87	713	800
Advance tax	1	-	-	1	-	-	-
Preliminary expenses and floatation costs	240	267	20	527	-	-	-
<b>TOTAL ASSETS</b>	<b>173,708</b>	<b>322,978</b>	<b>201,087</b>	<b>697,773</b>	<b>173,474</b>	<b>332,170</b>	<b>505,644</b>
<b>LIABILITIES</b>							
Payable to the Management Company	463	576	1,094	2,133	166	3,027	3,193
Payable to the Trustee	17	31	19	67	15	28	43
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	97	181	68	346	46	21	67
Accrued and other liabilities	231	371	1,429	2,031	82	4,976	5,058
<b>TOTAL LIABILITIES</b>	<b>808</b>	<b>1,159</b>	<b>2,610</b>	<b>4,577</b>	<b>309</b>	<b>8,052</b>	<b>8,361</b>
<b>NET ASSETS</b>	<b>172,900</b>	<b>321,819</b>	<b>198,477</b>	<b>693,196</b>	<b>173,165</b>	<b>324,118</b>	<b>497,283</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>172,900</b>	<b>321,819</b>	<b>198,477</b>	<b>693,196</b>	<b>173,165</b>	<b>324,118</b>	<b>497,283</b>
<b>CONTINGENCIES AND COMMITMENTS</b>							
<b>NUMBER OF UNITS IN ISSUE</b>	<b>1,661,529</b>	<b>3,085,063</b>	<b>1,941,118</b>		<b>1,716,552</b>	<b>3,220,804</b>	
<b>NET ASSETS VALUE PER UNIT (RUPEES)</b>	<b>104.0610</b>	<b>104.3151</b>	<b>102.2486</b>		<b>100.8796</b>	<b>100.6329</b>	

The annexed notes from 1 to 15 form an integral part of these financial information

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2019**

For The Nine Months Period Ended March 31, 2019		For the period from October 24, 2018 to March 31, 2019		Total	For The Quarter Ended March 31, 2019			Total	For the period from February 21, 2018 to March 31, 2018
UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	UBL Active Principal Preservation Plan I		UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	UBL Active Principal Preservation Plan I		

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

**INCOME**

Mark-up on bank accounts	138	55	38	231	27	20	26	73	80
Dividend income	74	711	-	785	-	41	-	41	-
Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss'	5,520	5,029	3,535	14,084	4,404	3,097	4,158	11,659	1,882
Income from term deposit receipt (TDR)	-	6,246	-	6,246	-	2,052	-	2,052	-
Net gain on sale of investments classified as 'at fair value through profit or loss'	327	1,665	927	2,919	105	714	692	1,511	19
Other income	204	567	509	1,280	33	(1)	503	535	22
<b>Total income</b>	<b>6,263</b>	<b>14,273</b>	<b>5,009</b>	<b>25,545</b>	<b>4,569</b>	<b>5,923</b>	<b>5,379</b>	<b>15,871</b>	<b>2,003</b>

**EXPENSES**

Remuneration of the Management Company	-	928	-	928	-	305	-	305	-
Sales tax on management fee	-	121	-	121	-	40	-	40	-
Allocated expenses by the Management Company	130	241	90	461	43	79	51	173	19
Remuneration of the Trustee	130	241	90	461	43	79	51	173	17
Sales tax on remuneration of the Trustee	17	31	12	60	6	10	7	23	3
Annual fee - Securities and Exchange Commission of Pakistan	97	181	68	346	32	59	39	130	15
Amortization of preliminary expenses and floatation costs	193	167	-	360	63	55	-	118	7
Auditors' remuneration	118	118	44	280	21	37	20	78	15
Legal and professional charges	65	47	24	136	12	13	14	39	-
Bank charges and other charges	23	22	7	52	6	5	3	14	-
<b>Total expenses</b>	<b>773</b>	<b>2,097</b>	<b>335</b>	<b>3,205</b>	<b>226</b>	<b>682</b>	<b>185</b>	<b>1,093</b>	<b>76</b>

**Net operating income for the period**

	5,490	12,176	4,674	22,340	4,343	5,241	5,194	14,778	1,927
--	-------	--------	-------	--------	-------	-------	-------	--------	-------

Provision for Sindh Workers' Welfare Fund (SWWF) 7.1

	108	239	92	439	85	103	92	280	38
--	-----	-----	----	-----	----	-----	----	-----	----

**Net income for the period before taxation**

	5,382	11,937	4,582	21,901	4,258	5,138	5,102	14,498	1,889
--	-------	--------	-------	--------	-------	-------	-------	--------	-------

Taxation 9

	-	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---

**Net income for the period after taxation**

	5,382	11,937	4,582	21,901	4,258	5,138	5,102	14,498	1,889
--	-------	--------	-------	--------	-------	-------	-------	--------	-------

*Allocation of net income for the period:*

Net income for the period after taxation	5,382	11,937	4,582	21,901	4,258	5,138	5,102	14,498	-
Income already paid on units redeemed	(100)	(198)	(251)	(549)	(39)	-	(251)	(290)	-
	5,282	11,739	4,331	21,352	4,219	5,138	4,851	14,208	1,889

*Accounting income available for distribution*

- Relating to capital gains	5,740	6,561	4,205	16,506	4,467	3,812	4,725	13,004	1,901
- Excluding capital gains	(458)	5,178	126	4,846	(248)	1,326	126	1,204	(13)
	5,282	11,739	4,331	21,352	4,219	5,138	4,851	14,208	1,889

**Earnings per unit** 10

	-	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---

The annexed notes from 1 to 15 form an integral part of these financial information.

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Director

SD  
Chief Financial Officer

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

	For The Nine Months Period Ended March 31, 2019		For the period from October 24, 2018 to March 31, 2019	Total	period from February 21, 2018 to March 31, 2018
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I
	----- (Rupees in '000) -----				
Net income for the period after taxation	5,382	11,937	4,582	21,901	1,889
Other comprehensive income for the period	-	-		-	
<b>Total comprehensive income for the period</b>	<u>5,382</u>	<u>11,937</u>	<u>4,582</u>	<u>21,901</u>	<u>1,889</u>

The annexed notes from 1 to 15 form an integral part of these financial information

For UBL Fund Managers Limited  
(Management Company)

SD

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

SD

\_\_\_\_\_  
Director

SD

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

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2019**

For The Quarter Ended March 31, 2019				
UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	
----- (Rupees in '000) -----				
Net income for the period after taxation	4,258	5,138	5,102	14,498
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,258</b>	<b>5,138</b>	<b>5,102</b>	<b>14,498</b>

The annexed notes from 1 to 15 form an integral part of these financial information.

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

SD

SD

SD

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

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

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

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

	For The Nine Months Period Ended March 31, 2019		For the period from October 24, 2018 to March 31, 2019	Total	For the period from February 21, 2018 to March 31, 2018 UAPPP-I
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I
(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period before taxation	5,382	11,937	4,582	21,901	1,889
<b>Adjustments for:</b>					
Mark-up on bank accounts	(138)	(55)	(38)	(231)	
Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss -	(5,520)	(5,029)	(3,535)	(14,084)	(1,882)
Income from term deposit receipt (TDR)	-	(6,246)		(6,246)	
Dividend income		(711)		(711)	
Net gain on sale of investments classified as classified as 'at fair value through profit or loss'	(327)	(1,665)	(927)	(2,919)	(19)
Amortization of preliminary expenses and floatation costs	193	167	-	360	7
Provision for Sindh Workers' Welfare Fund (SWWF)	108	239	-	347	
	(5,684)	(13,300)	(4,500)	(23,484)	(1,901)
<b>(Increase) / decrease in assets</b>					
Investments	6,295	23,069	(195,296)	(165,932)	(170,958)
Term deposit receipt	-	-	-	-	
Mark-up and other receivables	67	(6,255)	(5)	(6,193)	(80)
Advance tax	(1)	-	-	(1)	
Preliminary expenses and floatation costs	(433)	(433)	(19)	(885)	
	5,928	16,381	(195,320)	(173,011)	(171,038)
<b>(Decrease) / Increase in liabilities</b>					
Payable to the Management Company	297	(2,451)	1,094	(1,060)	139
Payable to the Trustee	2	3	19	24	16
Annual fee payable to SECP	51	160	68	279	15
Accrued and other liabilities	42	(4,844)	1,429	(3,373)	1,060
	392	(7,132)	2,610	(4,130)	1,230
Mark-up received	138	6,301	38	6,477	-
Dividend income received	-	711	-	711	-
<b>Net cash flows generated from / (used in ) operating activities</b>	<b>6,156</b>	<b>14,898</b>	<b>(192,590)</b>	<b>(171,536)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net receipt from issuance of units	-	362	211,004	211,366	172,047
Cash dividend paid to unit holders	-	(405)	-	(405)	(565)
Net payment against redemption of units	(5,647)	(14,194)	(17,110)	(36,951)	
<b>Net cash flows generated from / (used in) financing activities</b>	<b>(5,647)</b>	<b>(14,237)</b>	<b>193,894</b>	<b>174,010</b>	<b>171,482</b>
<b>Net increase in cash and cash equivalent during the period</b>	<b>509</b>	<b>661</b>	<b>1,304</b>	<b>2,474</b>	<b>1,662</b>
Cash and cash equivalents at beginning of the period	749	80	-	829	-
<b>Cash and cash equivalents at end of the period</b>	<b>1,258</b>	<b>741</b>	<b>1,304</b>	<b>3,303</b>	<b>1,662</b>
<b>Cash and cash equivalents</b>					
Bank balances	1,258	741	1,304	3,303	1,662

The annexed notes from 1 to 15 form an integral part of these financial information

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

	For The Nine Months Period Ended March 31, 2019						For the period from October 24, 2018 to March 31, 2019			Total	Nine Months Period Ended March 31, 2018		
	UBL Active Principal Preservation Plan I			UBL Active Principal Preservation Plan II			UBL Active Principal Preservation Plan III				UBL Active Principal Preservation Plan I		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		Capital value	Undistributed income	Total
	(Rupees in '000)												
<b>Net assets at beginning of the period</b>	171,657	1,508	173,165	322,086	2,032	324,118	-	-	-	497,283	-	-	-
Issuance of units:													
<b>UBL Active Principal Preservation Plan I (2019: Nil Units), (2018: 1,720,467 Units)</b>													
- Capital value	-	-	-	-	-	-	-	-	-	-	172,047	-	172,047
- Element relating to the income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>UBL Active Principal Preservation Plan II (3,606 units)</b>													
- Capital value	-	-	-	362	-	362	-	-	-	362	-	-	-
- Element relating to the income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>UBL Active Principal Preservation Plan III (2,110,001 units)</b>													
- Capital value	-	-	-	-	-	-	211,000	-	211,000	211,000	-	-	-
- Element relating to the income for the year after taxation	-	-	-	-	-	-	4	-	4	4	-	-	-
	-	-	-	362	-	362	211,004	-	211,004	211,366	172,047	-	172,047
Redemption of units													
<b>UBL Active Principal Preservation Plan I (2019: 55,023 units) (2018: 5,623 Units)</b>													
- Capital value	(5,551)	-	(5,551)	-	-	-	-	-	-	(5,551)	(562)	-	(562)
- Element relating to the income for the year after taxation	4	(100)	(96)	-	-	-	-	-	-	(96)	-	-	-
<b>UBL Active Principal Preservation Plan II (139,347 units)</b>													
- Capital value	-	-	-	(14,005)	-	(14,005)	-	-	-	(14,005)	-	-	-
- Element relating to the income for the year after taxation	-	-	-	9	(198)	(189)	-	-	-	(189)	-	-	-
<b>UBL Active Principal Preservation Plan III (168,883 units)</b>													
- Capital value	-	-	-	-	-	-	(16,888)	-	(16,888)	(16,888)	-	-	-
- Element relating to the income for the year after taxation	-	-	-	-	-	-	30	(251)	(221)	(221)	-	(2)	(2)
	(5,547)	(100)	(5,647)	(13,996)	(198)	(14,194)	(16,858)	(251)	(17,109)	(36,950)	(562)	-	(564)
Total comprehensive income for the period	-	5,382	5,382	-	11,937	11,937	-	4,582	4,582	21,901	-	1,889	1,889
Distribution during the period	-	-	-	-	(405)	(405)	-	-	-	(405)	-	-	-
Net income for the period less distribution	-	5,382	5,382	-	11,532	11,532	-	4,582	4,582	21,496	-	1,889	1,889
<b>Net assets at end of the period</b>	<b>166,110</b>	<b>6,790</b>	<b>172,900</b>	<b>308,453</b>	<b>13,366</b>	<b>321,819</b>	<b>194,146</b>	<b>4,331</b>	<b>198,477</b>	<b>693,196</b>	<b>171,485</b>	<b>1,887</b>	<b>173,372</b>
<b>Undistributed income brought forward:</b>													
- Realised	-	330	330	-	1,509	1,509	-	-	-	1,839	-	-	-
- Unrealised	-	1,178	1,178	-	523	523	-	-	-	1,701	-	-	-
	-	1,508	1,508	-	2,032	2,032	-	-	-	3,540	-	-	-
Accounting income available for distribution:													
- Relating to capital gains	-	5,740	5,740	-	6,561	6,561	-	4,205	4,205	16,506	-	1,901	1,901
- Excluding capital gains	-	(458)	(458)	-	5,178	5,178	-	126	126	4,846	-	(13)	(13)
	-	5,282	5,282	-	11,739	11,739	-	4,331	4,331	21,352	-	1,889	1,889
Distribution during the period	-	-	-	-	(405)	(405)	-	-	-	(405)	-	-	-
<b>Undistributed income carried forward</b>	<b>-</b>	<b>6,790</b>	<b>6,790</b>	<b>-</b>	<b>13,366</b>	<b>13,366</b>	<b>-</b>	<b>4,331</b>	<b>4,331</b>	<b>24,487</b>	<b>-</b>	<b>1,889</b>	<b>1,889</b>
<b>Undistributed income carried forward</b>													
- Realised	-	1,270	1,270	-	8,337	8,337	-	796	796	10,403	-	1,889	1,889
- Unrealised	-	5,520	5,520	-	5,029	5,029	-	3,535	3,535	14,084	-	-	-
	-	6,790	6,790	-	13,366	13,366	-	4,331	4,331	24,487	-	1,889	1,889
	-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			
<b>Net assets value per unit at the beginning of the period</b>	<b>100.8796</b>			<b>100.6329</b>			<b>-</b>			<b>-</b>			
<b>Net assets value per unit at end of the period</b>	<b>104.0610</b>			<b>104.3151</b>			<b>102.2486</b>			<b>101.1004</b>			

The annexed notes from 1 to 15 form an integral part of these financial information

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

**UBL FINANCIAL PLANNING FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019**

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

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.

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

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

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 and UBL Active Principal Preservation Plan III

JCR - VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 27, 2018.

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

**2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are 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") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

**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, 2018.

**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, 2018, 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 March 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 gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

## 2.2 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

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.

## 3.1 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies applied in the preparation of these 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, 2018 except as disclosed in note 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.

### 3.2 Change in accounting policy

#### 3.2.1 IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 01, 2018 but they do not have a material effect on the Fund's financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

#### **Classification and measurement of financial assets and financial liabilities**

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Profit / mark-up income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 01, 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Revised carrying amount under IFRS 9
<b>Note</b>	---- (Rupees in '000) ----			
Units of mutual funds	(a) Held for trading	FVTPL	380,352	380,352
Bank balances	(c) Loans and receivables	Amortised cost	829	829
Mark-up and other receivables	(c) Loans and receivables	Amortised cost	800	800

(a) These financial assets classified as 'held for trading' have been classified as fair value through profit and loss (FVTPL). Units of mutual funds are puttable instruments as per the definition given under International Accounting Standard 32 - Financial Instruments: Presentation (IAS -32) and do not meet the definition of equity instrument under IAS 32. Accordingly, such instruments are classified as FVTPL as they do not meet the contractual cash flow characteristics criterion.

(b) The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments under IFRS 9 and accordingly all investments in equity instruments have been classified as fair value through profit or loss (FVTPL).

(c) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

#### **Impairment of financial assets**

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

#### **Transition**

The Fund has used the exemption not to restate comparative periods as allowed under IFRS 9 and the differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at July 01, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

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

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

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

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

#### **Standard or Interpretation**

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 'Insurance Contracts – (Amendments)

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

#### **Improvements to Accounting Standards Issued by the IASB in December 2016**

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time

IFRS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements, other than IFRS 9, the impact of which has been disclosed in note 3.2 above.

ERIOD ENDED MARCH 31, 2019	Note	March 31, 2019 (Un-audited)				June 30, 2018 (Audited)		
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	Total
<b>4. BANK BALANCES</b>								
Bank accounts - savings	4.1	1,258	741	1,304	3,303	749	80	829

4.1 Profit rates on profit and loss savings accounts range between 4.5% to 10.25% (June 30, 2018: 4.5%) per annum and these include a balance of Rs.3,303 (June 30, 2018: Rs.0.84) million held with United Bank Limited (a related party).

#### 5. INVESTMENTS

##### Investments by Category

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

Units of mutual funds	Note	172,189	191,339	199,758	563,286	172,638	207,714	380,352
	5.1	172,189	191,339	199,758	563,286	172,638	207,714	380,352

##### 5.1 Units of mutual funds classified as 'at fair value through profit or loss'

Name of investee Fund (funds under common management)	Number of Units				Balance as at March 31, 2018			Market value as a % of net assets of each plan	Market value as a % of total value of Investment
	As at July 01, 2018	Purchased during the period	Sold / Redeemed during the period	As at March 31, 2018	Carrying Value	Market Value	Appreciation		
<b>Held by UBL Active Principal Preservation Plan I</b>									
UBL Liquidity Planning Fund	680,188	127,706	807,894	-	-	-	-	0.00%	0.00%
UBL Dedicated Equity Fund	286,760	485,552	387,161	385,153	37,059	35,558	(1,501)	20.57%	20.65%
UBL Money Market Fund	684,201	1,006,488	406,867	1,283,822	129,610	136,631	7,021	79.02%	79.35%
					<b>166,669</b>	<b>172,189</b>	<b>5,520</b>	<b>99.59%</b>	<b>100.00%</b>
<b>Held by UBL Active Principal Preservation Plan II</b>									
UBL Liquidity Planning Fund	987,865	217,252	1,205,115	0	0	0	-	0.00%	0.00%
UBL Dedicated Equity Fund	180,065	587,085	183,849	583,303	55,578	53,852	(1,726)	16.73%	28.14%
UBL Money Market Fund	806,077	1,189,956	704,165	1,291,865	130,732	137,487	6,755	42.72%	71.86%
					<b>186,310</b>	<b>191,339</b>	<b>5,029</b>	<b>59.46%</b>	<b>100.00%</b>
<b>Held by UBL Active Principal Preservation Plan III</b>									
UBL Dedicated Equity Fund	-	767,220	217,499	549,720	52,440	50,751	(1,689)	25.57%	25.41%
UBL Money Market Fund	-	3,743,804	2,343,697	1,400,106	143,783	149,007	5,224	75.08%	74.59%
<b>As at March 31, 2019 (un-audited)</b>					<b>196,223</b>	<b>199,758</b>	<b>3,535</b>	<b>100.65%</b>	<b>100.00%</b>
Total as at June 30, 2018 (audited)					<b>366,573</b>	<b>370,457</b>	<b>3,884</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 2019

## 7 ACCRUED EXPENSES AND OTHER LIABILITIES

### 7.1 Provision for Workers' Welfare Fund (WWF)

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs.0.08 (June 30, 2018: Rs.0.02) in UBL Active Principal Preservation Plan I, Rs. 0.09 (June 30, 2018: Rs.0.01) in UBL Active Principal Preservation Plan II and Rs. 0.05 in UBL Active Principal Preservation Plan III (June 30,2018: Nil)

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019.

## 9. 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. As the Management Company intends to distributed through cash at least 90% of the Fund's net accounting income as reduced by capital gain whether realised or unrealised by the year-end to the unit holders, accordingly, no provision for taxation has been recognized in this condensed interim financial information.

## 10. 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.

## 11. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III is 0.51%, 0.73% and 0.21% as on March 31, 2018 and this includes 0.13%, 0.18% and 0.08% representing government levy, worker's welfare fund and SECP fee respectively.

## 12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**12.1** 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.

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

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

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

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
<b>UBL Active Principal Preservation Plan I</b>						
(Rupees in '000)						
<b>Transactions for the period ended March 31, 2019 (un-audited)</b>						
Mark-up on bank accounts	-	138	-	-	-	-
Bank and other charges	-	7	-	-	-	-
Remuneration (Inclusive of SST)	-	-	147	-	-	-
Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-
Purchase of Investment	-	-	-	154,141	-	-
Sale of Investment	-	-	-	160,253	-	-
Allocated Expenses	130	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Dividend received	-	-	-	74	-	-
<b>Transactions for the period ended March 31, 2018 (un-audited)</b>						
Profit on profit and loss saving account	-	80	-	-	-	-
Bank charges	-	-	-	-	-	-
Remuneration	-	-	17	-	-	-
Units issued	-	-	-	-	-	55,287
Units redeemed	-	-	-	-	-	-
Purchase of securities	-	-	-	307,981	-	-
Sale of securities	-	-	-	137,022	-	-
Allocated Expenses	-	-	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)						
<b>Balances as at March 31, 2019 (un-audited)</b>						
Bank balance	-	1,258	-	-	-	-
Remuneration payable	-	-	17	-	-	-
Sales load payable	-	-	-	-	-	-
Allocated expenses payable	16	-	-	-	-	-
Other payable	449	-	-	-	-	-
Mark-up receivable	-	20	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	535
Units held (in Rupees '000)	-	-	-	-	-	55,678
Units of mutual funds held	-	-	-	172,189	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)						
<b>UBL Active Principal Preservation Plan II</b>						
<b>Transactions for the period ended March 31, 2019 (un-audited)</b>						
Income from term deposit receipt (TDR)	-	6,246	-	-	-	-
Mark-up on bank accounts	-	55	-	-	-	-
Bank and other charges	-	7	-	-	-	-
Remuneration (Inclusive of SST)	1,049	-	272	-	-	-
Units issued	-	-	-	-	-	69
Units redeemed	-	-	-	-	-	-
Purchase of Investment	-	-	-	188,566	-	-
Sale of Investment	-	-	-	211,638	-	-
Allocated Expenses	241	-	-	-	-	-
Dividend paid	-	-	-	-	-	78
Dividend received	-	-	-	711	-	-
<b>Balances as at March 31, 2019 (un-audited)</b>						
Bank balance	-	741	-	-	-	-
Term deposit receipt (TDR)	-	123,663	-	-	-	-
Remuneration payable	119	-	31	-	-	-
Sales load payable	-	-	-	-	-	-
Allocated expenses payable	27	-	-	-	-	-
Other payable	430	-	-	-	-	-
Mark-up receivable	-	9	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	624
Units held (in Rupees '000)	-	-	-	-	-	65,045
Units of mutual funds held	-	-	-	191,339	-	-
Mark-up receivable on term deposit receipt (	-	6,793	-	-	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)						
<b>UBL Active Principal Preservation Plan III</b>						
<b>Transactions for the period from October 24, 2018 to March 31, 2019 (un-audited)</b>						
Mark-up on bank accounts	-	38	-	-	-	-
Bank and other charges	-	5	-	-	-	-
Remuneration (Inclusive of SST)	-	-	102	-	-	-
Units issued	-	-	-	-	-	20,007
Units redeemed	-	-	-	-	-	-
Purchase of Investment	-	-	-	456,958	-	-
Sale of Investment	-	-	-	96,993	-	-
Allocated Expenses	90	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-
<b>Balances as at March 31, 2019 (un-audited)</b>						
Bank balance	-	1,304	-	-	-	-
Remuneration payable	-	-	19	-	-	-
Sales load payable	1,071	1,300	-	-	-	-
Allocated expenses payable	17	-	-	-	-	-
Other payable	5	-	-	-	-	-
Mark-up receivable	-	5	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	197
Units held (in Rupees '000)	-	-	-	-	-	20,143
Units of mutual funds held	-	-	-	199,758	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)						
<b>UBL Active Principal Preservation Plan I</b>						
<b>Balances as at June 30, 2018 (audited)</b>						
Bank balance	-	749	-	-	-	-
Remuneration payable	-	-	15	-	-	-
Sales load payable	113	-	-	-	-	-
Allocated expenses payable	29	-	-	-	-	-
Other payable	24	-	-	-	-	-
Mark-up receivable	-	88	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	535
Units held (in Rupees '000)	-	-	-	-	-	53,971
Units of mutual funds held	-	-	-	172,638	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)						
<b>UBL Active Principal Preservation Plan II</b>						
<b>Balances as at June 30, 2018 (audited)</b>						
Bank balance	-	80	-	-	-	-
Term deposit receipt	-	123,662	-	-	-	-
Remuneration payable	81	-	28	-	-	-
Sales load payable	2,902	4,927	-	-	-	-
Allocated expenses payable	28	-	-	-	-	-
Other payable	5	-	-	-	-	-
Mark-up receivable	-	-	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	623
Units held (in Rupees '000)	-	-	-	-	-	62,694
Units of mutual funds held	-	-	-	207,715	-	-
Mark-up receivable on term deposit receipt (TDR)	-	-	-	547	-	-

### 13. 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:

- PERIOD - 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 methods.

	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>As at March 31, 2019 (Un-audited)</b>				
<b>Financial assets measured at fair value</b>				
Units of mutual fund	<b>563,286</b>	-	-	<b>563,286</b>

	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>As at June 30, 2018 (Audited)</b>				
<b>Financial assets measured at fair value</b>				
Units of mutual fund	408,373	-	-	408,373

13.1 The Fund has not disclosed the fair values for other 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.

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

#### 14. GENERAL

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

**15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on APRIL 29, 2019 by the Board of Directors of the Management Company.

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

SD

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

SD

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

SD

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

# 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 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500
<b>Distribution Company</b>	United Bank Limited  (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>	JS Bank Limited Soneri Bank Limited Soneri Bank Limited
<b>Management Co.Rating</b>	AMI (JCR-VIS)

# UBL Special Savings Fund

Condensed Interim Statement of Assets and Liabilities (Unaudited)

As at 31 March 2019

		31 March 2019 (Unaudited) USSP-I	31 March 2019 (Unaudited) USSP-II	Total
	<i>Note</i>	(Rupees in '000)		
<b>Assets</b>				
Bank balances	5	870	160,241	161,111
Investments	6	501,998	790,681	1,292,679
Profits receivable		8,714	14,241	22,955
Prepayments and other receivables	7	32	705	737
Preliminary expenses and floatation cost	8	984	-	984
Advance Tax	9	214	41	255
<b>Total assets</b>		<b>512,812</b>	<b>965,909</b>	<b>1,478,721</b>
<b>Liabilities</b>				
Payable to the Management Company	10	1,941	2,656	4,597
Payable to Central Depository Company of Pakistan Limited - Trustee	11	49	51	100
Payable to Securities and Exchange Commission of Pakistan	12	136	38	174
Accrued expense and other payables	13	983	163,628	164,611
<b>Total liabilities</b>		<b>3,109</b>	<b>166,373</b>	<b>169,482</b>
<b>Net assets</b>		<b>509,703</b>	<b>799,536</b>	<b>1,309,239</b>
<b>Unit holders' fund</b> (as per the statement attached)		<b>509,703</b>	<b>799,536</b>	<b>1,309,239</b>
<b>Contingency</b>				
	14	(Number of units)		
<b>Number of units in issue</b>		<b>4,944,602</b>	<b>7,859,550</b>	<b>12,804,152</b>
		(Rupees in '000)		
<b>Net assets value per unit</b> (face value of Rs. 100 each)		<b>103.0828</b>	<b>101.7280</b>	

The annexed notes from 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 Special Savings Fund  
Condensed Interim Income Statement (Unaudited)  
For the period and quarter ended March 31, 2019

	For the period from 9 November 2018 to 31 March 2019	For the period from 5 February 2019 to 31 March 2019	Total	Quarter ended 31 March 2019
	USSP-I	USSP-II		USSP-I
<i>Note</i> -----(Rupees in '000)-----				
<b>Income</b>				
Financial income	20,671	6,122	26,793	15,296
Gain/(Loss) on sale of securities-net	19	(150)	13,363	19
Other Income	285	-	285	285
	<u>20,975</u>	<u>5,972</u>	<u>26,947</u>	<u>15,600</u>
<b>Expenses</b>				
Remuneration of the Management Company	1,820	512	2,332	1,265
Sindh Sales tax on the Management Company's remuneration	237	68	305	165
Allocated Expenses	-	-	-	(55)
Remuneration of Central Depository Company of Pakistan Limited - Trustee	206	58	264	143
Annual fee of Securities and Exchange Commission of Pakistan	136	38	174	94
Auditors' remuneration	179	23	202	47
Brokerage Expense	-	11	11	-
Selling And Marketing Expenses	140	-	140	140
Legal and professional charges	58	14	72	58
Listing Fees	14	3	17	14
Bank Charges	7	5	12	7
Formation cost	146	-	146	92
<b>Total operating expenses</b>	<u>2,943</u>	<u>732</u>	<u>3,675</u>	<u>1,970</u>
<b>Net income from operating activities</b>	<u>18,032</u>	<u>5,240</u>	<u>23,272</u>	<u>13,630</u>
Provision for Sindh Workers' Welfare Fund	13.1 (354)	(103)	(457)	(267)
<b>Net income for the period before taxation</b>	<u>17,678</u>	<u>5,137</u>	<u>22,815</u>	<u>13,363</u>
Taxation	16 -	-	-	-
<b>Net income for the period after taxation</b>	<u>17,678</u>	<u>5,137</u>	<u>22,815</u>	<u>13,363</u>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period after taxation	17,678	5,137	22,815	13,363
Income already paid on units redeemed	(528)	(253)	(781)	(528)
	<u>17,150</u>	<u>4,884</u>	<u>22,034</u>	<u>12,835</u>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	17,150	4,884	22,034	12,835
	<u>17,150</u>	<u>4,884</u>	<u>22,034</u>	<u>12,835</u>

**EARNINGS PER UNIT**

17

The annexed notes from 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 Special Savings Fund

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period and quarter ended March 31, 2019

	For the period from 9 November 2018 to 31 March 2019	For the period from 5 February 2019 to 31 March 2019	Total	Quarter ended 31 March 2019
	USSP-I	USSP-II		USSP-I
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	17,678	5,137	22,815	13,363
<b>Other comprehensive income for the period</b>				
Surplus on Investments Classified at Fair Value Through Other Comprehensive Income	6.1	1,028	1,834	1,028
<b>Total comprehensive income for the period</b>	<u>18,706</u>	<u>6,971</u>	<u>25,677</u>	<u>14,391</u>

The annexed notes from 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 Special Savings Fund  
Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)  
For the period and quarter ended March 31, 2019

	For the period from 9 November 2018 to 31 March 2019				For the period from 5 February 2019 to 31 March 2019			
	USSP I				USSP II			
	Capital value	Undistributed income	Unrealised appreciation on re-measurement of investments classified as 'through OCI-net	Total	Capital value	Undistributed income	Unrealised appreciation on re-measurement of investments classified as 'through OCI-net	Total
----- (Rupees in '000) -----								
<b>Issuance of 7,266,352 units &amp; 7,909,138 units</b>								
- Capital value	726,635	-	-	726,635	790,913	-	-	790,913
- Element of Income during the period								
Due to surplus / (deficit) in investments classified at FVTOCI	-	-	-	-	552	-	-	552
Due to net income earned / (loss incurred)	2,212	-	-	2,212	6,293	-	-	6,293
Total proceeds on issuance of units	728,847	-	-	728,847	797,758	-	-	797,758
<b>Redemption of 2,321,750 units &amp; 49,588 units</b>								
- Capital value	(232,175)	-	-	(232,175)	(4,959)	-	-	(4,959)
- Element of Income during the period								
Due to surplus / (deficit) in investments classified at FVTOCI	(26)	-	-	(26)	-	-	-	-
Due to net income earned / (loss incurred)	83	(528)	-	(445)	19	(253)	-	(234)
Total payments on redemption of units	(232,118)	(528)	-	(232,646)	(4,940)	-	-	(5,193)
Total comprehensive income for the period	-	17,678	1,028	18,706	-	5,137	1,834	6,971
Interim distribution for the period : Rs. 0.8513 per unit	(2,079)	(3,124)	-	(5,203)	-	-	-	-
<b>Net income for the period less distribution</b>	(2,079)	14,554	1,028	13,503	-	5,137	1,834	6,971
<b>Net assets at end of the period</b>	494,649	14,026	1,028	509,703	792,818	5,137	1,834	799,536
<b>Accounting income available for distribution :</b>								
- Relating to capital gains	-				-			
- Excluding capital gains	17,150			17,150	4,884			4,884
Interim distribution : Rs. 0.8513 per unit declared on December 21, 2018 as cash dividend		(3,124)						
<b>Undistributed income carried forward</b>		14,026				4,884		
<b>Undistributed income carried forward comprise of :</b>								
- Realised income		14,026				4,884		
- Unrealised income		-				-		
		14,026				4,884		
				(Rupees)				(Rupees)
<b>Net assets value per unit at end of the period</b>				<u>103.0828</u>				<u>101.7280</u>

The annexed notes from 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 Special Savings Fund

## Condensed Interim Cash Flow Statement (Unaudited)

For the period and quarter ended March 31, 2019

	For the period from 9 November 2018 to 31 March 2019 USSP-I	For the period from 5 February 2019 to 31 March 2019 USSP-II
	Note -----(Rupees in '000)----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	17,678	5,137
<b>Adjustments for non cash and other items:</b>		
Financial income	(20,671)	(6,122)
Capital Gain/(Loss)on sale of securities-net	(19)	(150)
Provision for Sindh Workers' Welfare Fund	354	103
	(20,336)	(6,169)
<b>Net cash used in operations before working capital changes</b>	(2,658)	(1,032)
<b>Working capital changes</b>		
<i>Movement in working capital</i>		
Prepayments and other receivables	(32)	(705)
Advance Tax	(214)	(41)
Preliminary expenses and floatation cost	(984)	-
Payable to the Management Company	1,941	2,656
Payable to Central Depository Company of Pakistan Limited - Trustee	49	51
Payable to Securities and Exchange Commission of Pakistan	136	38
Accrued expenses and other payables	629	163,525
	1,525	165,524
Profits received during the period	11,957	(8,119)
<b>Net cash generated from operating activities</b>	10,824	156,373
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(500,951)	(788,697)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	728,847	797,758
Payments on redemption of units	(232,646)	(5,193)
Total distribution to unit holders	(5,203)	-
<b>Net cash generated from financing activities</b>	490,998	792,565
<b>Cash and cash equivalents at end of the period.</b>	870	160,241
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	5	870
	870	160,241

The annexed notes from 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 Special Savings Fund

## Notes to the Condensed Interim Financial Information (Unaudited)

For the period and quarter ended March 31, 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. 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 registered office of the Management Company is situated at 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi. The Fund commenced its operations from 9 Nov 13363 2018.

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.

JCR-VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 27 December 2018.

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.

UBL Special Savings Fund 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 Fund has been categorized by the Management Company as Capital protected fund.

### 2. BASIS OF PRESENTATION

#### 2.1 Statement of compliance

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

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

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

2.1.2 These condensed interim financial information are unaudited and are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xix) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2019.

### **3 BASIS OF PREPARATION**

#### **3.1 Basis of measurement**

These financial statements have been prepared on the basis of historical cost convention, except those financial assets that have been carried at fair values in accordance with the requirements of International Accounting Standard IFRS 9.

#### **3.2 Functional and presentation currency**

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. All amounts have been rounded to the nearest thousand, unless otherwise stated.

#### **3.3 Critical accounting estimates and judgments**

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

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

##### **a) Judgments**

adjustment in the financial statements for the year ending 31 March 2019 is included in the following notes:

- Notes 4.1.5 Impairment of financial instruments and other assets

#### **3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

### **4 SIGNIFICANT ACCOUNTING POLICIES**

The management has adopted the following significant policies for the preparation of these financial statements:

#### **4.1 Financial assets**

##### **4.1.1 Classification**

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Financial Reporting Standard IFRS 9, "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The following assessment have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held.

The Fund classifies its financial assets in the following categories:

**a) Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through Profit or Loss (FVTPL):

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

**b) Fair value through other comprehensive income (FVOCI)**

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

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

**c) Fair value through profit or loss**

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

**4.1.2 Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

**4.1.3 Initial recognition and measurement**

The Fund initially recognises financial assets at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets are recognised on the date on which they are originated.

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

**4.1.4 Subsequent measurement**

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Profit / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

#### **4.1.5 Impairment**

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

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

#### **4.1.6 Reclassifications**

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

#### **4.2 Financial liabilities - classification and subsequent measurement**

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value at net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

#### **4.3 Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retained control of the financial asset.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **4.4 Offsetting of financial instruments**

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

#### **4.5 Deferred formation cost**

This represents expenses incurred on the formation of the Fund. As permitted in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, these expenses are being amortised to the income statement over a period of three years (effective from 9 November 2018).

#### **4.6 Unitholders' fund**

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

#### **4.7 Issuance and redemption of units**

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

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### **4.8 Element of income**

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

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

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

#### **4.9 Provisions**

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

#### **4.10 Net asset value per unit**

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the period end.

#### **4.11 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 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. As the Management Company intends to distributed through cash at least 90% of the Fund's net accounting income as reduced by capital gain whether realised or unrealised by the year-end to the unit holders, accordingly, no provision for taxation has been recognized in this condensed interim financial information.

#### 4.12 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

#### 4.13 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.

#### 4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. These comprise of deposits with banks and highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

#### 4.15 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

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

#### 4.16 Other assets

Other assets are stated at cost less impairment losses, if any.

### 5 BANK BALANCES

31 March 2019 (Unaudited)  
(Rupees in '000)

		USSP I	USSP II
<b>Saving Accounts</b>	5.1	870	160,241
		<u>870</u>	<u>160,241</u>

5.1 These carry profit rates ranging from 11.05% to 11.10% per annum.

### 6 INVESTMENT

31 March 2019 (Unaudited)  
(Rupees in '000)

		USSP I	USSP II
<b>Government Securities - At Fairvalue Through Other Comprehensive Income</b>	6.1	501,998	790,681
		<u>501,998</u>	<u>790,681</u>

## 6.1 Investment in Government Securities

### USSP - I

Name of security	At the beginning of the period	Acquired during the period	Sold / matured during the period	At the end of the period	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealise Gain / (Loss)	Percentage of total investments	Percentage of net assets	
Note	----- Holding -----				----- (Rupees in '000) -----			%		
Pakistan Investment Bonds 3 years	6.2	-	562,500	8,500	554,000	500,970	501,998	1,028	100.00%	98.49%
		-	562,500	8,500	554,000	500,970	501,998	1,028	100.00%	98.49%

### USSP- II

Name of security	At the beginning of the period	Acquired during the period	Sold / matured during the period	At the end of the period	Carrying value as at March 31, 2019	Market value as at March 31, 2019	Unrealise Gain / (Loss)	Percentage of total investments	Percentage of net assets	
Note	----- Holding -----				----- (Rupees in '000) -----			%		
Pakistan Investment Bonds 5 years		-	250,000	-	250,000	212,646	213,474	828	27.00%	26.70%
Pakistan Investment Bonds 3 years	6.2	-	1,037,000	400,000	637,000	576,201	577,207	1,006	73.00%	72.19%
		-	1,287,000	400,000	887,000	788,847	790,681	1,834	100.00%	98.89%

6.2 These represented Pakistan Investment Bond (PIBs) having a face value of Rs.1,441 million and carrying purchase yield of 7.25% and 8.00% per annum for 3 Years and 5 years respectively.

## 7. PREPAYMENTS AND OTHER RECEIVABLES

31 March 2019 (Unaudited)  
(Rupees in '000)

	USSP I	USSP II
Prepaid expenses	32	5
Receivable against issuance of units	-	700
	<u>32</u>	<u>705</u>

## 8. ADVANCE INCOME TAX

The income of the Fund is exempt 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 tax under section 150 & 151 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" date 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 from CIR, various withholding agents have deducted advance tax under section 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2019.

## 9. PRELIMINARY EXPENSES AND FLOATATION COST

Note 31 March 2019 (Unaudited)  
(Rupees in '000)

	USSP I	USSP II
Deffered fomation cost	1,131	-
Amortization during the period	(146)	-
Unamortised fomation cost at end of the period	<u>985</u>	<u>-</u>

**10. PAYABLE TO THE MANAGEMENT COMPANY**

Note

**31 March 2019 (Unaudited)  
(Rupees in '000)**

		USSP I	USSP II
Management remuneration payable	10.1	490	509
Payable against allocation of expenses relating to the Fund	10.2	-	-
Payable against formation cost		-	-
Sales load and other payables		1,451	2,147
		<u>1,941</u>	<u>2,656</u>

**10.1** As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to remuneration equal to an amount not exceeding 1% of average annual net assets in case of Income Scheme. The Management Company has charged remuneration at the rate of 1% per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

**10.2** As a result of amendments in the NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), the Management Company may charge fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) upto a maximum of 0.1% per annum of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average net assets, being lower.

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

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee for the period ended 31 March 2019 is as follows:

Net Assets	Tariff
- Upto Rs. 1 billion	0.1% per annum of net assets.
- Above Rs.1 billion to Rs.5 billion	Rs. 1 million plus 0.06% per annum of net assets exceeding Rs 1 billion.

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

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

**13. ACCRUED EXPENSES AND OTHER PAYABLES**

Note

**31 March 2019 (Unaudited)  
-----(Rupees in '000)----**

		USSP I	USSP II
Provision for Sindh Workers' Welfare Fund	13.1	354	103
Auditors' remuneration payable		64	23
Payable Against Purchase of Investments		-	129,343
Brokerage Payable		-	179
Withholding tax payable		-	-
Other payables		565	33,981
		<u>983</u>	<u>163,629</u>

**13.1** Provision for Sindh Workers Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) going forward letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 and hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management has recorded SWWF. Had the provision not been made, Net Asset Value per unit of the Fund as at 31 March 2019 would have been higher by Re. 0.07 and Re 0.01 per unit in USSP I and USSP II respectively.

#### 14. CONTINGENCY

As at 31 March 2019, there is no contingency.

#### 15. 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 year ended 31 March 2019 is 0.71%,0.25% which include 0.16%,0.06% representing government levy , Sindh Workers' Welfare Fund and SECP fee in USSP I and USSP II respectively

#### 16. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of 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 in the form of cash amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause II of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute in cash form at least 90% of the income earned for the year by the Fund to the unit holders, accordingly no provision has been made in this condensed interim financial information.

#### 17. 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.

#### 18. 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 Financial Services (Private) Limited, Entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the Fund, the directors and officer of the Management Company.

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.

All other transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Details of transactions with related parties / connected persons and balances with them at the period end, other than those which have been specifically disclosed elsewhere in this condensed 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) -----						
<b>For the period from 9 November 2018 to 31 March 2019 (Unaudited) USSP I</b>						
<b>Transactions during the period</b>						
Units issued	201,498	-	-	-	-	-
Units redeemed	201,498	-	-	-	-	-
Dividend paid	1,703	-	-	-	-	-
Allocated expenses	-	-	-	-	-	-
Selling and marketing Expense	140	-	-	-	-	-
Remuneration*	2,057	-	206	-	-	-

**As at 31 March 2019 (Unaudited)**

**Balances held**

Units held (units in '000)	-	-	-	-	-	-
Units held (Rupees in '000)	-	-	-	-	-	-
Remuneration payable*	490	-	49	-	-	-
Sales load and other payables	1,311	482	-	-	-	-
Selling and Marketing Expense	140	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
-----------------------	-------------------------	---------	-------------------------------------	------------------------------------	---

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

**For the period from 5 Feb 2019 to 31 March 2019 (Unaudited) USSP II**

**Transactions during the period**

Units issued	-	-	-	-	-
Units redeemed	-	-	-	-	-
Dividend paid	-	-	-	-	-
Allocated expenses	-	-	-	-	-
Remuneration*	580	-	58	-	-

**As at 31 March 2019 (Unaudited)**

**Balances held**

Units held (units in '000)	-	-	-	-	-
Units held (Rupees in '000)	-	-	-	-	-
Remuneration payable*	509	-	51	-	-
Sales load and other payables	2,147	3,958	-	-	-
management company	-	-	-	-	-
Formation cost payable	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

**19. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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's accounting policy on fair value measurements of investments is discussed in note 4.1 to these financial statements.

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.

USSP I 31 March 2019 (Unaudited)							
Carrying amount				Fair value			
At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<i>Note</i>				(Rupees in '000)			
<b>Financial assets not measured at fair value</b>							
19.1							
Bank balances	-	-	870	870			
Profits receivable	-	-	8,714	8,714			
Prepayments and other receivables	-	-	-	-			
	<u>-</u>	<u>-</u>	<u>9,584</u>	<u>9,584</u>			
<b>Financial liabilities not measured at fair value</b>							
19.1							
Payable to the Management Company	-	-	1,941	1,941			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	49	49			
Accrued expense and other payables	-	-	629	629			
	<u>-</u>	<u>-</u>	<u>2,619</u>	<u>2,619</u>			

USSP II 31 March 2019 (Unaudited)							
Carrying amount				Fair value			
At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<i>Note</i>				(Rupees in '000)			
<b>Financial assets not measured at fair value</b>							
19.1							
Bank balances	-	-	160,241	160,241			
Profits receivable	-	-	14,241	14,241			
Prepayments and other receivables	-	-	1	1			
	<u>-</u>	<u>-</u>	<u>174,483</u>	<u>174,483</u>			
<b>Financial liabilities not measured at fair value</b>							
19.1							
Payable to the Management Company	-	-	2,656	2,656			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-			
Accrued expense and other payables	-	-	163,526	163,526			
	<u>-</u>	<u>-</u>	<u>166,182</u>	<u>166,182</u>			

19.1 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 a reasonable approximation of fair value.

**20. GENERAL**

- 20.1** This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- 20.2** This condensed interim financial information was authorised for issue by the board of directors of the Management Company on 29-April-2019.

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

SD

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

SD

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

SD

\_\_\_\_\_  
Director



**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 jamapunji.pk

 @jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices