

# Quarterly Report

## March 2020



## CORPORATE INFORMATION

as at March 31, 2020

### Board of Directors

Azhar Hamid  
Chairman

Yasir Qadri  
Chief Executive Officer

Syed Furrukh Zaeem  
Director

Naz Khan  
Director

Arif Akmal Saifie  
Director

Sadia Saeed  
Director

Imran Sarwar  
Director

### Audit Committee

Naz Khan  
Chair

Imran Sarwar  
Member

Sadia Saeed  
Member

Arif Akmal Saifie  
Member

### Risk and Compliance Committee

Imran Sarwar  
Chairman

Syed Furrukh Zaeem  
Member

Yasir Qadri  
Member

Azhar Hamid  
Member

Arif Akmal Saifie  
Member

### HR & Compensation Committee

Azhar Hamid  
Chairman

Naz Khan  
Member

Syed Furrukh Zaeem  
Member

Sadia Saeed  
Member

Yasir Qadri  
Member

### Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem  
Member

Mufti Muhammad Najeeb Khan  
Member

### Chief Financial Officer

Umair Ahmed

### Company Secretary

Bilal Javaid

### Registered Office

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

### Head Office

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

### Date of incorporation of the Management

#### Company/ Pension Fund Manager

Incorporated in Pakistan on  
3 April 2001 as a Public Limited  
Company under the Companies  
Ordinance, 1984

### Management Quality Rating

AM1 by VIS Credit Rating Company

### Funds Under Management

UBL Liquidity Plus Fund  
Launch Date: 21 June 2009

UBL Government Securities Fund  
Launch Date: 27 July 2011

UBL Money Market Fund  
Launch Date: 14 October 2010

UBL Income Opportunity Fund  
Launch Date: 29 March 2013

UBL Growth & Income Fund  
Launch Date: 2 March 2006

UBL Asset Allocation Fund  
Launch Date: 20 August 2013

UBL Stock Advantage Fund  
Launch Date: 4 August 2006

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

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

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

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

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

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 Energy Fund  
Launch Date: 13 December 2019

Al-Ameen Islamic Special Saving Plan-II  
Launch Date: 09 March 2020

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

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

UBL Pakistan Enterprise Exchange Traded Fund  
Launch Date: 24 March 2020

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

UBL Cash Fund  
Launch Date: 23 September 2019

### 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 Cash Fund (UCF)**, **UBL Government Securities Fund (UGSF)**, **UBL Income Opportunity Fund (UIOF)**, **UBL Growth and Income Fund (UGIF)**, **UBL Asset Allocation Fund (UAAF)**, **UBL Stock Advantage Fund (USF)**, **UBL Dedicated Equity Fund (UDEF)**, **UBL Financial Sector Fund (UFSF)**, **UBL Financial Planning Fund** [comprising UBL Active Principal Preservation Plan I (UAPPP-I), UBL Active Principal Preservation Plan II (UAPPP-II), UBL Active Principal Preservation Plan III (UAPPP-III)], **UBL Pakistan Enterprise Exchange Traded Fund (UPEETF)**, **UBL Special Saving Fund (USSF)** [comprising UBL Special Savings Plan - I (USSP-I), UBL Special Savings Plan - II (USSP-II), UBL Special Savings Plan - III (USSP-III), UBL Special Savings Plan - IV (USSP-IV), UBL Special Savings Plan - V (USSP-V) and UBL Special Savings Plan - VI (USSP-VI)], and **UBL Special Saving Fund II (USSF II)** [comprising UBL Special Savings Plan VIII (USSP-VIII)] for the period ended March 31, 2020.

### **Economy & Money Market Review – 9MFY'20.**

During the 9MFY20, overall economic slowdown persists in the country as reflected in the latest 7MFY20 LSM data, declining by 5.96% YoY. The major fall came from automobiles, petroleum, Iron and steel products, pharmaceutical and chemicals. With the outbreak of Covid-19 the situation got further vulnerable and earlier expectation of recovery turned down as this global pandemic has created severe impact on country's overall aggregate demand. Further, after maintaining the Status Quo in the three MPS meetings held in Sept'19, Nov'19 and Jan'20, SBP cut interest rates twice cumulatively by 225bp (sharpest rate cut in more than a decade), in view of extraordinary circumstances and challenges faced by the economy from Covid-19.

Under the revised base (base year 2015-16) average headline inflation for 9MFY20 clocked in at 11.54% relative to 6.32% in the SPLY, driven by higher perishable food item prices, uptick in utility tariffs and lagged impact of currency devaluation last year. Going forward, we expect inflation readings to remain soft due to subdued commodity prices along with government's decision to defer hike in utility prices.

On the external account, notable improvement has been observed with the 8MFY20 current account deficit shrinking by 71% from USD 9.8bn to USD 2.8bn mainly due to hefty decline in trade deficit by 34% YoY. During the same period, the overall balance of payments position posted a surplus of USD 5.8bn on account of healthy financial flows.

On the fiscal side, there is a material change in our earlier expectations that the government would successfully meet all of IMF's performance criteria for FY20. In view of the economic fallout of the global pandemic, the government may now miss one or more of its performance targets. However, we expect that Pakistan will get waiver from IMF on indicative as well as performance criteria considering the extraordinary economic fallout of COVID-19.

On international front, global oil prices have crashed to historic low levels as the both the oil exporting giants Russia and Saudi Arabia could reach on oil supply agreement in the meeting held on March'20.

### **Stock Market Review 9MFY'20**

After touching the peak of 43,200 points during the mid-Jan'20, the benchmark index succumbs to host of negative news in the last two months eroding all previous gains. The month of March'20 specifically appeared as worst performing month since Dec'08 suffering heavy losses of ~23% (8,752 points), taking it 9MFYTD return to -13.8%. The primary reason for the heavy losses were significant fall in global oil prices amid failure of OPEC+ meeting and the outbreak of Covid-19. Further, fear of economic slowdown due to prevailing lock down situation in the country forced the investor to remain net seller in the market. Further, In line with decline in policy rate, fixed income yields have also declined with 10-year PIB now trading at around 9.2% in the secondary market.



Fund-wise performance is as follows:

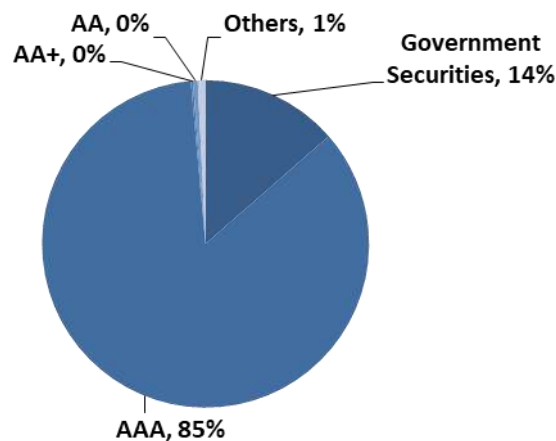
**1) UBL LIQUIDITY PLUS FUND (ULPF)**

UBL Liquidity Plus Fund (ULPF) is an open end Money Market Fund with investment objective to provide attractive daily returns while maintaining comparatively high liquidity. ULPF yielded return of 13.22%p.a. during 9MFY20. Major exposure was maintained in cash and placement with banks at the end of Mar20, thus maintaining high portfolio quality. The net assets of the fund were PKR 9,791mn at the end of 9MFY20. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 16.29 days at the end 9MFY20.

	<b>ULPF</b>	<b>Benchmark</b>
<b>9MFY'20 Return:</b>	13.22%	12.61%
<b>Standard Deviation (12m Rolling):</b>	0.16%	0.90%
<b>Sharpe Ratio (12m Rolling):</b>	(3.19)	(0.85)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'20</b>	<b>Feb'20</b>	<b>Mar'20</b>
Commercial Paper	4%	6%	0%
Placements with Banks	0%	0%	0%
Placements with DFIs	4%	0%	0%
Placements with NBFCs	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	77%	17%	14%
PIBs	0%	0%	0%
Cash	12%	76%	86%
Others	3%	1%	1%
Leverage	Nil	Nil	Nil

**ULPF-Portfolio Quality**





#### ULPF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>ULPF (p.a)</b>	13.58%	13.40%	12.41%	8.45%	7.56%	8.82%
<b>Benchmark</b>	12.49%	12.61%	12.17%	8.29%	7.15%	8.25%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 943.610 million for the nine months' period ended Mar 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 96.595 million, the Fund managed to earn a net income of PKR 847.015 million. The net assets of the Fund were PKR 9,790.862 million as at March 31, 2020 representing the net asset value of PKR 100.8502 per unit.

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

#### 2) UBL MONEY MARKET FUND (UMMF)

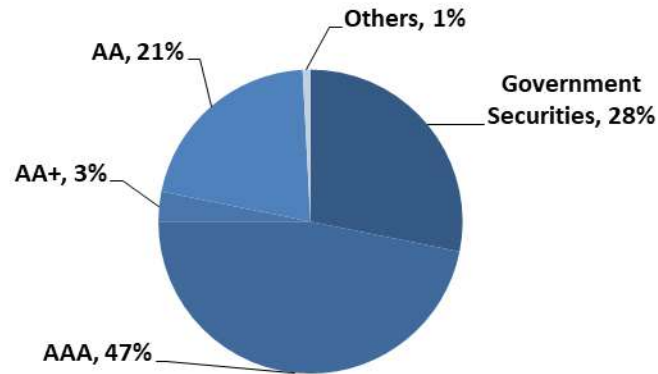
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 12.82% p.a. whereas its net assets were PKR 4,560 mn at the end of 9MFY20. 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 43.86 days at the end of 9MFY20.

	UMMF	Benchmark
<b>9MFY'20 Return:</b>	12.82%	12.61%
<b>Standard Deviation (12m Rolling):</b>	0.17%	0.90%
<b>Sharpe Ratio (12m Rolling):</b>	(4.98)	(0.85)

Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Placements with Banks	0%	0%	0%
Placements with DFIs	4%	0%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	85%	25%	28%
Cash	6%	74%	71%
Others	4%	1%	1%
Leverage	Nil	Nil	Nil



### UMMF - Portfolio Quality



### UMMF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UMMF (p.a)</b>	13.06%	12.98%	12.11%	8.13%	7.07%	8.38%
<b>Benchmark</b>	12.49%	12.61%	12.17%	8.29%	7.29%	8.90%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 443.906 million for the nine months' period ended Mar 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 50.806 million, the Fund managed to earn a net income of PKR 393.100 million. The net assets of the Fund were PKR 4,559.512 million as at March 31, 2020 representing the net asset value of PKR 110.2538 per unit.

### 3) UBL CASH FUND (UCF)

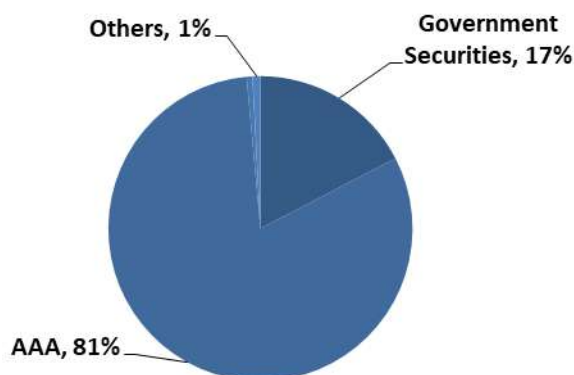
The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated a return of 14.16% p.a. whereas its net assets were PKR 2,064mn at the end of 9MFY20. The weighted average time to maturity of the fund was 31.64 days at the end of 9MFY20.

	UCF	Benchmark
<b>9MFY'20 Return:</b>	14.16%	9.29%
<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'20	Feb'20	Mar'20
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	99%	25%	17%
Cash	0%	74%	82%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

#### UCF - Portfolio Quality



#### UCF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UCF (p.a)</b>	14.36%	14.21%	-	-	-	14.16%
<b>Benchmark</b>	9.15%	9.27%	-	-	-	9.29%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 44.862 million for the nine months' period ended March 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 1.424 million, the Fund managed to earn a net income of PKR 43.438 million. The net assets of the Fund were PKR 2,045.657 million as at March 31, 2020 representing the net asset value of PKR 106.9247 per unit.





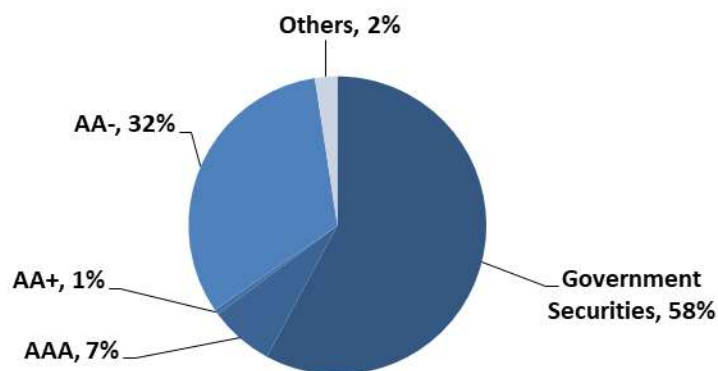
#### 4) UBL GOVERNMENT SECURITIES FUND (UGSF)

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted a return of 14.82%p.a whereas its net assets were PKR 3,266 mn at the end of 9MFY20. The Fund's exposure was invested in Cash and PIBs at the end of 9MFY20. The weighted average maturity of the Fund was 2.07 years at the end of 9MFY20.

	UGSF	Benchmark
<b>9MFY'20 Return:</b>	14.82%	13.35%
<b>Standard Deviation (12m Rolling):</b>	0.85%	0.88%
<b>Sharpe Ratio (12m Rolling):</b>	(0.12)	0.07

Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB	16%	66%	38%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	74%	19%	19%
Cash	9%	13%	40%
Others	1%	2%	2%
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>	19.56%	15.74%	12.83%	8.18%	7.71%	9.39%
<b>Benchmark</b>	12.97%	13.17%	12.99%	9.24%	7.89%	8.49%

Returns are annualized using the Morningstar Methodology





The Fund earned total income of PKR 270.618 million for the nine months' period ended March 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 32.822 million, the Fund managed to earn a net income of PKR 237.796 million. The net assets of the Fund were PKR 3,266.335 million as at March 31, 2020 representing the net asset value of PKR 117.3966 per unit.

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

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

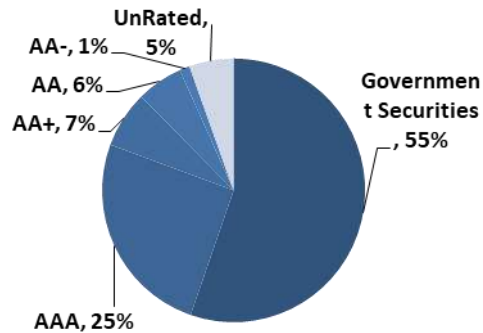
UGIF is an open end Aggressive Fixed Income Fund, investing in medium to long term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted a return of 13.25% p.a. during 9MFY20. Its fund size stood at PKR 1,837mn end of Mar20. The fund manager had major exposure in Cash and PIBs, weighted average time to maturity of the fund was 2.2 years at the end of 9MFY20.

	<b>UGIF</b>	<b>Benchmark</b>
<b>9MFY'20 Return:</b>	13.25%	13.33%
<b>Standard Deviation (12m Rolling):</b>	1.13%	0.84%
<b>Sharpe Ratio (12m Rolling):</b>	(0.61)	0.18

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'20</b>	<b>Feb'20</b>	<b>Mar'20</b>
Term Finance Certificates/ Sukuks	14%	15%	11%
Commercial Paper	0%	0%	0%
Placements with DFIs	0%	0%	0%
Placements with Banks	0%	0%	0%
Cash	39%	18%	29%
T-Bills	20%	0%	18%
PIBs	7%	59%	38%
GOP Ijarah Sukuk	0%	0%	0%
Spread Transaction	0%	0%	1%
MTS Exposure	0%	0%	0%
Others	20%	8%	4%
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>	19.14%	13.31%	12.25%	8.17%	8.62%	6.78%
<b>Benchmark</b>	12.85%	13.04%	13.08%	9.50%	8.39%	10.22%

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 158.941 million for the nine months' period ended March 31, 2020. The net assets were PKR 1,837.392 million as at March 31, 2020 representing a net asset value of PRK 93.4053 per unit.

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

## 6) UNITED STOCK ADVANTAGE FUND (USF)

USF is an open-end Equity Fund, investing primarily in equities listed on the 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 posted a return of -12.73% as compared to the benchmark return of -13.78%. The fund manager maintained the exposure in local equity market of around 92% while exposure in cash stood at 6% at the end of Mar20. The net assets of the fund were PKR 4,770mn as at March 31, 2020.

	USF	Benchmark
<b>9MFY'20 Return:</b>	-12.73%	-13.78%
<b>Standard Deviation (12m Rolling):</b>	25.51%	24.79%
<b>Sharpe Ratio (12m Rolling):</b>	(1.40)	(1.51)



Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Equities	92%	93%	92%
International Investments	0%	0%	0%
T-bills	0%	0%	0%
Cash	7%	7%	6%
Others	0%	1%	3%
Leverage	Nil	Nil	Nil

#### USF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USF</b>	-27.54%	-6.55%	-22.70%	-34.62%	12.57%	270.08%
<b>Benchmark</b>	-28.24%	-8.88%	-24.37%	-39.30%	-7.45%	135.09%

Returns are on absolute basis

The Fund earned a net loss of PKR 835.928 million for the nine months' period ended March 31, 2020 (including an unrealized loss of PKR 1,047.444 million on revaluation of investments) as compared to a net loss of PKR 386.834 million (including an unrealized loss of PKR 425.2 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 104.579 million (March 31, 2019: capital loss amounting to PKR 76.076 million) and dividend income amounting to PKR 208.995 million (March 31, 2019: PKR 241.963 million). As at March 31, 2020, net assets of the Fund were PKR 4,769.630 million representing the net asset value of PKR 50.06 per unit.

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

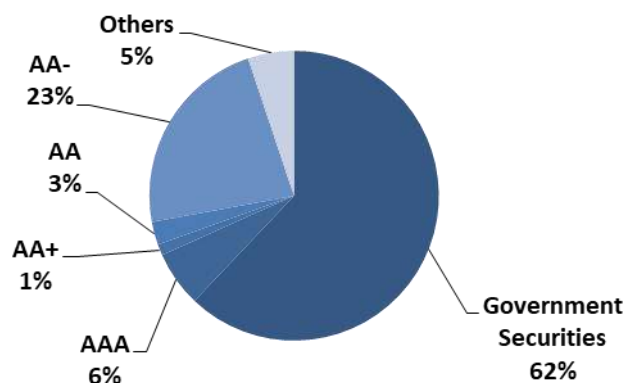
The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments. The Fund posted a return of 15.27% p.a. during 9MFY20. The weighted average maturity of the fund has been reached to 1.31 year at the end of Mar'20. The Fund's Asset Size stood at PKR 841 mn as at March 31, 2020.

	UIOF	Benchmark
<b>9MFY'20 Return:</b>	15.27%	13.37%
<b>Standard Deviation (12m Rolling):</b>	0.76%	0.87%
<b>Sharpe Ratio (12m Rolling):</b>	1.12	0.11



Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Term Finance Certificates / Sukuks	7%	7%	5%
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
PIBs	14%	31%	18%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	31%	4%	44%
Spread Transaction	0%	0%	0%
Cash	10%	49%	28%
Others	36%	8%	5%
MTS Exposure	2%	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>	17.80%	15.88%	13.78%	8.35%	7.61%	8.09%
<b>Benchmark</b>	12.98%	13.19%	13.03%	9.29%	8.17%	8.33%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 66.754 million for the nine months' period ended March 31, 2020 which mainly includes markup / interest income on bank balances, govt. securities and TDRs. After accounting for the expenses of PKR 10.134 million, the Fund managed to earn a net income of PKR 56.620 million. The net assets of the Fund were PKR 840.894 million as at March 31, 2020 representing the net asset value of PKR 122.6496 per unit.

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



## 8) UBL Asset Allocation Fund (UAAF)

The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the Fund posted a return of 1.39% as compared to the benchmark return of 2.06%. The fund manager maintained the exposure in local equity market of around 40% while exposure in cash stood at 11% at the end of Mar20. The net assets of the fund were PKR 858mn as at March 31, 2020.

	UAAF	Benchmark
<b>9MFY'20 Return:</b>	1.39%	2.06%
<b>Standard Deviation (12m Rolling):</b>	10.36%	9.63%
<b>Sharpe Ratio (12m Rolling):</b>	(1.44)	(1.55)

Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Equities	38%	39%	40%
T-bills	13%	0%	5%
PIBs	14%	37%	28%
TFC/ Sukuk	10%	11%	13%
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
Cash	22%	12%	11%
Others	3%	2%	3%

### UAAF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UAAF</b>	-9.74%	2.50%	-1.99%	0.41%	34.46%	78.11%
<b>Benchmark</b>	-9.45%	1.87%	-2.00%	9.39%	33.38%	60.75%

Returns are on absolute basis

The Fund earned a net income of PKR 46.305 million for the nine months' period ended March 31, 2020 (including an unrealized loss of PKR 60.705 million on revaluation of investments) as compared to a net income of PKR 30.161 million (including an unrealized loss of PKR 57.429 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 33.452 million (March 31, 2019: capital loss amounting to PKR 14.294 million) and dividend income amounting to PKR 22.262 million (March 31, 2019: PKR 46.204 million). As at March 31, 2020, net assets of the Fund were PKR 858.352 million representing the net asset value of PKR 134.0769 per unit.



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

The objective is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector. During the period under review, the fund posted a return of -20.54% against benchmark return of -13.78%. The fund manager maintained the exposure in local equity market of around 94% while exposure in cash stood at 3% at the end of Mar20. The net assets of the Fund were PKR 606mn as at March 31, 2020.

	<b>UFSF</b>	<b>Benchmark</b>
<b>9MFY'20 Return:</b>	-20.54%	-13.78%
<b>Standard Deviation (12m Rolling):</b>	25.36%	24.79%
<b>Sharpe Ratio (12m Rolling):</b>	(1.53)	(1.51)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'20</b>	<b>Feb'20</b>	<b>Mar'20</b>
Equities	97%	95%	94%
T-bills	0%	0%	0%
Cash	2%	5%	3%
Others	0%	0%	3%
Leverage	Nil	Nil	Nil

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

	<b>3 Months</b>	<b>6 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>
<b>UFSF</b>	-29.35%	-13.76%	-25.81%	-	-	-36.30%
<b>Benchmark</b>	-28.24%	-8.88%	-24.37%	-	-	-37.22%

Returns are on absolute basis

The Fund earned a net loss of PKR 153.749 million for the nine months' period ended March 31, 2020 (including an unrealized loss of PKR 202.646 million on revaluation of investments)). As at March 31, 2020, net assets of the Fund were PKR 605.543 million representing the net asset value of PKR 63.6961 per unit.

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

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the fund declined by 12.93% whereas benchmark index's declining by 13.78%, the fund size stood at PKR 34mn at end of Mar20. The fund manager maintained the exposure in local equity market of only around 33% at the end of Mar20.

	<b>UDEF</b>	<b>Benchmark</b>
<b>9MFY'20 Return:</b>	-12.93%	-13.78%
<b>Standard Deviation (12m Rolling):</b>	24.75%	24.79%
<b>Sharpe Ratio (12m Rolling):</b>	(1.48)	(1.51)



Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Equities	91%	94%	33%
T-bills	0%	0%	0%
Cash	7%	5%	1%
Others	1%	1%	65%
Leverage	Nil	Nil	Nil

#### UDEF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UDEF</b>	-28.17%	-6.91%	-23.69%	-	-	-29.57%
<b>Benchmark</b>	-28.24%	-8.88%	-24.37%	-	-	-30.63%

Returns are on absolute basis

The Fund earned a net loss of PKR 14.447 million for the nine months' period ended March 31, 2020 (including an unrealized loss of PKR 3.667 million on revaluation of investments)). As at March 31, 2020, net assets of the Fund were PKR 34.428 million representing the net asset value of PKR 70.4350 per unit.

#### 11) UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF)

The objective of the newly launched UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) is to track the performance of the benchmark index in order to provide long- term capital appreciation and dividend yields to its investors. During the period under review, the fund posted a return of -2.9% against benchmark return of -2.76%. The fund manager maintained the exposure in local equity market of around 90% while exposure in cash stood at 2% at the end of Mar20. The net assets of the Fund were PKR 12mn as at March 31, 2020.

#### UBLP-ETF Benchmark

<b>9MFY'20 Return:</b>	-2.90%	-2.76%
<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'20	Feb'20	Mar'20
Equities	0%	0%	90%
T-bills	0%	0%	0%
Cash	0%	0%	2%
Others	0%	0%	8%
Leverage	Nil	Nil	Nil





#### UBLP-ETF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UBLP ETF</b>	-	-	-	-	-	-2.90%
<b>Benchmark</b>	-	-	-	-	-	-2.76%

Returns are on absolute basis

During the period from 20 March 2020 to 31 March 2020 the Fund earned a net accounting loss of PKR 0.02 million. As at March 31, 2020, net assets of the Fund were PKR 12.196 million representing the net asset value of PKR 10.6053 per unit.

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

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

The Plan yielded return of -1.43% during 1HFY20. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 64mn at the end of 9MFY20.

#### UAPPP-I Benchmark

<b>9MFY'20 Return:</b>	-1.43%	-0.92%
<b>Standard Deviation (12m Rolling):</b>	7.68%	7.44%
<b>Sharpe Ratio (12m Rolling):</b>	(1.99)	(1.90)

Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Equity Funds	49%	34%	0%
Money Market Funds	51%	65%	91%
Income Funds	0%	0%	0%
Others	0%	0%	0%
Cash	0%	1%	9%
Leverage	Nil	Nil	Nil

#### UAPPP-I vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>UAPPP-I</b>	-10.99%	-3.59%	-2.34%	-	-	1.63%
<b>Benchmark</b>	-10.42%	-2.46%	-1.22%	-	-	3.92%

Returns are on absolute basis



The Plan earned a net income of PKR 1.737 million for the nine months' period ended March 31, 2020 (including an unrealized gain of PKR 2.191 million on revaluation of investments). As at March 31, 2020, net assets of the Plan were PKR 64.216 million representing the net asset value of PKR 101.6287 per unit.

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

The Plan yielded return of 0.49% during 9MFY20. Major exposure was maintained in Placement with banks and equity funds, thus maintaining high portfolio quality. The net assets of the fund were PKR 219mn as at the March 31, 2020.

**UAPPP-II Benchmark**

<b>9MFY'20 Return:</b>	0.49%	4.24%
<b>Standard Deviation (12m Rolling):</b>	6.55%	6.29%
<b>Sharpe Ratio (12m Rolling):</b>	(2.00)	(1.34)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'20</b>	<b>Feb'20</b>	<b>Mar'20</b>
Equity Funds	43%	41%	0%
Money Market Funds	0%	1%	37%
Income Funds	0%	0%	0%
Others	6%	6%	7%
Cash	0%	0%	0%
Placement with banks	51%	52%	56%
Leverage	Nil	Nil	Nil

**UAPPP-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>UAPPP-II</b>	-8.26%	-0.69%	-0.18%	-	-	4.26%
<b>Benchmark</b>	-6.76%	2.41%	4.50%	-	-	10.54%

Returns are on absolute basis

The Plan earned a net income of PKR 0.981 million for the nine months' period ended March 31, 2020 (including an unrealized gain of PKR 0.353 million on revaluation of investments)). As at March 31, 2020, net assets of the Plan were PKR 219.133 million representing the net asset value of PKR 101.9643 per unit.

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

The Plan yielded return of -1.19% during 9MFY20 against benchmark return of -0.01%. Major exposure was maintained in Money Market funds and Equity Funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 153mn as at the March 31, 2020.



#### UAPPP-III Benchmark

<b>9MFY'20 Return:</b>	-1.19%	-0.01%
<b>Standard Deviation (12m Rolling):</b>	8.72%	8.41%
<b>Sharpe Ratio (12m Rolling):</b>	(1.82)	(1.70)

<b>Asset Allocation (% of Total Assets)</b>	<b>Jan'20</b>	<b>Feb'20</b>	<b>Mar'20</b>
Equity Funds	49%	47%	0%
Money Market Funds	50%	52%	99%
Income Funds	0%	0%	0%
Others	1%	1%	1%
Cash	0%	0%	0%
Placement with banks	0%	0%	0%
Leverage	Nil	Nil	Nil

#### UAPPP-III 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-III</b>	-10.89%	-1.41%	-2.95%	-	-	-0.76%
<b>Benchmark</b>	-10.67%	-1.08%	-1.36%	-	-	1.39%

Returns are on absolute basis

The Plan earned a net income of PKR 1.025 million for the nine months' period ended March 31, 2020 (including an unrealized gain of PKR 6.496 million on revaluation of investments)). As at March 31, 2020, net assets of the Plan were PKR 152.564 million representing the net asset value of PKR 99.1245 per unit.

### 13) UBL Special Savings Fund

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

The “UBL Special Savings Plan-I (USSP-I)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-I yielded return of 21.57%. Major exposure was maintained in PIBs at the end of March'20, thus maintaining high portfolio quality. The net assets of the fund was PKR 355mn as at the March 31, 2020.

#### USSP-I Benchmark

<b>9MFY'20 Return:</b>	21.57%	13.35%
<b>Standard Deviation (12m Rolling):</b>	2.63%	0.88%
<b>Sharpe Ratio (12m Rolling):</b>	0.89	0.07



Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	99%	98%	98%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	0%	0%	0%
Others	1%	2%	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>	27.86%	21.97%	15.26%	-	-	13.88%
<b>Benchmark</b>	12.97%	13.17%	12.99%	-	-	12.28%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 33.377 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 5.825 million, the Plan managed to earn a net income of PKR 27.552 million. As at March 31, 2020, net assets of the Plan were PKR 355.065 million representing a net asset value of PKR 108.2973 per unit.

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

The “UBL Special Savings Plan-II (USSP-II)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-II yielded return of 21.74%. Major exposure was maintained in PIB at the end of March20. The net assets of the Plan were PKR 770mn as at 31 March 2020.

	USSP-II	Benchmark
<b>9MFY'20 Return:</b>	21.74%	13.35%
<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'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	98%	98%	98%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	1%	0%	0%
Others	1%	2%	2%
Leverage	Nil	Nil	Nil

#### USSP-II vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USSP-II (p.a)</b>	27.75%	22.25%	15.57%	-	-	15.10%
<b>Benchmark</b>	12.97%	13.17%	12.99%	-	-	12.70%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 76.213 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 9.029 million, the Plan managed to earn a net income of PKR 67.184 million. As at March 31, 2020, net assets of the Fund were PKR 769.583 million representing the net asset value of PKR 107.1221 per unit.

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

The “UBL Special Savings Plan-III (USSP-III)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-III yielded return of 24.51%. Major exposure was in PIB at the end of March'20. The net assets of the Plan were PKR 133mn as at the 31 March 2020.

	USSP-III	Benchmark
<b>9MFY'20 Return:</b>	24.51%	13.35%
<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'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	96%	97%	97%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	3%	1%	1%
Others	1%	2%	2%
Leverage	Nil	Nil	Nil

#### USSP-III vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
JSSP-III (p.a)	31.98%	25.68%	-	-	-	19.43%
Benchmark	12.97%	13.17%	-	-	-	13.08%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 25.333 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 2.657 million, the Plan managed to earn a net income of PKR 22.676 million. As at March 31, 2020, net assets of the Plan were PKR 132.921 million representing the net asset value of PKR 110.6948 per unit.

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

The “UBL Special Savings Plan-IV (USSP-IV)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-IV yielded return of 18.18%. Major exposure was in PIB at the end of March20. The net assets of the Plan were PKR 202mn as at the 31 March 2020.

	USSP-IV	Benchmark
9MFY'20 Return:	18.18%	13.35%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a



Asset Allocation (% of Total Assets)	Jan'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	87%	92%	92%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	12%	6%	6%
Others	1%	2%	2%
Leverage	Nil	Nil	Nil

#### USSP-IV vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USSP-IV (p.a)</b>	23.08%	18.62%	-	-	-	17.09%
<b>Benchmark</b>	12.97%	13.17%	-	-	-	13.29%

The Plan earned total income of PKR 20.99 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 2.393 million, the Plan managed to earn a net income of PKR 18.597 million. As at March 31, 2020, net assets of the Plan were PKR 202.246 million representing the net asset value of PKR 107.2349 per unit.

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

The “UBL Special Savings Plan V (USSP-V)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-V yielded return of 16.49%. The net assets of the Plan were PKR 5,117mn as at 31 March 2020.

	USSP-V	Benchmark
<b>9MFY'20 Return:</b>	16.49%	13.22%
<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'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	11%	11%	11%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills*	88%	88%	88%
Cash	1%	1%	1%
Others	0%	0%	0%
Leverage	Nil	Nil	Nil

#### USSP-V vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USSP-V (p.a)</b>	18.99%	16.47%	-	-	-	16.49%
<b>Benchmark</b>	12.97%	13.17%	-	-	-	13.22%

Returns are annualized using the Morningstar Methodology

During the period from 13 September 2019 to 31 March 2019 the Fund earned total income of PKR 433.607 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 18.292 million, the Plan managed to earn a net income of PKR 415.315 million. As at March 31, 2020, net assets of the Plan were PKR 5,117.492 million representing the net asset value of PKR 103.1620 per unit.

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

The “UBL Special Savings Plan VI (USSP-VI)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-VI yielded return of 9.63%. The net assets for the Plan were PKR 198 mn as at 31 December 2019.

	USSP-VI	Benchmark
<b>9MFY'20 Return:</b>	14.80%	13.33%
<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'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	48%	43%	43%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	44%	43%	43%
Cash	7%	14%	14%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

#### USSP-VI vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>USSP-VI (p.a)</b>	23.73%	15.95%	-	-	-	14.80%
<b>Benchmark</b>	12.97%	13.17%	-	-	-	13.33%

Returns are annualized using the Morningstar Methodology

During the period from 09 August 2019 to 31 March 2020 the Plan earned total income of PKR 15.349 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 1.687 million, the Plan managed to earn a net income of PKR 13.662 million. As at March 31, 2020, net assets of the Plan were PKR 206.743 million representing the net asset value of PKR 109.4583 per unit.

#### 14) UBL Special Savings Fund II

##### a) UBL Special Savings Fund-II (UBL Special Savings Plan – VIII)

The “UBL Special Savings Plan-VIII (USSP-VIII)” is an Allocation Plan under “UBL Special Savings Fund - II”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty (30) Months & beyond from commencement of life of plan. USSP-VIII yielded return of 12.38%. The net assets for the Plan were PKR 107 mn as at 31 March 2020.

#### USSP-VIII Benchmark

<b>9MFY'20 Return:</b>	12.38%	12.67%
<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'20	Feb'20	Mar'20
Placements with banks	0%	0%	0%
PIB*	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	83%
Cash	0%	100%	15%
Others	0%	0%	1%
Leverage	Nil	Nil	Nil

#### USSP-VIII vs Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-VIII (p.a)	-	-	-	-	-	12.38%
Benchmark	-	-	-	-	-	12.67%

Returns are annualized using the Morningstar Methodology

During the period from 10 February 2020 to 31 March 2020 the Plan earned total income of PKR 1.926 million for the nine months' period ended March 31, 2020. After accounting for the expenses of PKR 0.373 million, the Plan managed to earn a net income of PKR 1.553 million. As at March 31, 2020, net assets of the Plan were PKR 107.337 million representing the net asset value of PKR 101.6448 per unit.

#### Future outlook

The headline inflation has peaked in Jan'20 and now expected to come down in single digit due low oil prices and overall demand destruction. Therefore, we expect a further rate cut of 100bps in policy rate in the upcoming monetary policy.

Going forward, we expect exports & remittances to suffer on account of lower oil prices and Covid-19 driven halt in global economic activity. However, weak commodity prices and lower services deficit are likely to compensate for losses on account of aforesaid two factors. Thus, we expect current account balance to remain contained going forward. However, overall balance of payments position may get precarious in view of heavy loan repayments due during the next 12 months, government's excessive reliance on now fleeing hot money flows to fund the external account and its failure to raise long-term external loans in time. We believe the government will have to renegotiate the terms of ongoing EFF program with IMF and reschedule its external loans to achieve balance of payment stability.

On fiscal front, we believe Government will face the challenges and may miss out the tax collection target as due to outbreak of Covid-19 there is significant impact on overall economic activity. The sever decline in import and export will also affect GDP growth. Further, there is high likelihood that the fiscal deficit may remain in the range of 8-10% of GDP as compared to earlier expectation 7.0-7.5 % of GDP.



Barring the short-term challenges, the heavy correction has opened up valuations. Even after accounting for short term demand destruction, financial ramifications of lockdown and lower oil prices, the forward earnings multiple of the equity market comes to 6.5x, an earnings yield premium of ~5-6% over 10year PIBs relative to average historical differential of 0.7%.

### **Acknowledgements**

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

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

-- sd --

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

**Karachi, Dated: 30 April 2020**

# 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>	Grant Throntan Anjum Rahman
<b>Bankers</b>	United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited Silk Bank Limited Sindh Bank Limited The Bank of Punjab Soneri Bank Limited National Bank of Pakistan
<b>Management Co. Rating</b>	AM1 (VIS)

**UBL STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2019
	Note		
<b>ASSETS</b>			
Bank balances	4	296,065	370,665
Investments	5	4,566,038	5,092,738
Dividend and profit receivable		69,473	32,378
Security deposits, prepayments and other receivables		23,638	20,902
Advance tax	7	2,995	2,938
<b>Total assets</b>		<b>4,958,209</b>	<b>5,519,621</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	6	30,212	17,811
Payable to Central Depository Company of Pakistan Limited - Trustee		637	620
Payable to Securities and Exchange Commission of Pakistan		817	6,348
Payable against purchase of investments		55,195	-
Accrued expenses and other liabilities	8	101,718	97,181
<b>Total liabilities</b>		<b>188,579</b>	<b>121,960</b>
<b>Net Assets</b>		<b>4,769,630</b>	<b>5,397,661</b>
<b>Unitholders' Fund (As Per Statement Attached)</b>		<b>4,769,630</b>	<b>5,397,661</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
<b>----- (Number of units) -----</b>			
<b>Number of Units in Issue</b>		<b>95,279,957</b>	<b>94,106,978</b>
<b>----- (Rupees) -----</b>			
<b>Net Asset Value Per Unit</b>		<b>50.06</b>	<b>57.36</b>
<b>Face Value per Unit</b>		<b>100</b>	<b>100</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 STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Nine months period ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note	(Rupees in '000)			
<b>INCOME</b>				
Profit on bank deposits	38,540	35,213	14,337	11,907
Profit on Treasury Bills	1,043	6,006	1,043	-
Gain / (loss) on sale of securities - net	104,579	(76,076)	123,688	(30,278)
Dividend income	208,995	241,963	69,008	60,175
Unrealised loss / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(1,047,444)	(425,200)	(1,992,556)	338,543
<b>Total (loss) / income</b>	<b>(694,287)</b>	<b>(218,094)</b>	<b>(1,784,480)</b>	<b>380,347</b>
<b>EXPENSES</b>				
Remuneration of UBL Fund Managers Limited - Management Company	6 81,678	104,848	8,631	31,801
Sindh sales tax on remuneration of Management Company	10,618	13,630	1,122	4,134
Allocated expenses	6 4,084	5,242	431	1,589
Selling and marketing expenses	6 28,320	20,970	13,710	6,360
Remuneration of Central Depository Company of Pakistan Limited - Trustee	5,466	6,772	769	2,075
Annual fee - Securities and Exchange Commission of Pakistan	817	4,980	(2,653)	1,510
Listing and rating fee	23	21	9	7
Auditors' remuneration	389	426	60	97
Brokerage and settlement charges	10,017	11,569	2,176	3,728
Legal and professional charges	119	124	37	42
Bank and other charges	110	158	7	55
<b>Total expenses</b>	<b>141,641</b>	<b>168,740</b>	<b>24,299</b>	<b>51,398</b>
<b>Net operating (loss) / income for the period</b>	<b>(835,928)</b>	<b>(386,834)</b>	<b>(1,808,779)</b>	<b>328,949</b>
Provision for Sindh Workers' Welfare Fund	8.2 -	-	-	-
<b>Net (loss) / income for the period before taxation</b>	<b>(835,928)</b>	<b>(386,834)</b>	<b>(1,808,779)</b>	<b>328,949</b>
Taxation	10 -	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(835,928)</b>	<b>(386,834)</b>	<b>(1,808,779)</b>	<b>328,949</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>				

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 STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	<b>Nine months period ended</b>		<b>Quarter ended</b>	
	<b>March 31,</b>	March 31,	<b>March 31,</b>	March 31,
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>----- (Rupees in '000) -----</b>			
Net (loss) / income for the period after taxation	<b>(835,928)</b>	(386,834)	<b>(1,808,779)</b>	328,949
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(835,928)</b>	(386,834)	<b>(1,808,779)</b>	328,949

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 STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

Nine months period ended									
March 31, 2020				March 31, 2019					
Capital value	Undistributed income	Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net	Total	Capital value	Undistributed income	Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net	Total		
Note				(Rupees. in '000)					
Net assets at beginning of the period	5,211,407	186,254	-	5,397,661	5,606,324	1,310,740	(25,653)	6,891,411	
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	-	-	-	-	-	(25,653)	25,653	-	
Amount received on issuance of 75,617,740 units (2019: 55,189,568 units)									
- Capital value	4,337,435	-	-	4,337,435	3,165,675	-	-	3,165,675	
- Element of loss	486,836	-	-	486,836	(78,273)	-	-	(78,273)	
Total amount received on issuance of units	4,824,271	-	-	4,824,271	3,087,401	-	-	3,087,401	
Amount paid on redemption of 74,444,761 units (2019: 60,426,180 units)									
- Capital value	(4,270,151)	-	-	(4,270,151)	(3,466,046)	-	-	(3,466,046)	
- Element of income	(346,222.4)	-	-	(346,222)	107,944	-	-	107,944	
Total amount paid on redemption of units	(4,616,374)	-	-	(4,616,374)	(3,358,102)	-	-	(3,358,102)	
Total comprehensive loss for the period	-	(835,928)	-	(835,928)	-	(386,834)	-	(386,834)	
Distribution during the period Rs. Nil per unit (2019: Rs. Nil)	-	-	-	-	-	-	-	-	
Net loss for the period less distribution	-	(835,928)	-	(835,928)	-	(386,834)	-	(386,834)	
Net assets at end of the period	5,419,304	(649,674)	-	4,769,630	5,335,623	898,253	-	6,233,876	
Undistributed income brought forward comprising of:									
- Realised	-	1,276,940	-	1,276,940	-	1,721,841	-	1,721,841	
- Unrealised	-	(1,090,686)	-	(1,090,686)	-	(411,101)	(25,653)	(436,754)	
Undistributed income brought forward - Net	-	186,254	-	186,254	-	1,310,740	(25,653)	1,285,087	
Accounting income available for distribution									
- Related to capital gain	-	-	-	-	-	-	-	-	
- Excluding capital gain	-	-	-	-	-	-	-	-	
Net loss for the period after taxation	-	(835,928)	-	(835,928)	-	(386,834)	-	(386,834)	
Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9	-	-	-	-	-	(25,653)	25,653	-	
Distribution during the period Rs. Nil per unit (2019: Rs. Nil)	-	-	-	-	-	-	-	-	
Undistributed income carried forward - net	-	(649,674)	-	(649,674)	-	898,253	-	898,253	
Undistributed income carried forward comprising of:									
- Realised	-	397,770	-	397,770	-	1,323,453	-	1,323,453	
- Unrealised	-	(1,047,444)	-	(1,047,444)	-	(425,200)	-	(425,200)	
	-	(649,674)	-	(649,674)	-	898,253	-	898,253	
	(Rupees)								
Net assets value per unit at the beginning of the period					57.36				68.51
Net assets value per unit at the end of the period					50.06				64.76

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 STOCK ADVANTAGE FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine months period ended	
	March 31, 2019	March 31, 2019
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(835,928)	(386,834)
<b>Adjustments for non-cash charges and other items:</b>		
Profit on bank deposits	(38,540)	(35,213)
Profit on Treasury Bills	(1,043)	-
(Gain) / loss on sale of securities - net	(104,579)	76,076
Dividend income	(208,995)	(241,963)
Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.1 1,047,444	425,200
	695,330	224,100
	(140,598)	(162,734)
<b>(Increase) / decrease in assets</b>		
Investments	(416,165)	84,475
Security deposits, prepayments and other receivables	(2,736)	-
Advance tax	-	(661)
	(418,901)	83,814
<b>Decrease / (Increase) in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	12,401	(1,899)
Payable to Central Depository Company of Pakistan Limited - Trustee	17	(62)
Payable to Securities and Exchange Commission of Pakistan	(5,531)	(1,585)
Payable against purchase of investments	55,195	23,989
Accrued expenses and other liabilities	4,537	(3,006)
	66,619	17,437
<b>Cash used in operations</b>	(492,880)	(61,483)
Profit received on bank deposits	35,914	34,783
Dividend received	174,526	189,408
Advance income tax	(57)	(36)
	(282,497)	162,672
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	4,824,271	3,702,765
Net payments on redemption of units	(4,616,374)	(4,031,854)
<b>Net cash generated from / (used in) financing activities</b>	207,897	(329,089)
<b>Net decrease in cash and cash equivalents during the period</b>	(74,600)	(166,417)
<b>Cash and cash equivalents at the beginning of the period</b>	370,665	581,965
<b>Cash and cash equivalents at the end of the period</b>	296,065	415,548

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 STOCK ADVANTAGE FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**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 31, 2019.

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, 2019.

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, 2019.

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, 2020.

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

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	-----Rupees in '000-----	

## 4. BANK BALANCES

- Profit and loss sharing accounts	4.1	296,019	415,459
- Current account		46	89
		<u>296,065</u>	<u>415,548</u>

- 4.1 Profit rates on these profit and loss sharing accounts range between 3.75% to 12.25% per annum (June 30, 2019: 3.75% to 13.55% per annum).

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	-----Rupees in '000-----	

## 5. INVESTMENTS

### Equity Securities

#### At fair value through profit or loss

- Equity securities	5.1	<u>4,566,038</u>	<u>5,092,738</u>
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(Ordinary Shares of Rs. 10 each unless indicated otherwise)

Name of Investee Company		As at July 01, 2019	Purchased bonus received during the period	Sold during the period	As at March 31, 2020	Total carrying value as at March 31, 2020	Total market value as at March 31, 2020	Appreciation /(diminution) as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total value of	Investment as a percentage of paid-up capital of investee company
Quoted investments	Note	Shares			Rupees in '000						
Percentage (%)											
OIL AND GAS MARKETING COMPANIES											
Hascol Petroleum Limited		27,500	-	(27,500)	-	-	-	-	-	-	0.00
Pakistan State Oil Company Limited	5.3 and 5.4	777,915	623,263	(565,100)	836,078	138,258	101,583	(36,675)	2.13	2.22	0.18
						138,258	101,583	(36,675)	2.13	2.22	
OIL AND GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	5.3	2,608,152	2,128,462	(768,700)	3,967,914	483,540	305,490	(178,050)	6.40	6.69	0.09
Pakistan Petroleum Limited		1,236,417	1,619,483	(399,500)	2,456,400	301,485	176,394	(125,091)	3.70	3.86	0.09
Pakistan Oilfields Limited		427,548	275,600	(311,700)	391,448	137,247	102,642	(34,605)	2.15	2.25	0.14
National Refinery Limited		58,900	-	(58,900)	-	-	-	-	-	-	0.00
Mari Petroleum Company Limited		372,872	94,337	(80,240)	386,969	351,989	344,628	(7,161)	7.23	7.55	0.29
						1,274,261	929,354	(344,907)	19.48	20.35	
GLASS MANUFACTURING COMPANIES											
Tariq Glass Industries Limited		-	1,132,500	-	1,132,500	76,135	57,237	(18,898)	1.20	1.25	1.03
						76,135	57,237	(18,898)	1.20	1.25	
FERTILIZER											
Engro Corporation Limited		1,083,426	554,500	(555,900)	1,082,026	310,796	288,793	(22,003)	6.05	6.32	0.19
Engro Fertilizers Limited	5.3	1,511,301	100,000	(1,610,500)	801	52	46	(6)	0.00	0.00	0.00
Fauji Fertilizer Company Limited		1,969,409	614,000	(2,560,600)	22,809	2,043	2,121	78	0.04	0.05	0.00
Fauji Fertilizer Bin Qasim Limited		2,663,924	2,420,000	(2,959,424)	2,124,500	42,610	28,150	(14,460)	0.59	0.62	0.23
						355,501	319,110	(36,391)	6.69	6.99	
CHEMICALS											
Engro Polymer & Chemicals Limited		4,243,398	1,908,000	(1,624,500)	4,526,898	131,983	111,000	(20,983)	2.33	2.43	0.50
ICI Pakistan Limited		-	55,500	-	55,500	38,573	28,101	(10,472)	0.59	0.62	0.06
Mehad Chemicals Limited		-	75,258	-	75,258	1,355	1,428	73	0.03	0.03	0.09
Sitara Chemicals Industries		-	27,770	-	27,770	6,665	6,655	(10)	0.14	0.15	0.13
Lotte Chemical Pakistan Limited		1,223,000	950,000	(2,173,000)	-	-	-	-	-	-	0.00
						178,576	147,184	(31,392)	3.09	3.22	
CEMENT											
Cherat Cement Company Limited		893,955	45	(893,500)	500	14	28	14	0.00	0.00	0.00
Maple Leaf Cement Factory		100,000	-	(100,000)	-	-	-	-	-	-	0.00
Kohat Cement Company Limited		2,621,710	1,375,272	(301,000)	3,695,982	200,708	322,474	121,766	6.76	7.06	1.84
Lucky Cement Limited	5.3	303,398	254,500	(236,700)	321,198	132,516	119,068	(13,448)	2.50	2.61	0.10
Pioneer Cement Limited		940,500	-	(940,500)	-	-	-	-	-	-	0.00
						333,238	441,570	108,332	9.26	9.67	
PAPER AND BOARD											
Century Paper and Board Mills		1,454,072	630,516	(65,000)	2,019,588	69,571	93,325	23,754	1.96	2.04	1.37
Packages Limited		127,600	25,818	(106,800)	46,618	12,659	10,643	(2,016)	0.22	0.23	0.05
						82,230	103,968	21,738	2.18	2.28	
INSURANCE											
Adamjee Insurance Company Limited		4,765,015	1,658,744	(391,000)	6,032,759	220,164	160,652	(59,512)	3.37	3.52	1.72
IGI Holdings Limited		-	169,900	-	169,900	30,016	24,054	(5,962)	0.50	0.53	0.12
						250,180	184,706	(65,474)	3.87	4.05	
COMMERCIAL BANKS											
Bank Alfalah Limited		8,692,589	1,679,227	(2,330,000)	8,041,816	349,236	255,810	(93,426)	5.36	5.60	0.45
Habib Bank Limited		3,595,099	1,545,268	(1,997,018)	3,143,349	394,071	324,488	(69,583)	6.80	7.11	0.21
National Bank Of Pakistan		50,326	-	(50,000)	326	11	9	(2)	0.00	0.00	0.00
MCB Bank Limited		1,686	210,000	(210,000)	1,686	319	252	(67)	0.01	0.01	0.01
United Bank Limited		3,127,891	777,482	(1,463,000)	2,442,373	348,906	246,216	(102,690)	5.16	5.39	0.20
Faysal Bank Limited	5.4	44,364	-	-	44,364	955	615	(340)	0.01	0.01	0.00
Allied Bank Limited		2,854,226	742,800	(101,800)	3,495,226	355,659	248,580	(107,079)	5.21	5.44	0.31
Bank Al Habib Limited		7,000	4,892,500	(143,000)	4,756,500	342,378	256,233	(86,145)	5.37	5.61	0.43
						1,791,535	1,332,203	(459,332)	27.93	29.18	
TEXTILE COMPOSITE											
Nishat Mills Limited		1,065,031	350,000	(488,500)	926,531	85,411	54,415	(30,996)	1.14	1.19	0.26
Gul Ahmed Textile Mills Limited		2,529,121	432,224	(1,328,500)	1,632,845	64,073	37,637	(26,436)	0.79	0.82	0.38
Kohinoor Textile Mills Limited	5.4	738,639	3,750,654	(612,500)	3,876,793	114,571	100,331	(14,240)	2.10	2.20	1.30
						264,055	192,383	(71,672)	4.03	4.21	
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	5.3	4,826,954	664,000	(2,232,207)	3,258,747	263,070	222,475	(40,595)	4.66	4.87	0.25
Saif Power Limited		1,530,316	1,647,903	(60,000)	3,118,219	58,164	49,860	(8,304)	1.05	1.09	0.81
Lalpur Power limited		2,001,643	1,260,086	(58,500)	3,203,229	36,989	32,481	(4,508)	0.68	0.71	0.84
Pak Gen Power Limited		2,355,835	2,538,269	(412,500)	4,481,604	61,733	54,586	(7,147)	1.14	1.20	1.20
K-Electric Limited (face value Rs. 3.5 per share)		6,799,547	705,937	(5,195,000)	2,310,484	10,004	6,539	(3,465)	0.14	0.14	0.01
						429,960	365,941	(64,019)	7.67	8.01	
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited (face value Rs. 5 per share)		285,920	256,800	(38,100)	504,620	173,071	148,247	(24,824)	3.11	3.25	0.62
						173,071	148,247	(24,824)	3.11	3.25	
ENGINEERING											
International Steels Limited		17,420	-	(17,420)	-	-	-	-	-	-	0.00
Amreli Steels Limited		57	-	(57)	-	-	-	-	-	-	0.00
Pak Elektronik Limited		469,500	-	(469,500)	-	-	-	-	-	-	0.00
International Industries Limited		240,800	769,230	(1,010,030)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
FOOD AND PERSONAL CARE PRODUCTS											
Al Shaheer Corporation	5.4	2,233,418	4,987,166	(3,867,792)	3,352,792	39,999	31,818	(8,181)	0.67	0.70	1.68
						39,999	31,818	(8,181)	0.67	0.70	
PHARMACEUTICALS											
The Searle Company Limited	5.4	258,426	-	(211,700)	46,726	6,848	7,329	481	0.15	0.16	0.02
						6,848	7,329	481	0.15	0.16	
TECHNOLOGY & COMMUNICATION											
Systems Limited		1,079,100	267,000	(58,500)	1,287,600	124,047	143,104	19,057	3.00	3.13	1.04
						124,047	143,104	19,057	3.00	3.13	
AUTOMOBILE ASSEMBLER											
Millat Tractors Limited		-	15,000	(15,000)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
LEASING COMPANIES											
Orx Leasing Pakistan Limited		-	327,000	(327,000)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
LEATHER & TANNERIES											
Service Industries Limited		-	73,050	-	73,050	68,340	46,946	(21,394)	0.98	1.03	0.39
						68,340	46,946	(21,394)	0.98	1.03	
MODARABAS											
Orix Modarba		-	200,000	(200,000)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited		-	10,300	(10,300)	-	-	-	-	-	-	0.00
Shahmurad Sugar Mills Limited		-	17,000	(17,000)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
BROKERAGE											
Anif Habib Limited		-	518,000	(1,000)	517,000	27,248	13,355	(13,893)	0.28	0.29	0.87
						27,248	13,355	(13,893)	0.28	0.29	
						-	-	-	-	-	
Total March 31, 2020						5,613,482	4,566,038	(1,047,444)			
Total June 30, 2019						6,183,424	5,092,738	(1,090,686)			

## 5.2 Government securities

Issue Date	Tenor	Face value				Market value as at March 31, 2020	Market Value as a percentage of	
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020		Net assets	Market value of total investments

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

### Market treasury bills

08-Jan-2020	3 months	-	11,500	11,500	-	-
		-	11,500	11,500	-	-

Carrying value before marked to market as at 31 March 2020

-

5.3 These include 0.21 million shares (June 30, 2019: 1.641 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 24.08 million (June 30, 2019: Rs. 117.475 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

5.4 The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 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. 8.804 million (June 30, 2019: Rs. 8.792 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 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

During the nine months period ended March 31, 2020, the Management has charged remuneration at the rate of 2% per annum of average daily net assets of the fund.

### 6.1 Allocated expenses and selling and marketing expenses

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services.

Furthermore Management Company has also charged selling and marketing expense to the Fund as follows:

From July 1, 2019 through December 08, 2019	0.4% per annum of average daily net assets
From December 09, 2019 through March 31, 2020	1.01% per annum of average daily net assets

## 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 (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150, 150A and 151 of ITO 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.



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

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

This includes provision for federal excise duty (FED) as at March 31, 2020 amounting to Rs. 34.896 million (June 30, 2019: Rs. 34.896 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 45.195 million. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.37 (June 30, 2019: Re. 0.37).

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

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020. 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 0.52 (June 30, 2019: Re. 0.52). The details regarding this provision are disclosed in note 13.2 to the annual audited financial statements for the year ended June 30, 2019.

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

## **9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

## **10. 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.

## 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 for calculating EPU is not practicable.

## 12. TOTAL EXPENSE RATIO

The 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 March 31, 2020 is 2.61% and this includes 0.25% (June 30, 2019: 0.4%) representing Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 4% to 4.50% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure)

## 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 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, 2020			
	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	4,566,038	-	-	4,566,038

ASSETS	(Audited)			
	June 30, 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

**13.1** 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.

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

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

- 14.1** 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.
- 14.2** Transactions with connected persons are in the normal course of business, at agreed terms.
- 14.3** 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.
- 14.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 14.5** Details of transactions with related parties / connected persons during the period and balances held with them at the nine months period ended March 31, 2020 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, 2020-----

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

#### Transactions during the period

Profit on bank deposits	-	1,439	-	-	-	-
Bank charges	-	24	-	-	-	-
Value of units issued	520,032	3,400	-	-	101,978	- 383,000
Value of units redeemed	468,095	4,534	-	-	36,559	-
Purchase of securities	-	-	-	59,754	-	-
Sale of securities	-	-	-	36,983	-	-
Dividend received	-	25,932	-	-	-	-
Remuneration (including sales tax)	92,296	-	5,466	-	-	-
Allocation of expenses	4,084	-	-	-	-	-
CDS expenses	-	-	207	-	-	-
Selling and marketing expense	28,320	-	-	-	-	-

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, 2019 -----

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

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

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	-	1,225,389	-	59,754	-
Sale of securities	-	1,630,273	-	36,983	-
Dividend received	-	119,302	-	-	-
Remuneration expense	-	-	-	-	-
(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
--------------------	--	---------	-------------------------------	---------------------------------	---

----- As at March 31, 2020 -----

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

#### **Balances held**

Units held	4,173	-	-	-	1,290	-	35,276
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----- (Rupees in '000) -----

Units held	208,905	-	-	-	64,577	-	1,765,907
Bank balances	-	49,098	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Investments	-	2,249,980	-	-	-	-	-
Profit receivable	-	313	-	-	-	-	-
Remuneration payable	10,741	-	-	-	-	-	-
Sales load payable	1,705	54	-	-	-	-	-
Conversion charges payable	83	-	-	-	-	-	-
Allocated expenses payable	2,077	-	-	-	-	-	-
Selling and marketing expense payable	15,589	-	-	-	-	-	-
Other Payable	17	-	-	-	-	-	-

Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives***	Other connected persons / related parties
----- As at June 30, 2019 -----					
----- (Units in '000) -----					

#### **Balances held**

Units held	3,732	69	-	-	220	7,633
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----- (Rupees in '000) -----

Units held	256	5	-	-	15	523
Bank balances	-	517,654	-	-	-	-
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 nine months period 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 nine months period 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.

#### **15. GENERAL**

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

**15.2** 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.

#### **16. DATE OF AUTHORISATION FOR ISSUE**

**16.1** This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

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

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

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

# UAAF

## UBL Asset Allocation Fund

### INVESTMENT OBJECTIVE

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

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 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>	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 Taraqiati Bank Limited United Bank Limited Soneri Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4.	97,014	416,702
Investments	5	759,014	941,434
Advance tax	6.	1,161	1,119
Dividend receivable and mark-up receivable		14,630	21,534
Deposits and other receivables		10,936	10,559
Receivable against sale of investments		10	7,105
<b>TOTAL ASSETS</b>		<b>882,765</b>	<b>1,398,453</b>
<b>LIABILITIES</b>			
Payable to the Management Company	7.	4,027	3,064
Payable to Central Depository Company of Pakistan Limited - Trustee		182	225
Payable to Securities and Exchange Commission of Pakistan		177	1,841
Payable against purchase of investments		-	698
Accrued expenses and other payables	10	20,027	18,809
<b>TOTAL LIABILITIES</b>		<b>24,413</b>	<b>24,637</b>
<b>NET ASSETS</b>		<b>858,352</b>	<b>1,373,816</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>858,352</b>	<b>1,373,816</b>
<b>CONTINGENCY AND COMMITMENT</b>	11.		
		----- (Number) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,401,940</b>	<b>10,389,075</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>134.0769</b>	<b>132.2366</b>

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MOTNHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Period ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
Note	----- (Rupees in '000) -----			
<b>Income</b>				
Financial income	72,882	88,807	20,928	30,144
Net capital gain/ (loss) on redemption and sale of investments	33,452	(14,294)	22,596	(9,790)
Dividend income	22,262	46,204	4,761	13,673
Net unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'	(60,705)	(57,429)	(139,207)	32,099
Other income	253	43	68	10
<b>Total income / (loss)</b>	<b>68,144</b>	<b>63,331</b>	<b>(90,854)</b>	<b>66,136</b>
<b>Expenses</b>				
Remuneration of the Management Company	8,850	15,642	2,532	4,656
Sindh Sales Tax of the Management Company's remuneration	1,150	2,033	329	605
Allocation of expenses relating to the Fund	885	1,564	253	465
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,845	2,616	561	805
Annual fee to Securities and Exchange Commission of Pakistan	177	1,486	52	442
Selling and marketing expense	5,655	6,257	2,633	1,863
Auditors' remuneration	542	480	112	97
Legal and professional charges	119	156	38	55
Brokerage and settlement expenses	1,610	2,211	672	837
Amortisation of preliminary expenses and floatation costs	-	29	-	2
Listing fee expense	21	21	7	7
Bank charges and other expenses	58	70	23	19
<b>Total expenses</b>	<b>20,912</b>	<b>32,565</b>	<b>7,212</b>	<b>9,853</b>
<b>Net operating income/ (loss) for the period</b>	<b>47,232</b>	<b>30,766</b>	<b>(98,066)</b>	<b>56,283</b>
Provision for Sindh Workers' Welfare Fund	(927)	(605)	1,924	(605)
<b>Net income/ (loss) for the period before taxation</b>	<b>46,305</b>	<b>30,161</b>	<b>(96,142)</b>	<b>55,678</b>
Taxation	12. -	-	-	-
<b>Net Income/ (loss) for the period after taxation</b>	<b>46,305</b>	<b>30,161</b>	<b>(96,142)</b>	<b>55,678</b>
<i>Allocation of net income for the period:</i>				
Income already paid on units redeemed	(41,463)	(7,613)	-	-
<i>Accounting income available for distribution:</i>	<b>4,842</b>	<b>22,548</b>	<b>-</b>	<b>55,678</b>
<i>Accounting income available for distribution:</i>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	4,842	22,548	-	55,678
	<b>4,842</b>	<b>22,548</b>	<b>-</b>	<b>55,678</b>
<b>Earnings per unit</b>	13.			

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director



**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MOTNHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Period ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net Income/ (loss) for the period after taxation	46,305	30,161	(96,142)	55,678
<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'	-	-	-	-
<b>Total comprehensive income/ (loss) for the period</b>	<b>46,305</b>	<b>30,161</b>	<b>(96,142)</b>	<b>55,678</b>

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

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

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

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

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

**UBL ASSET ALLOCATION FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine Months Period ended March 31,	
	2020	2019
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income/ (loss) for the period before taxation	46,305	30,161
<b>Adjustments for:</b>		
Financial income	(72,882)	(88,807)
Net capital (gain) / loss on redemption and sale of investment	(33,452)	14,294
Dividend income	(22,262)	(46,204)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	60,705	57,429
Provision for Sindh Workers' Welfare Fund	927	605
Amortisation of preliminary expenses and floatation costs	-	29
	(66,964)	(62,654)
Net cash used in operations before working capital changes	(20,659)	(32,493)
<b>Working capital changes</b>		
<i>decrease / (increase) in assets</i>		
Investments	155,167	36,812
Advance tax	(42)	(4)
Receivable against settlement of spread transactions	-	37,347
Receivable against sale of equity shares	7,095	-
Deposits, prepayments and other receivables	(377)	(42,513)
	161,843	31,642
<i>increase / (decrease) in liabilities</i>		
Payable to the Management Company	963	(1,369)
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	(34)
Payable to Securities and Exchange Commission of Pakistan	(1,664)	(710)
Payable against purchase of equity securities	(698)	-
Accrued expenses and other payables	291	(769)
	(1,151)	(2,882)
Markup income and dividend received	102,048	122,758
<b>Net cash generated from operating activities</b>	242,081	119,025
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	135,768	140,553
Payments on redemption of units	(697,537)	(755,792)
<b>Net cash used in financing activities</b>	(561,769)	(615,239)
Cash and cash equivalents at beginning of the period	416,702	1,146,417
<b>Cash and cash equivalents at end of the period</b>	97,014	650,203
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balances	97,014	275,203
Term deposit receipt and certificate of investment	-	375,000
	97,014	650,203

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL ASSET ALLOCATION FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine Months Period ended March 31, 2020				Nine Months Period ended March 31, 2019			
	Capital value	Undistributed income	Unrealised appreciation on investments classified as 'available for sale' - net	Total	Capital value	Undistributed income	Unrealised appreciation on investments classified as 'available for sale' - net	Total
	(Rupees in '000)							
<b>Net assets at beginning of the period</b>	971,499	402,317	-	1,373,816	1,826,467	431,019	(8,237)	2,249,249
Reclassification under IFRS 9	-	-	-	-	-	(8,237)	8,237	-
Amount received on issuance of 953,864 units (2019: 1,033,600 units)								
Capital value	125,910	-	-	125,910	139,101	-	-	139,101
Element of income during the period;								
- Relating to other comprehensive income for the period	9,858	-	-	9,858	1,452	-	-	1,452
- Relating to net loss for the period after taxation	135,768	-	-	135,768	140,553	-	-	140,553
Amount paid on redemption of 4,940,999 units (2019: 5,581,306 units)								
Capital value	(652,212)	-	-	(652,212)	(751,128)	-	-	(751,128)
Element of income during the period;								
- Relating to other comprehensive income for the period	(3,862)	(41,463)	-	(45,325)	2,949	(7,613)	-	(4,664)
- Relating to net loss for the period after taxation	(656,074)	(41,463)	-	(697,537)	(748,179)	(7,613)	-	(755,792)
Net income for the period after tax	-	46,305	-	46,305	-	30,161	-	30,161
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	46,305	-	46,305	-	30,161	-	30,161
<b>Net assets at end of the period</b>	<b>451,193</b>	<b>407,159</b>	<b>-</b>	<b>858,352</b>	<b>1,218,841</b>	<b>445,330</b>	<b>-</b>	<b>1,664,171</b>
<b>Undistributed income brought forward:</b>								
- Realised	-	530,799	-	530,799	-	446,226	-	446,226
- Unrealised	-	(128,482)	-	(128,482)	-	(15,207)	(8,237)	(23,444)
	-	402,317	-	402,317	-	431,019	(8,237)	422,782
Reclassification under IFRS 9	-	-	-	-	-	(8,237)	8,237	-
Accounting income available for distribution:								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	4,842	-	4,842	-	22,548	-	22,548
	-	4,842	-	4,842	-	22,548	-	22,548
Distribution during the period	-	-	-	-	-	-	-	-
<b>Undistributed income carried forward</b>	<b>-</b>	<b>407,159</b>	<b>-</b>	<b>407,159</b>	<b>-</b>	<b>445,330</b>	<b>-</b>	<b>445,330</b>
<b>Undistributed income carried forward</b>								
- Realised	-	467,864	-	467,864	-	502,759	-	502,759
- Unrealised	-	(60,705)	-	(60,705)	-	(57,429)	-	(57,429)
	-	407,159	-	407,159	-	445,330	-	445,330
	(Rupees)							
<b>Net assets value per unit at beginning of the period</b>	<b>132.2366</b>				<b>134.5792</b>			
<b>Net assets value per unit at end of the period</b>	<b>134.0769</b>				<b>136.7943</b>			

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

**UBL ASSET ALLOCATION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**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.

VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) on December 27, 2019

**2. BASIS OF PRESENTATION**

**2.1 Statement of compliance**

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

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

**2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the nine months period ended March 31, 2019.

**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, 2020.

## **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, 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, 2019.

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

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

**3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Saving accounts	4.1	<u>97,014</u>	<u>416,702</u>

**4.1** These carry mark-up at the rates ranging from 4.5% to 11.15% (June 30, 2019: 4.25% to 13.15%) per annum and include a balance of Rs.1.753 (June 30, 2019: Rs.3.739) million held with United Bank Limited (a related party).

## **5 INVESTMENTS**

### **At Fair Value Through Profit or Loss**

- Government securities - Market treasury bills	5.1	<b>45,331</b>	-
- Government securities - Pakistan Investment Bonds	5.2	<b>246,900</b>	99,760
- Debt securities - Term Finance Certificates / Sukuks	5.3	<b>111,700</b>	148,917
- Quoted equity securities	5.4	<b>355,083</b>	542,757
		<u><b>759,014</b></u>	<u>791,434</u>

### **At Amortised Cost**

-Term Deposit Receipt		-	150,000
		<u><b>759,014</b></u>	<u>941,434</u>

**5.1 Government securities - Treasury Bills 'at fair value through profit or loss'**  
(certificates having a nominal value of Rs.100,000 each)

Particulars	Note	As at July 01, 2019	Purchased during the period	Disposed / matured during the period	As at March 31, 2020	Balance as at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (Diminution)		
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----	
Market treasury bills - 6 months		-	4,250	4,250	-	-	-	-	-	-
Market treasury bills - 1 Year		-	5,000	4,500	500	45,269	45,331	62	5.28%	5.97%
Market treasury bills - 3 months		-	5,000	5,000	-	-	-	-	-	-
<b>March 31, 2020</b>						<b>45,269</b>	<b>45,331</b>	<b>62</b>	<b>5.28%</b>	<b>5.97%</b>
June 30, 2019						-	-	-		

**5.2 Government securities - Pakistan Investment Bonds 'at fair value through profit or loss'**  
(certificates having a nominal value of Rs.100 each)

Particulars	Note	As at July 01, 2019	Purchased during the period	Disposed / matured during the period	As at March 31, 2020	Balance as at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	(Diminution) / Appreciation		
----- Number of certificates -----						----- (Rupees in '000) -----			----- % -----	
Pakistan Investment Bonds - 3 years	5.2.1	-	4,000	2,500	1,500	140,473	144,520	4,047	16.84%	19.04%
Pakistan Investment Bonds - 10 years	5.2.2	1,000	-	-	1,000	99,760	102,380	2,620	11.93%	13.49%
March 31, 2020						240,233	246,900	6,667	28.77%	32.53%
June 30, 2019						99,522	99,760	238		

**5.2.1** This Pakistan Investment Bonds carry interest at the rate 7.25% per annum. These will mature latest by July 21, 2021.

**5.2.2** This Pakistan Investment Bonds carry floating interest at the rate ranging from 11.0499% to 13.9351% per annum. These will mature latest by August 09, 2028.

### 5.3 Investment in debt securities - at fair value through profit or loss

Name of Security	Note	As at July 01, 2019	Purchased during the period (Number of certificates)	Sold / matured during the period (Number of certificates)	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealised gain / (loss)	Percentage of total investments	Percentage of net assets
<b>Food and energy</b>										
Dawood Hercules Corporation Limited	5.3.1 & 5.3.2	40	-	-	40	3,189	3,223	34	0.42%	0.38%
<b>Investment and brokerage services</b>										
Jahangir Siddiqui and Company Limited	5.3.1 & 5.3.2	30,000	-	-	30,000	93,356	93,469	113	12%	10.89%
<b>Cement</b>										
Javedan Corporation Limited		150	-	-	150	14,473	15,008	535	2%	1.75%
<b>Total as at March 31, 2020</b>		<u>30,190</u>	<u>-</u>	<u>-</u>	<u>30,190</u>	<u>111,018</u>	<u>111,700</u>	<u>682</u>		
Total as at June 30, 2019						151,422	148,917	(2,505)		

5.3.1 These carry profit rate from 14.51% to 15.65% (June 2019: from 7.42% to 12.99%).

5.3.2 Significant terms and conditions of term finance certificates outstanding as at March 31, 2020 are as follows:

Name of securities	Mark-up rate (per annum)	Issue date	Maturity date
Dawood Hercules Corporation Limited (November 16, 2017)	3 Months KIBOR +1%	16-Nov-17	16-Nov-22
Jahangir Siddiqui and Company (July 18, 2017)	6 Months KIBOR +1.4%	18-Jul-17	18-Jul-22
Javedan Corporation Limited	6 Months KIBOR +1.75%	4-Oct-18	4-Oct-26

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

Name of the investee company	Note	As at July 01, 2019	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at March 31, 2020	Cost / carrying value as at March 31,	Market value as at March 31, 2020	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) ----- (%) -----												
Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each.												
Oil and gas exploration companies												
Mari Petroleum Company Limited		7,538	35,500	3,453	(8,800)	37,691	32,673	33,586	913	4.42%	3.91%	0.03%
Oil and Gas Development Company Limited		231,700	259,000	-	(168,500)	322,200	34,431	24,806	(9,625)	3.27%	2.89%	0.01%
Pakistan Petroleum Limited		138,125	45,000	28,825	(97,100)	114,850	13,405	8,247	(5,158)	1.09%	0.96%	0.00%
Pak Oil Fields Limited		54,660	30,100	-	(37,500)	47,260	15,714	12,392	(3,322)	1.63%	1.44%	0.02%
							96,223	79,031	(17,192)	10.41%	9.20%	0.06%
Oil and gas marketing companies												
Pakistan State Oil Company Limited	6.4.2	65,784	89,500	11,776	(87,900)	79,160	11,407	9,618	(1,789)	1.27%	1.12%	0.02%
				-								
Power generation and distribution												
Hub Power Company Limited		699,662	49,000	-	(508,500)	240,162	19,028	16,396	(2,632)	2.16%	1.91%	0.02%
Pakgen Power Limited		446,000	-	-	-	446,000	6,324	5,432	(892)	0.72%	0.63%	0.12%
Lalpir Power Limited		563,000	-	-	-	563,000	7,319	5,709	(1,610)	0.75%	0.67%	0.15%
Saif Power Limited		2,953,500	-	-	(2,510,002)	443,498	8,320	7,092	(1,228)	0.93%	0.83%	0.11%
					-		40,991	34,629	(6,362)	4.56%	4.04%	0.40%
Chemicals												
ICI Pakistan Limited		-	3,100	-	-	3,100	1,878	1,570	(308)	0.21%	0.18%	0.00%
LOTTE CHEMICAL PAKISTAN LTD		40,000	29,000	-	(69,000)	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited		502,868	239,000	-	(463,000)	278,868	8,437	6,838	(1,599)	0.90%	0.80%	0.03%
							10,315	8,408	(1,907)	1.11%	0.98%	0.03%
Fertilizer												
Engro Corporation Limited		113,540	79,400	-	(76,800)	116,140	29,985	30,998	1,013	4.08%	3.61%	0.02%
Engro Fertilizers Limited	6.4.1	209,500	-	-	(209,500)	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited		306,000	85,000	-	(306,000)	85,000	1,480	1,126	(354)	0.15%	0.13%	0.01%
Fauji Fertilizer Company Limited		137,000	27,000	-	(151,100)	12,900	1,136	1,200	64	0.16%	0.14%	0.00%
							32,601	33,324	723	4.39%	3.88%	0.03%
Cement												
Cherat Cement Company Limited		110,000	-	-	(110,000)	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Company Limited		340,770	-	-	(92,000)	248,770	13,068	21,705	8,637	2.86%	2.53%	0.12%
Pioneer Cement Limited		104,000	-	-	(104,000)	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited		19,950	28,300	-	(32,917)	15,333	6,703	5,684	(1,019)	0.75%	0.66%	0.00%
							19,771	27,389	7,618	0.04	3.19%	0.12%
Automobile parts and accessories												
Thal Limited		21,250	13,700	-	(7,000)	27,950	9,182	8,211	(971)	1.08%	0.96%	0.07%
			-				9,182	8,211	(971)	1.08%	0.96%	0.07%
Exchange Traded Funds												
UBL Pakistan Enterprise Exchange Traded Fund**		-	102,500	-	(13,000)	89,500	863	954	91	0.13%	0.11%	0.08%
			-				863	954	91	0.13%	0.11%	0.08%
Investment banks / investment companies / securities companies												
Arif Habib Limited		-	102,500	-	(45,000)	57,500	2,653	1,485	(1,168)	0.20%	0.17%	0.10%
							2,653	1,485	(1,168)	0.20%	0.17%	0.10%



Name of the investee company	Note	As at July 01, 2019	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at March 31, 2020	Cost / carrying value as at March 31,	Market value as at March 31, 2020	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		395,700	34,600	-	(210,700)	219,600	25,422	22,669	(2,753)	2.99%	2.64%	0.01%
Allied Bank Limited		329,500	97,000	-	(18,000)	408,500	40,454	29,053	(11,401)	3.83%	3.38%	0.04%
Bank Alfalah Limited		880,500	-	-	(329,727)	550,773	24,008	17,520	(6,488)	2.31%	2.04%	0.03%
Faysal Bank Limited	6.4.2	150	-	-	-	150	3	2	(1)	0.00%	0.00%	0.00%
Bank AL-Habib Limited		-	330,500	-	(2,000)	328,500	23,867	17,696	(6,171)	2.33%	2.06%	0.03%
United Bank Limited**	6.4.1	255,800	78,500	-	(117,500)	216,800	28,725	21,856	(6,869)	2.88%	2.55%	0.02%
							<b>142,479</b>	<b>108,796</b>	<b>(33,683)</b>	<b>14.34%</b>	<b>12.67%</b>	<b>0.13%</b>
<b>Textile</b>												
Nishat Mills Limited		108,200	34,000	-	(69,000)	73,200	6,676	4,299	(2,377)	0.57%	0.50%	0.02%
Gul Ahmed Textile Mills Limited		346,000	-	43,200	(227,000)	162,200	6,369	3,739	(2,630)	0.49%	0.44%	0.04%
							<b>13,045</b>	<b>8,038</b>	<b>(5,007)</b>	<b>1.06%</b>	<b>0.94%</b>	<b>0.06%</b>
<b>Engineering</b>												
Amreli Steels Limited		100	-	-	(100)	-	-	-	-	0.00%	0.00%	0.00%
International Industries limited		-	25,500	-	(25,500)	-	-	-	-	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>FOOD &amp; PERSONAL CARE PRODUCT</b>												
Al Shaheer Corporation Limited		98,000	80,000	72,446	-	250,446	<b>3,246</b>	<b>2,377</b>	<b>(869)</b>	<b>0.31%</b>	<b>0.28%</b>	<b>0.13%</b>
<b>Glass and ceramics</b>												
Tariq Glass Industries Limited		36,300	53,500	26,750	(36,300)	80,250	<b>6,093</b>	<b>4,056</b>	<b>(2,037)</b>	<b>0.53%</b>	<b>0.47%</b>	<b>0.07%</b>
<b>Insurance</b>												
Adamjee Insurance Company Limited		632,000	68,000	-	(341,244)	358,756	<b>13,205</b>	<b>9,554</b>	<b>(3,651)</b>	<b>1.26%</b>	<b>1.11%</b>	<b>0.10%</b>
<b>Leather and Tranneries</b>												
Service Industries Limited		-	5,800	-	-	5,800	<b>5,100</b>	<b>3,727</b>	<b>(1,373)</b>	<b>0.49%</b>	<b>0.43%</b>	<b>0.03%</b>
<b>Technology and communication</b>												
System Limited		-	65,500	-	(25,000)	40,500	<b>3,808</b>	<b>4,501</b>	<b>693</b>	<b>0.59%</b>	<b>0.52%</b>	<b>0.03%</b>
<b>Refinery</b>												
National Refinery Limited		300	-	-	(300)	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Textile Composite</b>												
Kohinoor Textile Mills Limited		-	444,000	-	(244,994)	199,006	<b>6,667</b>	<b>5,150</b>	<b>(1,517)</b>	<b>0.68%</b>	<b>0.60%</b>	<b>0.07%</b>
<b>Paper and Board</b>												
Century paper and board Mills Limited		-	100,000	-	-	100,000	4,334	4,621	287	0.61%	0.54%	0.07%
Packages Limied		5,400	-	-	(3,000)	2,400	721	548	(173)	0.07%	0.06%	0.00%
							<b>5,055</b>	<b>5,169</b>	<b>114</b>	<b>0.68%</b>	<b>0.60%</b>	<b>0.07%</b>
<b>Pharmaceuticals</b>												
The Searl Company Limited	6.4.2	21,240	-	-	(18,900)	2,340	343	367	24	0.05%	0.04%	0.00%
Highnoon Laboratories Limited	6.4.2	600	-	-	-	600	152	299	147	0.04%	0.03%	0.00%
							<b>495</b>	<b>666</b>	<b>171</b>	<b>0.09%</b>	<b>0.07%</b>	<b>0.00%</b>
<b>Total equity securities 'At Fair Value Through Profit or Loss' as at March 31, 2020</b>							<b>423,199</b>	<b>355,083</b>	<b>(68,116)</b>	<b>47.18%</b>	<b>41.34%</b>	
Total equity securities 'At Fair Value Through Profit or Loss' as at June 30, 2019							668,972	542,757	(126,215)			

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

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

Pakistan Petroleum Limited  
Engro Fertilizer limited  
United Bank Limited

March 31, 2020 (Number of shares)	June 30, 2019
25,000	-
-	200,000
50,000	50,000
<b>75,000</b>	<b>250,000</b>

**5.4.2** 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.669,095 at March 31, 2020. 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 2020, are not liable to withholding of Income Tax.

## 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 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## 7. PAYABLE TO MANAGEMENT COMPANY

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

During the nine months period ended March 31, 2020, the management has charged at the rate of 1% per annum (March 31, 2019: 1%) of average daily net assets of the Fund.

## 8. ALLOCATED EXPENSES AND SELLING AND MARKETING EXPENSES

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

During the period, the Management Company has charged expenses to the Fund on account of fee and expenses related to registrar services, accounting, and operation and valuation services at 0.1% per annum of average daily net assets.

Furthermore Management Company has also charged selling and marketing expense to the Fund as follows:

From July 1, 2019 through December 07, 2019	0.4% per annum of average daily net assets
From December 08, 2019 through March 31, 2020	1.04% per annum of average daily net assets

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

SECP vide S.R.O. 685 (I)/2019 has revised its annual fee from 0.095% to 0.02% per annum of average daily net assets of the Fund, applicable from July 01, 2019.

## 10. ACCRUED EXPENSES AND OTHER PAYABLES

### 10.1 Provision for Sindh Workers' Welfare Fund

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 of annual financial statements for the year ended June 30, 2019. 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.1.83 (June 30, 2019: Rs.1.04).

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

This includes provision for federal excise duty (FED) as at March 31, 2020 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 16.1 to the annual audited financial statements for the year ended June 30, 2019. Had the provision not been provided for, the net assets value per unit would have been higher by Re.0.98 (June 30, 2019: Re.0.60).

## **11. CONTINGENCY AND COMMITMENT**

As at March 31, 2020, there is no contingency and commitment.

## **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. As the Management Company intends to distribute through cash at least 90% of the Fund's net accounting income as reduced by capital gains 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.

## **13. 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.

## **14. TOTAL EXPENSE RATIO**

On June 20, 2019, SECP has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As per said amendment capping of expense ratio of the Fund has now been increased from 4% to 4.5%%

Further, as per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.86% as on March 31, 2020 and this includes 0.22% representing government levy, worker's welfare fund and SECP fee.

## **15. 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 agreed terms.

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 2020) (Un-audited)					
<u>Transactions during the period</u>						
Mark-up on bank accounts	-	336	-	-	-	-
Bank charges	-	13	-	-	-	-
Dividend income	-	1,878	-	-	-	-
Units issued	-	-	-	-	84	-
Units redeemed	-	-	-	-	-	-
Purchase of securities	-	51,252	-	988	-	-
Sale of securities	-	58,985	-	129	-	-
Selling and marketing expense	5,655	-	-	-	-	-
Remuneration	8,850	-	1,845	-	-	-
CDC charges	-	-	28	-	-	-
Sales tax on management fee	1,150	-	-	-	-	-
Allocated expenses	885	-	-	-	-	-

<b>Transactions during the period</b>						
<b>(For the nine months period ended 31 March 2019) (Un-audited)</b>						
Mark-up on bank accounts	-	181	-	-	-	-
Bank charges	-	5	-	-	-	-
Units issued	-	-	-	-	800	-
Units redeemed	-	-	-	-	774	-
Purchase of securities	-	54,049	-	-	-	-
Sale of securities	-	289,605	-	245,427	-	-
Dividend received	-	1,584	-	-	-	-
Selling and marketing expense	6,257	-	-	-	-	-
Remuneration	15,642	-	2,616	-	-	-
Settlement charges	-	-	67	-	-	-
Sales tax on management fee	2,033	-	-	-	-	-
Allocated expenses	1,564	-	-	-	-	-

<b>Balances held</b>						
<b>(As at 31 March 2020) (Un-audited)</b>						
Units held (Number of units in '000)	-	-	-	-	17	1,414
Units held (Amount in '000)	-	-	-	-	2,279	189,585
Bank balances *	-	1,753	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	906	-	182	-	-	-
Sales load and other payable	235	4	-	-	-	-
Selling and marketing expense payable	2,633	-	-	-	-	-
Allocated expenses	253	-	-	-	-	-
Profit receivable	-	29	-	-	-	-
Investments	-	21,856	-	954	-	-

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

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

<b>Balances held</b>						
<b>(As at 30 June 2019) (Audited)</b>						
Units held (Number of units in '000)	-	-	-	-	16	1,095
Units held (Amount in '000)	-	-	-	-	2,150	144,859
Bank balances *	-	3,739	-	-	-	-
Remuneration payable **	1,326	-	-	-	-	-
Sales load and other payable	125	43	-	-	-	-
Selling & Marketing Expense Payable	1,496	-	-	-	-	-
Allocated expenses	117	-	-	-	-	-
Profit receivable	-	35	-	-	-	-
Settlement charges payable	-	-	225	-	-	-
Investments	-	37,700	-	-	-	-

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

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

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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, 2020 and June 30, 2019, the Fund held the following instruments measured at fair values:

	Fair value		
	Level 1	Level 2	Level 3
	-----	(Rupees) -----	-----
<b><u>March 31, 2020 (Un-audited)</u></b>			
<b>Financial assets measured at fair value</b>			
Investments in debt securities	-	111,700	-
Government securities-Market Treasury Bills	-	45,331	-
Government securities-Pakistan Investment Bond	-	246,900	-
Quoted equity security	355,083	-	-
	<b>355,083</b>	<b>403,931</b>	-

	Fair value		
	Level 1	Level 2	Level 3
	-----	(Rupees)	-----
June 30, 2019 (Audited)			
<b>Financial assets measured at fair value</b>			
Investments in debt securities	-	148,917	-
Government securities	-	99,760	-
Quoted equity securities	542,757	-	-
	542,757	248,677	-

## **17. GENERAL**

**17.1** 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.

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

## **18. DATE OF AUTHORISATION FOR ISSUE**

**18.1** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 30, 2020.

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

SD

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**Chief Executive Officer**

SD

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**Chief Financial Officer**

SD

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**Director**

# 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 Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)
<b>Fund Rating</b>	AA(f) (VIS)



**UBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
**As at 31 March 2020**

		<b>(Un-Audited)</b> <b>March 31</b> <b>2020</b>	<b>(Audited)</b> <b>June 30</b> <b>2019</b>
	<i>Note</i>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Bank balances	4	<b>3,438,851</b>	2,388,715
Placements and term deposit receipt	5	-	340,000
Investments	6	<b>1,365,382</b>	-
Profit receivable		<b>37,245</b>	21,992
Deposit, prepayments and other receivables		<b>1,134</b>	1,373
Advance Income tax	7	<b>1,595</b>	1,589
<b>Total assets</b>		<b>4,844,208</b>	2,753,669
<b>Liabilities</b>			
Payable to UBL Fund Managers Limited - Management Company	10	<b>8,091</b>	2,684
Payable to Central Depository Company of Pakistan Limited - Trustee	9	<b>276</b>	222
Payable to Securities and Exchange Commission of Pakistan	8	<b>649</b>	1,414
Accrued expenses and other liabilities	11	<b>275,682</b>	23,918
<b>Total liabilities</b>		<b>284,696</b>	28,238
<b>Net assets</b>		<b>4,559,512</b>	2,725,431
<b>Unit holders' fund</b> (as per the statement attached)		<b>4,559,512</b>	2,725,431
<b>Contingencies And Commitments</b>	12		
		<b>(Number of Units)</b>	
<b>Number of units in issue</b> (face value of units is Rs. 100 each)		<b>41,354,693</b>	27,071,133
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>110.2538</b>	100.6767

The annexed notes from 1 to 19 form an integral part of these condensed 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 (Un-audited)  
For the nine months period and quarter ended March 31, 2020

	Note	Nine Months Period Ended		Quarter ended	
		March 31 2020	March 31 2019	March 31 2020	March 31 2019
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Financial income		440,314	126,699	146,460	50,093
Capital loss on sale of investments - net		(2,129)	(2,334)	1,312	(429)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'		5,065	-	5,092	-
Other Income		657	126	625	67
<b>Total income</b>		<b>443,906</b>	<b>124,491</b>	<b>153,488</b>	<b>49,731</b>
<b>Expenses</b>					
Remuneration of the Management Company		24,525	9,374	7,492	3,740
Sindh Sales Tax on the Management Company's remuneration		3,188	1,219	974	487
Allocation of expenses relating to the Fund	10.2	3,244	1,345	1,106	463
Marketing & Selling Expense	10.2	7,357	-	3,318	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,383	1,776	812	601
Annual fee of Securities and Exchange Commission of Pakistan		649	1,009	221	348
Bank charges		306	207	76	72
Auditors' remuneration		544	596	185	128
Listing fees		21	21	7	7
Legal and professional charges		104	123	23	41
Brokerage expenses / Settlement expenses		458	271	120	114
Other expenses		161	213	62	68
<b>Total operating expenses</b>		<b>42,940</b>	<b>16,154</b>	<b>14,396</b>	<b>6,069</b>
<b>Net income from operating activities</b>		<b>400,966</b>	<b>108,337</b>	<b>139,092</b>	<b>43,662</b>
Provision for Sindh Workers' Welfare Fund	11.1	(7,866)	(2,126)	(2,728)	(857)
<b>Net income for the period before taxation</b>		<b>393,100</b>	<b>106,211</b>	<b>136,364</b>	<b>42,805</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>393,100</b>	<b>106,211</b>	<b>136,364</b>	<b>42,805</b>
<b>Allocation of net income for the Period after taxation</b>					
Net income for the period after taxation		393,100	106,211	136,364	42,805
Income already paid on units redeemed		(161,200)	(79,620)	(59,498)	(53,352)
Accounting income available for distribution		<b>231,900</b>	<b>26,591</b>	<b>76,866</b>	<b>(10,547)</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		2,903			
- Excluding capital gains		228,997	26,591	73,963	(10,547)
		<b>231,900</b>	<b>26,591</b>	<b>76,866</b>	<b>(10,547)</b>

Earnings per unit

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The annexed notes from 1 to 19 form an integral part of these condensed 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 (Un-audited)

For the nine months period and quarter ended March 31, 2020

	<b>Nine Months Period Ended</b>		<b>Quarter ended</b>	
	<b>March 31</b>	March 31	<b>March 31</b>	March 31
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>Net income for the quarter after taxation</b>	<b>393,100</b>	106,211	<b>136,364</b>	42,805
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>393,100</b>	106,211	<b>136,364</b>	42,805

The annexed notes from 1 to 19 form an integral part of these condensed 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 (Un-audited)  
For the Nine Months Period Ended March 31, 2020

	Nine Months Period Ended					
	March 31 2020			March 31 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the Period</b>	2,714,135	11,296	2,725,431	1,590,492	25,180	1,615,672
<b>Issuance of 100,292,904 units (2019: 45,006,012 units)</b>						
- Capital value	10,097,159	-	10,097,159	4,521,579	-	4,521,579
- Element of income	354,582	-	354,582	111,228	-	111,228
Total proceeds on issuance of units	10,451,741	-	10,451,741	4,632,807	-	4,632,807
<b>Redemption of 86,009,344 units (2019: 42,350,006 units)</b>						
- Capital value	(8,659,137)	-	(8,659,137)	(4,254,740)	-	(4,254,740)
- Element of loss	(190,423)	(161,200)	(351,623)	(29,819)	(79,620)	(109,439)
Total payments on redemption of units	(8,849,560)	(161,200)	(9,010,760)	(4,284,559)	(79,620)	(4,364,179)
Total comprehensive income for the period	-	393,100	393,100	-	106,211	106,211
Final distribution during the quarter ended 30 September 2018: Rs. 5.1412 per unit declared on July 02, 2018 as cash dividend	-	-	-	(59,908)	(18,746)	(78,654)
<b>Net assets at end of the period</b>	<b>4,316,316</b>	<b>243,196</b>	<b>4,559,512</b>	<b>1,878,832</b>	<b>33,025</b>	<b>1,911,857</b>
<b>Undistributed income brought forward:</b>						
- Realised income	-	11,296	11,296	-	25,180	25,180
- Unrealised income	-	-	-	-	-	-
		11,296	11,296		25,180	25,180
<b>Accounting income available for distribution</b>						
- Relating to capital gains	2,903	2,903		-	-	
- Excluding capital gains	228,997	228,997		26,591	26,591	
	231,900	231,900		26,591	26,591	
Final distribution during the quarter ended 30 September 2018: Rs. 5.1412 per unit declared on July 02, 2018 as cash dividend	-	-	-	(18,746)	(18,746)	
<b>Undistributed income carried forward</b>	<b>243,196</b>	<b>243,196</b>		<b>33,025</b>	<b>33,025</b>	
<b>Undistributed income carried forward comprise of:</b>						
- Realised income	243,196	243,196		33,025	33,025	
- Unrealised income	-	-	-	-	-	
	<b>243,196</b>	<b>243,196</b>		<b>33,025</b>	<b>33,025</b>	
	(Rupees)			(Rupees)		
<b>Net assets value per unit at beginning of the Period</b>	<b>100.6767</b>			<b>105.6073</b>		
<b>Net assets value per unit at end of the Period</b>	<b>110.2538</b>			<b>106.4812</b>		

The annexed notes from 1 to 19 form an integral part of these condensed 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 (Un-audited)**  
**For the Nine Months Period Ended March 31, 2020**

	<b>Nine Months Period Ended</b>	
	<b>March 31</b>	<b>March 31</b>
	<b>2020</b>	<b>2019</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the quarter before taxation	393,100	106,211
<b>Adjustments for non-cash and other items:</b>		
Financial income	(440,314)	(126,699)
Capital loss on sale of investments	2,129	2,334
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	(5,065)	
Provision for Sindh Workers' Welfare Fund	7,866	2,126
	<b>(435,384)</b>	<b>(122,239)</b>
<b>Net cash used in operations before working capital changes</b>	<b>(42,284)</b>	<b>(16,028)</b>
<b>Working capital changes</b>		
<i>(Increase) / decrease in assets</i>		
Investments	(1,362,447)	(2,334)
Deposit, prepayments and other receivables	239	(104)
Advance tax	(6)	(9)
	<b>(1,362,214)</b>	<b>(2,447)</b>
<i>(Decrease) / increase in liabilities</i>		
Payable to UBL Fund Managers Limited - Management Company	5,407	1,186
Payable to Central Depository Company of Pakistan Limited - Trustee	54	41
Payable to Securities and Exchange Commission of Pakistan	(765)	181
Accrued expenses and other payables	243,897	(22)
	<b>425,061</b>	<b>115,856</b>
<b>Net cash flows generated from operating activities</b>	<b>(730,845)</b>	<b>98,767</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	10,451,741	4,627,367
Payments on redemption of units	(9,010,760)	(4,364,179)
Cash distribution to unit holders	-	(78,654)
<b>Net cash flows generated from financing activities</b>	<b>1,440,981</b>	<b>184,534</b>
<b>Net increase in cash and cash equivalents</b>	<b>710,136</b>	<b>283,301</b>
Cash and cash equivalents at beginning of the period	<b>2,728,715</b>	<b>1,625,596</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,438,851</b>	<b>1,908,897</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	3,438,851	1,723,897
Term deposit receipt	-	185,000
<b>Cash and cash equivalents at end of the period</b>	<b>3,438,851</b>	<b>1,908,897</b>

The annexed notes from 1 to 19 form an integral part of these condensed 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 (Un-Audited)

### For the Nine Months Period Ended March 31, 2020

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

- 1.1 UBL Money Market Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (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.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines.
- 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 general 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 a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.
- 1.5 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.
- 1.6 The Management Company has been rated as 'AM1' on 31 December 2019 by VIS.

#### **2 BASIS OF PRESENTATION**

##### **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, 2019.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended March 31, 2019.
- 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, 2020.

## 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, 2019.

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

3.3 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

4	BANK BALANCES	Note	(Un-audited)	(Audited)
			30 March 2020 (Rupees in '000)	30 June 2019
	In current accounts	4.1	3,272	2,174
	In saving accounts	4.2	3,435,580	2,386,541
			<u>3,438,851</u>	<u>2,388,715</u>

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

4.2 These carry profit rates ranging from 8.75% to 14.4% (30 June 2019: 4% to 13.4%) per annum. This includes balance with United Bank Limited of Rs. 14.511 million (30 June 2019: Rs. 13.613 million) carrying profit rate of 11.75% (30 June 2019: 8.25%) per annum.

5	PLACEMENTS AND TERM DEPOSIT RECEIPTS	(Un-audited)	(Audited)
		30 March 2020 (Rupees in '000)	30 June 2019
	Term Deposit Receipt	-	-
	Letter of placement	-	340,000
		<u>-</u>	<u>340,000</u>

6	INVESTMENTS	(Un-audited)	(Audited)
		30 March 2020 (Rupees in '000)	30 June 2019
	Designated at fair value through profit or loss - Government Securities		
	- Market Treasury Bills	6.1	1,365,382
		<u>1,365,382</u>	<u>-</u>

## 6.1 Market Treasury Bills

	As at 01 July 2019	Purchased During the Period	Sold / matured during the Period	As at 31 March 2020	Total carrying value as at March 31, 2020	Market Value value as at March 2020	Appreciation / (diminution) as at March 31, 2020	Percentage of total investment	Percentage of net assets
	----- (Number of holdings) -----			----- (Rupees in '000) -----					
Treasury Bills - 3 months	-	25,053,900	24,805,000	248,900	246,169	246,207	38	18%	5%
Treasury Bills - 6 months	-	2,906,000	1,731,000	1,175,000	1,114,149	1,119,175	5,026	82%	25%
				-					
				-					
Total as of March 31, 2020	-	27,959,900	26,536,000	1,423,900	1,360,317	1,365,382	5,065	100%	30%

## 7 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 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, Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax ITO 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

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

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

10.1 SECP vide S.R.O. 639 (I)/2019 has substituted regulation 61 where by Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. Moreover it shall disclose in the Offering Document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit.

The remuneration is payable to the Management Company on monthly basis in arrears. During the quarter ended March 31, 2020, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

10.2 SECP vide S.R.O. 639 (I)/2019 has substitute clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% and 0.4% per annum of annual net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services and charging Selling and Marketing expenses, respectively, provided total expense ratio remain with the allowed limit.

The Management Company is charging 0.1% on account of fee and expenses related to registrar services, accounting, operation and valuation services from September 5, 2019 and onwards. Furthermore Management Company has also started charging selling and marketing expense of 0.30% from September 05, 2019.

## 11 ACCRUED EXPENSES AND OTHER LIABILITIES

### 11.1 Provision for Workers' Welfare Fund (WWF)

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 7.8660 million (June 30, 2019: Rs. 5.672 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. 0.3259 (June 30, 2019: Re. 0.2079).

### 11.2 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs. 9.499 million (June 30, 2019: Rs.9.499 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 9.4992 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.2294 (June 30, 2019: Re.0.3509).



## **12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020.

## **13 TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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.

## **14 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.

## **15 TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.57% as on March 31, 2020 and this includes 0.37% representing government levy, worker's welfare fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

## **16 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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 2020**

31 March 2020		Carrying amount			Fair value			
Note	Designated as at fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----								
Financial assets measured at fair value								
	Investment in Debt securities	1,365,382	-	1,365,382	-	1,365,382	-	1,365,382

### Financial assets not measured at fair value

16.1

Bank balances	-	3,438,851	3,438,851
Letter of Placements	-	-	-
Profits receivable	-	37,245	37,245
Deposits, prepayments and other receivables	-	1,134	1,134
	-	3,477,230	3,477,230

### Financial liabilities not measured at fair value

16.1

Payable to the Management Company	-	8,091	8,091
Payable to Central Depository Company of Pakistan Limited - Trustee	-	276	276
Accrued expenses and other payables	-	275,682	275,682
	-	284,048	284,048

**30 June 2019**

30 June 2019				Fair value			
	Designated as at fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----						

### Financial assets not measured at fair value

16.1

Bank balances	-	2,388,715	2,388,715
Letter of placements	-	340,000	340,000
Profits receivable	-	21,992	21,992
Deposits, prepayments and other receivables	-	1,275	1,275
	-	2,751,982	2,751,982

### Financial liabilities not measured at fair value

16.1

Payable to the Management Company	-	2,684	2,684
Payable to Central Depository Company of Pakistan Limited - Trustee	-	222	222
Accrued expenses and other payables	-	8,792	8,792
	-	11,698	11,698

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

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

## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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.

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the quarter year ended March 31, 2020 are as follows:

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
----- (Transactions during the Period ended 31 March 2020) ----- ----- (Rupees in '000) -----						
Units issued	1,301,530	2,100	-	305,253	102,698	-
Units redeemed	1,310,401	2,113	-	423,994	91,361	-
Profit on saving accounts	-	1,034	-	-	-	-
Bank charges	-	78	-	-	-	-
Purchase of securities	-	362,825	-	2,184,304	-	-
Sale of securities	-	2,370,923	-	1,989,864	-	-
Listing Fee	-	21	-	-	-	-
Remuneration Payable	24,525	-	723	-	-	-
Sindh Sales tax on remuneration	3,188	-	94	-	-	-
Selling & Marketing Expense	7,357	-	-	-	-	-
Allocation of expenses relating to the Fund	3,244	-	-	-	-	-
----- (Balances held as at 31 March 2020) -----						
Units held (in units '000)	-	-	-	2,645	343	-
Units held (in rupees '000)	-	-	-	292	38	-
Bank balances	-	8,636	-	-	-	-
Listing Fee Payable	-	-	-	-	-	-
Remuneration payable	2,910	-	276	-	-	-
Sales load and other payable	690	-	-	-	-	-
Payable against allocated expenses	1,106	-	-	-	-	-
Selling and Marketing expense payable	3,318	-	-	-	-	-
Conversion Charges Payable	50	-	-	-	-	-
Other Payable	17	-	-	-	-	-
Profit receivable	-	134	-	-	-	-
Deposit	-	-	100	-	-	-
----- (Transactions during the Period ended 31 March 2019) ----- ----- (Rupees in '000) -----						
Units issued	75,955	598	-	589,338	13,427	-
Units redeemed	682,953	23,986	-	338,793	4,130	-
Profit on saving accounts	-	3,461	-	-	-	-
Bank charges	-	53	-	-	-	-
Purchase of securities	-	-	-	980,283	-	-
Sale of securities	-	1,106,348	-	395,528	-	-
Remuneration	9,374	-	1,572	-	-	-
Sindh Sales tax on remuneration	1,219	-	204	-	-	-
Allocation of expenses relating to the Fund	1,345	-	-	-	-	-
Dividend Paid	30,986	1,171	3	7,662	-	-
----- (Balances held as at 30 June 2019) -----						
Units held (in units '000)	-	-	-	3,862	234,819	3,979
Units held (in rupees '000)	-	-	-	388,767	23,641	400,604
Bank balances	-	15,787	-	-	-	-
Remuneration payable	2,038	-	222	-	-	-
Sales load and other payable	466	-	-	-	-	-
Payable against allocated expenses	180	-	-	-	-	-
Receivable from issuance of unit	1,000	-	-	174	-	-
Profit receivable	-	52	-	-	-	-
Deposit	-	-	100	-	-	-

**18. GENERAL**

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

**19 DATE OF AUTHORISATION FOR ISSUE**

19.1 This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

**SD**

---

**Chief Executive Officer**

**SD**

---

**Chief Financial Officer**

**SD**

---

**Director**

# UCF

## UBL Cash Fund

### INVESTMENT OBJECTIVE

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

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 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>	Deloitte Yousuf Adil & Co., Chartered Accountants.
<b>Bankers</b>	United Bank Limited Allied Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Samba Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)
<b>Fund Rating</b>	AA+ (JCR-VIS)

**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

	Note	(Un-audited) March 31, 2020 (Rupees in '000)
<b>ASSETS</b>		
Bank balances	4	1,675,839
Investments - net	5	356,233
Mark-up receivable		15,790
Other receivable		23
<b>Total assets</b>		<b>2,047,884</b>
<b>LIABILITIES</b>		
Payable to UBL Fund Managers Limited - Management Company		900
Payable to Central Depository Company of Pakistan Limited - Trustee	6	95
Payable to the Securities and Exchange Commission of Pakistan	7	64
Accrued expenses and other liabilities	9	1,168
<b>Total liabilities</b>		<b>2,227</b>
<b>Net Assets</b>		<b>2,045,657</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>2,045,657</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	10	(Number of units)
<b>Number of Units in Issue</b>		<b>19,131,764</b>
		----- (Rupees) -----
<b>Net Asset Value Per Unit</b>		<b>106.9247</b>
<b>Face Value per Unit</b>		<b>100.0000</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 CASH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO MARCH 31, 2020**

For the period from September 23, 2019 to March 31, 2020	For the quarter ended March 31, 2020
---	--

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

**INCOME**

Financial income	43,299	30,916
Profit on sale of investments - net	1,166	1,431
Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	397	397
<b>Total income</b>	<b>44,862</b>	<b>32,744</b>

**EXPENSES**

Remuneration of Central Depository Company of Pakistan Limited - Trustee	235	170
Allocated expenses	135	135
Annual fee of Securities and Exchange Commission of Pakistan	64	46
Brokerage, settlement and other expenses	104	80
Listing fee	17	9
<b>Total expenses</b>	<b>555</b>	<b>440</b>

**Net operating income for the period**

Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(869)	(634)
--	-----	-------	-------

**Net income for the period before taxation**

Taxation	11	-	-
----------	----	---	---

**Net income for the period after taxation**

**Allocation of net income for the period**

- Net income for the period after taxation	43,438	31,670
- Income already paid on units redeemed	(10,131)	(6,230)

**Net income for the period available for distribution**

Net income for the period available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	33,307	25,440
	<b>33,307</b>	<b>25,440</b>

**Earnings per unit**

12

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

**UBL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO MARCH 31, 2020**

**For the period  
from September  
23, 2019 to March  
31, 2020**

**(Rupees in '000)**

<b>Net income for the period after taxation</b>	<b>43,438</b>
Other comprehensive income for the period	-
<b>Total comprehensive income for the period</b>	<b>43,438</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 CASH FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO MARCH 31, 2020**

For the period from  
September 23, 2019 to March 31, 2020

Capital value	Undistributed income	Total
(Rupees. in '000)		

**Net assets at beginning of the period**

Amount received on issuance of 27,291,962 units

- Capital value
- Element of loss

**Total amount received on redemption of units**

Amount paid on Redemption of 8,160,198 units

- Capital value
- Element of income

**Total amount paid on issuance of units**

Total comprehensive income for the period

**Interim distribution:**

Re. 0.4228 per unit paid on September 29, 2019

**Net income loss for the period less distribution**

**Net assets at end of the period**

2,729,196	-	2,729,196
125,340	-	125,340
2,854,536	-	2,854,536
(816,020)	-	(816,020)
(25,743)	(10,131)	(35,874)
(841,763)	(10,131)	(851,894)
-	43,438	43,438
-	(423)	(423)
-	43,015	43,015
2,012,773	32,884	2,045,657

**Undistributed income brought forward comprising of:**

- Realised
- Unrealised

**Accounting income available for distribution**

- Related to capital gain
- Excluding capital gain

-	-	-
-	33,307	33,307
-	33,307	33,307

**Distribution during the period:**

Re. 0.4228 per unit paid on September 29, 2019

**Undistributed income carried forward - net**

-	(423)	(423)
-	32,884	32,884

**Undistributed income carried forward comprising of:**

- Realised
- Unrealised

-	32,884	32,884
-	-	-
-	32,884	32,884

----- (Rupees) -----

**Net assets value per unit at the beginning of the period**

100.0000

**Net assets value per unit at the end of the period**

106.9247

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 CASH FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO MARCH 31, 2020**

For the period from  
September 23,  
2019 to  
March 31,  
2020

(Rupees in '000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation 43,438

**Adjustments for:**

Financial income	(43,299)
profit on sale of investments - net	(1,166)
Unrealized (loss) / gain on revaluation of investments classified as	-
financial assets 'at fair value through profit or loss' - net	(397)
Provision for Sindh Workers' Welfare Fund (SWWF)	869
	(43,993)
<b>Cash used in operations before working capital changes</b>	<b>(555)</b>

**(Increase) in assets**

Investment - net	(354,669)
Other receivable	(23)
	(354,692)

**Increase in liabilities**

Payable to UBL Fund Managers Limited - Management Company	900
Payable to Central Depository Company of Pakistan Limited - Trustee	95
Payable to the Securities and Exchange Commission of Pakistan	64
Accrued expenses and other liabilities	299
	1,358

**Cash used in operations** (353,889)

Mark-up received on bank balances 27,509

**Net cash generated from operating activities** (326,380)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net receipts from issuance of units	2,854,536
Net payments against redemption of units	(851,894)
Dividend paid	(423)
<b>Net cash generated from financing activities</b>	<b>2,002,219</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>1,675,839</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,675,839</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 CASH FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO MARCH 31, 2020**

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

- 1.1** UBL Cash 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 an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for 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.
- 1.4** The principal activity of the Fund is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.
- 1.5** Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2019 and a stability rating of 'AA (f)' to the Fund as on December 31, 2019.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP, the NBFC Rules, the NBFC Regulations and the 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 half yearly published financial statements of the Fund for the period ended December 31, 2019.
- 2.1.3** In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

**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**

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, 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 condensed financial statements of the Fund for the period ended December 31, 2019.

- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the condensed financial statements as at and for the period ended December 31, 2019.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in financial statements of the Fund for the period ended December 31, 2019.

			(Un-audited) March 31, 2020 (Rupees in '000)
4.	<b>BANK BALANCES</b>	<b>Note</b>	
	<b>In local currency:</b>		
	- Profit and loss sharing accounts	4.1	<u><u>1,675,839</u></u>

- 4.1 Mark-up rates on these Mark-up and loss sharing accounts range between 11.75% to 13.54% per annum. This includes an amount held by a related party (United Bank Limited) amounting to Rs. 0.678 m on which return is earned at 11.75% per annum.

## 5. INVESTMENTS - NET

### Government securities designated at fair value through profit or loss

Name of security	As at September 23, 2019	Purchased during the period	Sold / Matured during the period	As at March 31, 2020	Total carrying value as at March 31, 2020	Total market value as at March 31, 2020	Unrealized Gain
		----- No. of holdings -----				----- (Rupees in '000) -----	
Market Treasury Bills - 3 months	5.1	-	43,260	43,260	-	-	-
Market Treasury Bills - 6 months	5.1	-	9,250	5,500	3,750	355,836	356,233
							397
<b>Total as at March 31, 2020 (unaudited)</b>					<u><u>355,836</u></u>	<u><u>356,233</u></u>	<u><u>397</u></u>

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

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

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

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

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

## 8. ALLOCATED EXPENSES

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services from March 06, 2020.

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

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

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 0.869 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. However, 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.0.045.

## **10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020.

## **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 distribute through cash at least 90% of the Fund's net accounting income as reduced by capital gains 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.

## **12. 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.

## **13. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 0.34% which includes 0.23% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## **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 the market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

ASSETS	As at March 31, 2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets measured at fair value</b>		<b>356,233</b>	<b>-</b>	<b>356,233</b>

**14.1** 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.

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

#### **15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

**15.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the 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 as trustee and custodian of the Fund, the directors and officers of the Management Company, and unit holders holding 10% or more of the Fund's net assets.

**15.2** Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

**15.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations.

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

**15.5** 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 and others*	Trustee	Funds under Common Management	Other Connected persons / related parties**
<b>Transactions during the period</b>					
	----- Period from September 23, 2019 to March 31, 2020 -----				
	(Units in '000)				
Units issued	2,004	-	-	-	11,138
Units redeemed	2,004	-	-	-	2,206
	----- (Rupees in '000) -----				
Value of units issued	200,424	-	-	-	1,174,416
Value of units redeemed	206,838	-	-	-	231,828
Mark-up on PLS accounts	-	345	-	-	-
Bank and other charges	-	16	-	-	-
Remuneration (inclusive of SST)	-	-	235	-	-
Allocated Expenses	135	-	-	-	-
Dividend paid	423	-	-	-	-
	----- As at March 31, 2020 -----				
	(Units in '000)				
<b>Balances held</b>					
Units held	-	-	-	-	8,932
	----- (Rupees in '000) -----				
Value of units held	-	-	-	-	955,038
Bank balances	-	678	-	-	-
Deposits	-	-	-	-	-
Remuneration (inclusive of SST)	-	-	95	-	-
Allocated expenses payable	135	-	-	-	-
Back End Load payable	735	-	-	-	-
Other payable	30	-	-	-	-
Mark-up receivable	-	185	-	-	-

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

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

**16. GENERAL**

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

**17. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

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

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

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

# 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 (VIS)



**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	1,398	2,697
Investments	5	30,985	176,071
Dividend, mark-up and other receivable		2,312	1,190
Advance tax	6.	49	42
Deposits and other receivables		2,522	2,500
Receivable against sale of investments		55,911	428
Preliminary expenses and floatation costs		197	244
<b>TOTAL ASSETS</b>		<b>93,374</b>	<b>183,172</b>
<b>LIABILITIES</b>			
Payable to the Management Company		585	606
Payable to the Trustee		31	38
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		30	156
Payable against purchase of investments		6,911	175
Accrued and other liabilities	13.	51,389	614
<b>TOTAL LIABILITIES</b>		<b>58,946</b>	<b>1,589</b>
<b>NET ASSETS</b>		<b>34,428</b>	<b>181,583</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>34,428</b>	<b>181,583</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14.		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>488,781</b>	<b>2,244,682</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>70.4350</b>	<b>80.8948</b>

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH, 2020 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note	(Rupees in '000)		(Rupees in '000)	
<b>INCOME</b>				
Mark-up on bank account	1,018	809	485	398
Net capital (loss) / gain on redemption and sale of investments	(12,888)	1,133	(11,310)	1,928
Dividend income	7,263	4,439	2,079	2,275
Net unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'	(3,667)	(5,499)	(46,428)	5,480
<b>Total (loss) / income</b>	<b>(8,274)</b>	<b>882</b>	<b>(55,174)</b>	<b>10,081</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	3,050	2,229	1,094	1,182
Sales tax on management fee	397	290	143	154
Allocated expenses by the Management Company	153	111	55	59
Selling and marketing expenses	610	446	219	237
Remuneration of the Trustee	329	223	109	119
Sales tax on remuneration of the Trustee	43	29	14	15
Annual fee to SECP	31	106	10	56
Amortization of preliminary expenses and floatation costs	47	47	16	16
Brokerage expenses	641	453	389	152
Auditors' remuneration	350	262	93	56
Custody and settlement charges	373	124	150	41
Bank charges and other expenses	149	162	46	43
<b>Total expenses</b>	<b>6,173</b>	<b>4,482</b>	<b>2,338</b>	<b>2,130</b>
<b>Net operating (loss) / income for the period</b>	<b>(14,447)</b>	<b>(3,600)</b>	<b>(57,512)</b>	<b>7,951</b>
Provision for Sindh Workers' Welfare Fund	-	-	845	-
<b>Net (loss) / income for the period before taxation</b>	<b>(14,447)</b>	<b>(3,600)</b>	<b>(56,667)</b>	<b>7,951</b>
Taxation	15.	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(14,447)</b>	<b>(3,600)</b>	<b>(56,667)</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>	11.			

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

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

**SD**  
Chief Executive Officer

**SD**  
Director

**SD**  
Chief Financial Officer

**UBL DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH, 2020 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net (loss) / income for the period after taxation	(14,447)	(3,600)	(56,667)	7,951
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>(14,447)</u></u>	<u><u>(3,600)</u></u>	<u><u>(56,667)</u></u>	<u><u>7,951</u></u>

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL DEDICATED EQUITY FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months period ended March 31, 2020				Nine months period ended March 31, 2019			
	Capital value	Undistributed Income	Unrealised appreciation on investments classified as 'OCI' - net	Total	Capital value	Undistributed Income	Unrealised appreciation on investments classified as 'OCI' - net	Total
	(Rupees in '000)				(Rupees in '000)			
<b>Net assets at beginning of the period</b>	212,798	(31,214)	-	181,583	46,598	-	(788)	45,810
Effect of change in accounting policy (see note 4.2)	-	-	-	-	-	(788)	788	-
<b>Amount received on issuance of 3,712,418 units</b> (2019: 3,294,112 units)								
Capital value	300,315	-	-	300,315	323,253	-	-	323,253
Element of income during the period:								
- Relating to net income for the period after taxation	18,782	-	-	18,782	(14,849)	-	-	(14,849)
	319,097	-	-	319,097	308,404	-	-	308,404
<b>Amount paid on redemption of 5,468,319 units</b> (2019: 1,338,079 units)								
Capital value	(442,359)	-	-	(442,359)	(131,306)	-	-	(131,306)
Element of income during the period:								
- Relating to income earned	(9,446)	-	-	(9,446)	4,337	-	-	4,337
	(451,805)	-	-	(451,805)	(126,969)	-	-	(126,969)
Total comprehensive loss for the period	-	(14,447)	-	(14,447)	-	(3,600)	-	(3,600)
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(14,447)	-	(14,447)	-	(3,600)	-	(3,600)
<b>Net assets at end of the period</b>	<b>80,090</b>	<b>(45,661)</b>	<b>-</b>	<b>34,428</b>	<b>228,033</b>	<b>(4,388)</b>	<b>-</b>	<b>223,645</b>
<b>Undistributed income brought forward:</b>								
- Realised	-	(1,923)	-	(1,923)	-	-	-	-
- Unrealised	-	(29,291)	-	(29,291)	-	-	-	-
	-	(31,214)	-	(31,214)	-	-	-	-
Effect of change in accounting policy on initial application of IFRS 9	-	-	-	-	-	(788)	-	(788)
Accounting income available for distribution:								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-
Net loss for the period after taxation	-	(14,447)	-	(14,447)	-	(3,600)	-	(3,600)
Distribution during the period	-	-	-	-	-	-	-	-
<b>Undistributed loss carried forward</b>	<b>-</b>	<b>(45,661)</b>	<b>-</b>	<b>(45,661)</b>	<b>-</b>	<b>(4,388)</b>	<b>-</b>	<b>(4,388)</b>
<b>Undistributed loss carried forward</b>								
- Realised	-	(41,994)	-	(41,994)	-	1,111	-	1,111
- Unrealised	-	(3,667)	-	(3,667)	-	(5,499)	-	(5,499)
	-	(45,661)	-	(45,661)	-	(4,388)	-	(4,388)
	-- (Rupees) --				-- (Rupees) --			
<b>Net assets value per unit at beginning of the period</b>	<b>80,8948</b>				<b>98,1306</b>			
<b>Net assets value per unit at end of the period</b>	<b>70,4350</b>				<b>92,3064</b>			

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

For UBL Fund Managers Limited  
(Management Company)

**SD**  
Chief Executive Officer

**SD**  
Director

**SD**  
Chief Financial Officer

**UBL DEDICATED EQUITY FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months period ended March 31, 2020 (Rupees in '000)	Nine months period ended March 31, 2019 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(14,447)	(3,600)
<b>Adjustments for:</b>		
Mark-up on bank account	(1,018)	(809)
Net capital (loss) / gain on redemption and sale of investments	12,888	(1,133)
Dividend income	(7,263)	(4,439)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	3,667	5,499
Amortization of preliminary expenses and floatation costs	47	47
	8,321	(835)
<b>Increase / (Decrease) in assets</b>		
Investments	128,531	(173,372)
Advance tax	(7)	(13)
Receivable against sale of investments	(55,483)	-
Deposits and other receivable	(22)	(683)
	73,019	(174,068)
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(21)	(2,021)
Payable to the Trustee	(7)	35
Annual fee payable to SECP	(126)	101
Payable against purchase of investments	6,736	-
Accrued and other liabilities	50,775	167
	57,357	(1,718)
Mark-up and dividend received	7,159	2,701
<b>Net cash generated from / (used in) operating activities</b>	131,409	(177,520)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipt from issuance of units	319,097	308,404
Net payment against redemption of units	(451,805)	(126,969)
<b>Net cash (used in) / generated from financing activities</b>	(132,708)	181,435
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(1,299)	3,915
Cash and cash equivalents at beginning of the period	2,697	3,330
<b>Cash and cash equivalents at end of the period</b>	1,398	7,245
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,398	7,245

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

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Director

SD  
Chief Financial Officer

**UBL DEDICATED EQUITY FUND**  
**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (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.
- 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. 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 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

**2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.

**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, 2020..

## **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**

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

	Note	(Un-audited) March 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2019
<b>4. BANK BALANCES</b>			
Bank account - saving account	5.1	<u>1,398</u>	<u>2,697</u>
4.1 These carry mark-up at the rates ranging from 3.75% to 11.10% (June 2019: 3.75%) per annum and include a balance of Rs.1.383 (June 2019: Rs.2.684) million held with United Bank Limited (a related party).			
<b>5. INVESTMENTS</b>			
<b>Investments by Category</b>			
<b>At fair value through profit or loss</b>			
- Equity securities - listed	5.1	<u>30,985</u>	<u>176,071</u>



## 5.1 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, 2020			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
		As at July 01, 2019	Purchased during the period	Bonus/Rights	Sold during the period	As at March 31, 2020	Carrying value	Market value	(Diminution) / appreciation			
----- (Rupees in '000) -----												
<b>Cement</b>												
Kohat Cement Company Limited		84,440	71,500	-	149,000	6,940	399	606	207	1.76%	1.96%	0.00%
Lucky Cement Company Limited		10,508	16,000	-	20,700	5,808	2,198	2,153	(45)	6.25%	6.95%	0.00%
Pioneer Cement Company limited		42,000	-	-	42,000	-	-	-	-	0.00%	0.00%	0.00%
							<b>2,597</b>	<b>2,759</b>	<b>162</b>	<b>8.01%</b>	<b>8.90%</b>	<b>0.01%</b>
<b>Oil and gas exploration companies</b>												
Mari Petroleum Company Limited		12,098	2,900	1,459	13,560	2,897	2,622	2,582	(40)	7.50%	8.33%	0.00%
Oil And Gas Development Co. Limited	6.1.1	87,368	94,500	-	149,500	32,368	2,831	2,492	(339)	7.24%	8.04%	0.00%
Pak Oilfields Limited		15,652	5,000	-	20,540	112	44	29	(15)	0.08%	0.09%	0.00%
Pak Petroleum Limited		43,763	51,200	7,912	88,700	14,175	1,029	1,018	(11)	2.96%	3.29%	0.00%
							<b>6,526</b>	<b>6,121</b>	<b>(405)</b>	<b>17.78%</b>	<b>19.75%</b>	<b>0.00%</b>
<b>Oil and gas marketing companies</b>												
Pakistan State Oil Company Limited		25,853	19,700	3,630	46,500	2,683	382	326	(56)	0.95%	1.05%	0.00%
							<b>382</b>	<b>326</b>	<b>(56)</b>	<b>0.95%</b>	<b>1.05%</b>	<b>0.00%</b>
<b>Food and personal care products</b>												
Al Shaheer Corporation Limited		29,550	-	12,026	40,000	1,576	19	15	(4)	0.04%	0.05%	0.00%
							<b>19</b>	<b>15</b>	<b>(4)</b>	<b>0.04%</b>	<b>0.05%</b>	<b>0.00%</b>
<b>Fertilizer</b>												
Engro Corporation		29,823	25,000	-	48,000	6,823	1,853	1,821	(32)	5.29%	5.88%	0.00%
Engro Fertilizer Limited		30,818	-	-	30,818	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fert Bin Qasim Limited		87,076	-	-	87,076	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		59,791	49,500	-	109,200	91	8	8	-	0.02%	0.03%	0.00%
							<b>1,861</b>	<b>1,829</b>	<b>(32)</b>	<b>5.31%</b>	<b>5.90%</b>	<b>0.00%</b>
<b>Chemicals</b>												
Engro Polymer And Chemicals Limited		147,613	110,500	-	251,000	7,113	209	174	(35)	0.51%	0.56%	0.00%
ICI Pakistan Limited		50	-	-	-	50	27	25	(2)	0.07%	0.08%	0.00%
Ittehad Chemicals Limited		-	110,000	-	77,258	32,742	677	621	(56)	1.80%	2.00%	0.04%
Lotte Chemical Pakistan Ltd		-	55,000	-	55,000	-	-	-	-	0.00%	0.00%	0.00%
Sitara Chemicals Industries		13,100	-	-	10,866	2,234	683	535	(148)	1.55%	1.73%	0.01%
							<b>1,596</b>	<b>1,355</b>	<b>(241)</b>	<b>3.94%</b>	<b>4.37%</b>	<b>0.05%</b>
<b>Technology and communication</b>												
Systems Limited		41,750	18,500	-	54,900	5,350	565	595	30	1.73%	1.92%	0.00%
							<b>565</b>	<b>595</b>	<b>30</b>	<b>1.73%</b>	<b>1.92%</b>	<b>0.00%</b>
<b>Automobile parts and accessories</b>												
Thal Limited *		214	16,100	-	12,700	3,614	1,042	1,062	20	3.08%	3.43%	0.00%
							<b>1,042</b>	<b>1,062</b>	<b>20</b>	<b>3.08%</b>	<b>3.43%</b>	<b>0.00%</b>
<b>Leather and Tanneries</b>												
Bata Pakistan Limited		-	1,500	-	1,500	-	-	-	-	0.00%	0.00%	0.00%
Service Industries Limited		5,812	450	1,128	5,200	2,190	947	1,407	460	4.09%	4.54%	0.00%
							<b>947</b>	<b>1,407</b>	<b>460</b>	<b>4.09%</b>	<b>4.54%</b>	<b>0.00%</b>
<b>Transport</b>												
Pakistan National Shipping Corporation Ltd		-	26,000	-	26,000	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	<b>0.00%</b>	<b>0.00%</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, 2019	Number of shares				Balance as at March 31, 2020			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
			Purchased during the period	Bonus/Rights	Sold during the period	As at March 31, 2020	Carrying value	Market value	Appreciation / (diminution)			
----- (Rupees in '000) -----												
<b>Engineering</b>												
International Industries Limited		5,200	27,000	20	31,500	720	60	54	(6)	0.16%	0.17%	0.00%
							<b>60</b>	<b>54</b>	<b>(6)</b>	<b>0.16%</b>	<b>0.17%</b>	<b>0.00%</b>
<b>Insurance</b>												
Adamjee Insurance Company Limited		192,485	63,000	-	242,000	13,485	482	359	(123)	1.04%	1.16%	0.00%
IGI Holdings Limited		-	15,000	-	12,000	3,000	510	425	(85)	1.23%	1.37%	0.00%
							<b>992</b>	<b>784</b>	<b>(208)</b>	<b>2.28%</b>	<b>2.53%</b>	<b>0.01%</b>
<b>Inv. Banks/ Inv. Cos. / Securities Cos.</b>												
Arif Habib Limited		-	75,000	-	74,000	1,000	52	26	(26)	0.08%	0.08%	0.00%
							<b>52</b>	<b>26</b>	<b>(26)</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.00%</b>
<b>Commercial banks</b>												
Allied Bank Limited		109,674	29,000	-	83,000	55,674	5,702	3,960	(1,742)	11.50%	12.78%	0.00%
Bank Alfalah Limited		309,961	142,500	-	429,500	22,961	982	730	(252)	2.12%	2.36%	0.00%
Bank Al-Habib Limited		-	200,500	-	146,500	54,000	3,797	2,909	(888)	8.45%	9.39%	0.00%
Faysal Bank Limited		86	136,000	-	136,000	86	2	1	(1)	0.00%	0.00%	0.00%
Habib Bank Limited	6.1.1	133,501	87,000	-	207,000	13,501	1,692	1,394	(298)	4.05%	4.50%	0.00%
Meezan Bank Limited		-	59,000	-	59,000	-	-	-	-	0.00%	0.00%	0.00%
National Bank Of Pakistan		1,174	-	-	-	1,174	40	33	(7)	0.10%	0.11%	0.00%
United Bank Limited		107,209	49,100	-	150,700	5,609	863	565	(298)	1.64%	1.82%	0.00%
							<b>13,078</b>	<b>9,592</b>	<b>(3,486)</b>	<b>27.86%</b>	<b>30.97%</b>	<b>0.01%</b>
<b>Textile composite</b>												
Gul Ahmed Textile Mills Limited		69,879	-	7,475	75,500	1,854	73	43	(30)	0.12%	0.14%	0.00%
Kohinoor Textile Mills Limited		3,636	181,500	-	167,991	17,145	482	444	(38)	1.29%	1.43%	0.00%
Nishat Mills Limited		38,890	21,000	-	57,400	2,490	224	146	(78)	0.42%	0.47%	0.00%
							<b>779</b>	<b>633</b>	<b>(146)</b>	<b>1.84%</b>	<b>2.04%</b>	<b>0.01%</b>
<b>Power generation and distribution</b>												
Hub Power Company Limited		161,330	78,000	-	232,000	7,330	588	500	(88)	1.45%	1.61%	0.00%
K Electric Limited **		140,953	-	-	140,500	453	2	1	(1)	0.00%	0.00%	0.00%
Lalpir Power Limited		21,357	-	-	21,000	357	5	4	(1)	0.01%	0.01%	0.00%
Pakgen Power Limited		146,165	107,000	-	219,247	33,918	458	413	(45)	1.20%	1.33%	0.01%
Saif Power Limited		64,684	6,500	-	71,000	184	3	3	-	0.01%	0.01%	0.00%
							<b>1,056</b>	<b>921</b>	<b>(135)</b>	<b>2.68%</b>	<b>2.98%</b>	<b>0.01%</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, 2019	Number of shares				Balance as at March 31, 2020			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
			Purchased during the period	Bonus/Rights	Sold during the period	As at March 31, 2020	Carrying value	Market value	Appreciation / (diminution)			
----- (Rupees in '000) -----												
<b>Paper and board</b>												
Century Paper & Board Mills		56,211	99,000	-	133,860	21,351	999	987	(12)	2.87%	3.19%	0.01%
Packages Limited		5,000	-	-	5,000	-	-	-	-	0.00%	0.00%	0.00%
							<b>999</b>	<b>987</b>	<b>(12)</b>	<b>2.87%</b>	<b>3.19%</b>	<b>0.01%</b>
<b>Pharmaceuticals</b>												
Ferozsons Laboratories Limited		6,700	-	-	6,300	400	45	70	25	0.20%	0.23%	0.00%
The Searle Company Limited		6,610	-	-	6,610	-	-	-	-	0.00%	0.00%	0.00%
							<b>45</b>	<b>70</b>	<b>25</b>	<b>0.20%</b>	<b>0.23%</b>	<b>0.00%</b>
<b>Miscellaneous</b>												
Synthetic Products Limited		85,000	25,000	3,400	30,000	83,400	2,056	2,449	393	7.11%	7.90%	0.09%
							<b>2,056</b>	<b>2,449</b>	<b>393</b>	<b>7.11%</b>	<b>7.90%</b>	<b>0.09%</b>
<b>Total as at March 31, 2020</b>							<b>34,652</b>	<b>30,985</b>	<b>(3,667)</b>			
Total as at June 30, 2019 (audited)							205,363	176,071	(29,291)			

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

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

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

Oil & Gas Development Company Limited  
Habib Bank Limited

March 31, 2020	
(Number of shares)	(Rupees in '000)
24,400	1,879
14,000	1,445
<b>38,400</b>	<b>3,324</b>

## **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 of tax under section(s) 150 and 151 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). As of March 31, 2020, various withholding agents have deducted advance tax under section(s) 150 and 151 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## **7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

SECP vide S.R.O. 685 (I)/2019 has revised its annual fee from 0.095% to 0.02% per annum of average daily net assets of the Fund, applicable from July 01, 2019.

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

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

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

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

During the nine months period ended March 31, 2020, management fee was charged at the rate of 2% (March 31, 2019: 2%). The remuneration is paid to the Management Company on monthly basis in arrears.

## **10. ALLOCATED EXPENSES AND SELLING & MARKETING EXPENSES**

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services. Furthermore Management Company is also charging selling and marketing expense at 0.2% of average daily net assets.

## **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. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 3.05% which includes 0.28% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 4% to 4.50% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure).

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

### **13.1 Provision for Workers' Welfare Fund (WWF)**

As disclosed in note 16.1 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 16.1 to the annual audited financial statements for the year ended June 30, 2019.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 0.13 million (June 30, 2019: Rs. 0.13 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. However, 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. 0.03 (June 30, 2019: Re. 0.01).

## **14. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

## 15. 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 distribute through cash at least 90% of the Fund's net accounting income as reduced by capital gains 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.

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

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the 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 as trustee and custodian of the Fund, the directors and officers of the Management Company, and unit holders holding 10% or more of the Fund's net assets.

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations.

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

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 March 31, 2020 (Un-audited)					
Transactions during the period						
Mark-up on bank account	-	1,017	-	-	-	-
Bank charges	-	13	-	-	-	-
Units issued	-		-	249,438	-	33,702
Units redeemed	-		-	370,290	-	3,559
Purchases of Securities	-	7,668	-	-	-	-
Sales of Securities	-	19,874	-	-	-	-
Central Depository Service expenses (CDS)	-	-	15	-	-	-
Remuneration *	3,447	-	372	-	-	-
Allocated expenses by the Management Company	153	-	-	-	-	-
Selling and marketing expense	610	-	-	-	-	-

	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 March 31, 2019 (Un-audited)					
Transactions during the period						
Mark-up on bank account	-	809	-	-	-	-
Bank charges	-	19	-	-	-	-
Units issued	-		-	159,003	-	-
Units redeemed	-		-	58,998	-	-
Purchases of Securities	-	23,426	-	-	-	-
Sales of Securities	-	7,473	-	488	-	-
Central Depository Service expenses (CDS)	-	-	24	-	-	-
Remuneration *	2,519	-	252	-	-	-
Allocated expenses by the Management Company	111	-	-	-	-	-
Selling and marketing expense	446	-	-	-	-	-

	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, 2020 (Un-audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	487
Units held (Rupees in '000)	-	-	-	-	-	34,268
Bank balances		1,383	-	-	-	-
Investment of Equity in Securities		565				
Remuneration payable	311	-	31	-	-	-
Other payable	-	-	-	-	-	-
Selling and marketing expenses payable	219	-	-	-	-	-
Mark-up receivable	-	284	-	-	-	-
Allocated expenses payable	55	-	-	-	-	-

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

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons /
	----- (Rupees in '000) -----					
As at June 30, 2019 (Audited)						
Balances held						
Units held (units in '000)	-	-	-	1,817	-	-
Units held (Rupees in '000)	-	-	-	146,981	-	-
Bank balances	-	2,684	-	-	-	-
Remuneration payable	379	-	38	-	-	-
Other payable	-	-	-	-	-	-
Selling and marketing expenses payable	210	-	-	-	-	-
Mark-up receivable	-	580	-	-	-	-
Allocated expenses payable	17	-	-	-	-	-
Investments	-	15,800	-	-	-	-

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

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

**Level 1:** Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

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

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

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

	Fair value			Total
	Level 1	Level 2	Level 3	
<b>March 31, 2020 (Un-audited)</b>	(Rupees in '000)			
<b>Financial assets measured at fair value</b>				
Equity securities - listed	30,985	-	-	30,985
	<u>30,985</u>	<u>-</u>	<u>-</u>	<u>30,985</u>
	Fair value			Total
	Level 1	Level 2	Level 3	
<b>June 30, 2019 (Audited)</b>	(Rupees in '000)			
<b>Financial assets measured at fair value</b>				
Equity securities - listed	176,071	-	-	176,071
	<u>176,071</u>	<u>-</u>	<u>-</u>	<u>176,071</u>

**17.1** 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.

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

## 18. GENERAL

**18.1** Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

## 19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 30, 2020 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

# 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>	AM 1 (VIS Credit Rating Company Limited)



**UBL FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		<b>March 31, 2020 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>ASSETS</b>			
Bank balances	4	17,278	64,596
Investments	5	580,786	798,595
Mark-up Receivable		829	3,141
Dividend Receivable		17,349	-
Deposits, prepayments and other receivables		2,522	2,518
Preliminary expenses and floatation costs		721	902
Advance tax	6	39	39
<b>TOTAL ASSETS</b>		<b>619,524</b>	<b>869,791</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	8	4,501	3,957
Payable to Central Depository Company of Pakistan Limited - Trustee		142	167
Payable to Securities and Exchange Commission of Pakistan	7	125	605
Accrued expenses and other liabilities	9	9,213	3,709
<b>TOTAL LIABILITIES</b>		<b>13,981</b>	<b>8,438</b>
<b>NET ASSETS</b>		<b>605,543</b>	<b>861,353</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>605,543</b>	<b>861,353</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		<b>----- (Number of units) -----</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>9,506,750</b>	<b>10,745,730</b>
		<b>----- (Rupees) -----</b>	
<b>NET ASSETS VALUE PER UNIT</b>		<b>63.6961</b>	<b>80.1577</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 FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2020**

		<b>Nine Months Period Ended March 31, 2020</b>	<b>Nine Months Period Ended March 31, 2019</b>	<b>Quarter ended March 31, 2020</b>	<b>Quarter ended March 31, 2019</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	<b>----- (Rupees in '000) -----</b>	<b>----- (Rupees in '000) -----</b>	<b>----- (Rupees in '000) -----</b>
<b>INCOME</b>					
Financial income		3,089	3,222	1,348	2,034
Dividend income		42,454	24,387	18,847	14,422
Capital gain on sale of investments - net		25,515	(8,768)	14,954	(940)
Unrealised loss on revaluation of investments					
classified as financial asset 'at fair value through profit or loss' - net	5.1	(202,646)	(44,402)	(282,389)	7,820
Other income		-	36	-	7
<b>Total loss</b>		<b>(131,585)</b>	<b>(25,525)</b>	<b>(247,237)</b>	<b>23,343</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company		12,545	8,152	4,375	3,623
Sindh Sales Tax on Management Company's remuneration		1,631	1,060	569	471
Allocated expenses		627	408	218	182
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,416	921	494	409
Annual fee of Securities and Exchange Commission of Pakistan		125	387	43	172
Bank charges		25	28	9	6
Auditors' remuneration		261	165	64	48
Brokerage and settlement expenses		1,196	2,580	283	1,632
Listing fee		21	21	7	7
Legal and professional charges		115	157	38	50
Amortization of preliminary expenses and floatation costs		181	180	60	59
Selling and marketing expenses		4,020	1,630	2,035	724
<b>Total operating expenses</b>		<b>22,164</b>	<b>15,689</b>	<b>8,196</b>	<b>7,383</b>
<b>Operating loss for the Period</b>		<b>(153,749)</b>	<b>(41,214)</b>	<b>(255,433)</b>	<b>15,960</b>
Provision for Sindh Workers' Welfare Fund	9.1	-	-	1,996	-
<b>Net loss for the quarter before taxation</b>		<b>(153,749)</b>	<b>(41,214)</b>	<b>(253,437)</b>	<b>15,960</b>
Taxation	11	-	-	-	-
<b>Net loss for the quarter after taxation</b>		<b>(153,749)</b>	<b>(41,214)</b>	<b>(253,437)</b>	<b>15,960</b>
<b>Allocation of net income for the Period</b>					
Income already paid on units redeemed		-	-	-	-
<b>Net loss for the Period</b>		<b>(153,749)</b>	<b>(41,214)</b>	<b>(253,437)</b>	<b>15,960</b>
<b>Income available for distribution:</b>					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-
<b>Earnings per unit</b>	12				

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 FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Period Ended March 31, 2020 ----- (Rupees in '000) -----	Nine Months Period Ended March 31, 2019 ----- (Rupees in '000) -----	Quarter Ended March 31, 2020 ----- (Rupees in '000) -----	Quarter Ended March 31, 2019 ----- (Rupees in '000) -----
Net loss for the Period	(153,749)	(41,214)	(253,437)	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 for the Period</b>	<b><u>(153,749)</u></b>	<b><u>(41,214)</u></b>	<b><u>(253,437)</u></b>	<b><u>15,960</u></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 FINANCIAL SECTOR FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2020**

	<b>Nine Months Period Ended March 31, 2020</b>	<b>Quarter ended March 31, 2019</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the quarter before taxation	(153,749)	(41,214)
<b>Adjustments for:</b>		
Financial income	(3,089)	(3,222)
Dividend income	(42,454)	(24,387)
Capital (gain) on sale of investments - net	(25,515)	8,768
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	202,646	44,402
Amortization of preliminary expenses and floatation costs	181	180
	<u>131,769</u>	<u>25,741</u>
<b>Cash used in operations before working capital changes</b>	<u>(21,979)</u>	<u>(15,473)</u>
<b>Working capital changes</b>		
<b>Changes in assets</b>		
Investments - net	40,678	(633,433)
Advance tax	-	(39)
Deposits, prepayments and other receivables	(4)	281
	<u>40,675</u>	<u>(633,191)</u>
<b>Changes in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	544	(1,280)
Payable to Central Depository Company of Pakistan Limited - Trustee	(25)	141
Annual fee payable to Securities and Exchange Commission of Pakistan	(480)	347
Accrued expenses and other liabilities	5,504	(30,872)
	<u>5,543</u>	<u>(31,664)</u>
Profit received on bank balances	5,401	1,710
Dividend received	25,104	9,965
<b>Net cash generated from / (used in) operating activities</b>	<u>54,744</u>	<u>(668,653)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	615,445	1,107,920
Payment against redemption of units	(717,507)	(467,663)
<b>Net cash (used in ) / generated from financing activities</b>	<u>(102,062)</u>	<u>640,257</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(47,318)</u>	<u>(28,396)</u>
Cash and cash equivalents at the beginning of the period	64,596	112,287
<b>Cash and cash equivalents at the end of the period</b>	<u><u>17,278</u></u>	<u><u>83,891</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 FINANCIAL SECTOR FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020

	-----Nine Months Period Ended March 31, 2020-----				-----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' (September 30, 2019: 'available for sale' - net	Total	Capital value	Undistributed loss	Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' (September 30, 2018: 'available for sale' - net	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Net assets at the beginning of the period	981,918	(120,565)	-	861,353	387,846	(119)	(15,574)	372,153
Issuance of 7,249,549 units (2019: 12,696,296)								
Capital value of units	581,107	-	-	581,107	1,158,170	-	-	1,158,170
Element of loss	-	-	-	-	-	-	-	-
Due to net loss incurred	34,338	-	-	34,338	(50,250)	-	-	(50,250)
<b>Total proceeds on issuance of units</b>	<b>615,445</b>	<b>-</b>	<b>-</b>	<b>615,445</b>	<b>1,107,920</b>	<b>-</b>	<b>-</b>	<b>1,107,920</b>
Redemption of 8,488,529 units (2019: 5,464,119)								
Capital value of units	(680,421)	-	-	(680,421)	(498,444)	-	-	(498,444)
Element of loss	-	-	-	-	-	-	-	-
Due to net loss incurred	(37,086)	-	-	(37,086)	30,781	-	-	30,781
<b>Total payments on redemption of units</b>	<b>(717,507)</b>	<b>-</b>	<b>-</b>	<b>(717,507)</b>	<b>(467,663)</b>	<b>-</b>	<b>-</b>	<b>(467,663)</b>
Total comprehensive loss for the period	-	(153,749)	-	(153,749)	-	(41,214)	-	(41,214)
Amount transfer to retained earnings	-	-	-	-	-	(15,574)	15,574	-
<b>Net assets at the end of the period</b>	<b>879,857</b>	<b>(274,314)</b>	<b>-</b>	<b>605,543</b>	<b>1,028,103</b>	<b>(56,907)</b>	<b>-</b>	<b>971,196</b>
Undistributed loss / Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' brought forward comprises of:								
Realised loss	-	(9,249)	-	(9,249)	-	(119)	-	(119)
Unrealised loss	-	(111,316)	-	(111,316)	-	-	(15,574)	(15,574)
Total undistributed loss brought forward	-	(120,565)	-	(120,565)	-	(119)	(15,574)	(15,693)
<b>Income available for distribution:</b>								
Relating to capital gains	-	-	-	-	-	-	-	-
Excluding capital gains	-	-	-	-	-	-	-	-
Total Comprehensive loss for the quarter	-	(153,749)	-	(153,749)	-	(41,214)	-	(41,214)
Transferred to retain earning	-	-	-	-	-	(15,574)	15,574	-
Distribution during the period	-	-	-	-	-	-	-	-
<b>Undistributed loss carried forward</b>	<b>(274,314)</b>	<b>-</b>	<b>(274,314)</b>	<b>(274,314)</b>	<b>(56,907)</b>	<b>-</b>	<b>(56,907)</b>	<b>(56,907)</b>
<b>Undistributed loss carried forward comprises of:</b>								
Realised loss	-	(71,668)	-	(71,668)	-	(12,505)	-	(12,505)
Unrealised loss	-	(202,646)	-	(202,646)	-	(44,402)	-	(44,402)
<b>Total undistributed loss carried forward</b>	<b>(274,314)</b>	<b>-</b>	<b>(274,314)</b>	<b>(274,314)</b>	<b>(56,907)</b>	<b>-</b>	<b>(56,907)</b>	<b>(56,907)</b>
				(Rupees)				(Rupees)
Net assets value per unit at the beginning of the Period				80.1577				91.2211
Net assets value per unit at the end of the Period				63.6961				85.8565

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 FINANCIAL SECTOR FUND**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**FOR THE PERIOD ENDED MARCH 31, 2020**

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

- 1.1 UBL Financial Sector 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 February 21, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 12, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from April 05, 2018.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Fund is an 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 investment objective 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 is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company 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 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 published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the nine months period ended March 31, 2019.
- 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, 2020.

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

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

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

	Note	March 31, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
<b>4 BANK BALANCES</b>			
Cash at bank			
In savings accounts	4.1	<u>17,278</u>	<u>64,596</u>
4.1 Profit rates on these savings accounts range between 8% to 12.50% per annum (June 30, 2019: 8% to 10.25%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 17.2641 million (June 30, 2019: Rs. 64.583 million).			

### 5 INVESTMENTS IN EQUITY SHARES

Financial assets classified as at fair value through profit or loss - listed equity securities	5.1	<u>580,786</u>	<u>798,595</u>
		<u>580,786</u>	<u>798,595</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, 2020			As at March 31, 2020	
		As at July 1, 2019	Purchased during the quarter	Bonus / right shares received during the quarter	Sold during the quarter	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealised gain / (loss) on revaluation of investments	Market value as a percentage of net assets	Market value as a percentage of total value of investment
		-----Number of shares-----					----- (Rupees in '000) -----				
COMMERCIAL BANKS											
ALLIED BANK LIMITED	5.1.1	1,322,800	369,900	-	40,500	1,652,200	169,683	117,504	(52,178)	19.40%	20.23%
HABIB BANK LIMITED		1,246,400	206,400	-	608,500	844,300	102,016	87,157	(14,859)	14.39%	15.01%
BANK ALFALAH LIMITED	5.1.1	3,379,400	221,000	-	908,000	2,692,400	117,902	85,645	(32,256)	14.14%	14.75%
BANK AL-HABIB LIMITED		679,000	1,336,000	-	209,500	1,805,500	132,528	97,262	(35,265)	16.06%	16.75%
ARIF HABIB LIMITED			193,500	-		193,500	11,613	4,998	(6,615)	0.83%	0.86%
MCB BANK LIMITED		476,600	65,000	-	246,600	295,000	52,490	44,038	(8,453)	7.27%	7.58%
NATIONAL BANK OF PAKISTAN		543,500	49,000		563,000	29,500	981	834	(148)	0.14%	0.14%
UNITED BANK LIMITED		543,800	77,100		184,000	436,900	64,254	44,044	(20,210)	7.27%	7.58%
		8,191,500	2,517,900	-	2,760,100	7,949,300	651,466	481,482	(169,984)	0.80	0.83
INSURANCE											
Adamjee Insurance Company Limited		3,891,500	530,500	-	693,000	3,729,000	131,965	99,303	(32,662)	16.40%	17.10%
		3,891,500	530,500	-	693,000	3,729,000	131,965	99,303	(32,662)	16.40%	17.10%
Total - March 31, 2019		12,083,000	3,048,400	-	3,453,100	11,678,300	783,431	580,786	(202,646)	95.90%	100.00%

5.1.1 The above securities include 500,000 shares of Bank Alfalah 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. 25.1957 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

## **6 ADVANCE TAX**

The income of the Fund is exempt 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 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). Prior to receiving tax exemption certificate from CIR, various withholding agents have deducted advance tax under section 151 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## **7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

SECP vide S.R.O. 685 (I)/2019 has revised its annual fee from 0.095% to 0.02% per annum of average daily net assets of the Fund, applicable from July 01, 2019

## **8 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY**

- 8.1** SECP vide S.R.O. 639 (I)/2019 has substitute regulation 61 where by Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. Moreover it shall disclose in the Offering Document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit.

During the period management fee charged is 2%(June 2019: 2%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services. Furthermore Management Company is also charging selling and marketing expense of 0.4% of average daily net assets.

## **9 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **9.1 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 14.1 to the audited financial statements for the year ended June 30 2019. Since the Fund has incurred net loss during the period, therefore no provision against Sindh Workers Welfare Fund has been made.

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

## **11 TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in the form of cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the income as reduced by capital gain whether realized or unrealized earned by the end of this year to the unit holders, Accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

## **12 EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

## **13 TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 2.66% which includes 0.25% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 4% to 4.50% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure).

## **14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the quarter ended March 31, 2020 are as follows:

	Management Company	Associated Companies	Trustee	Funds Under Common Management	Directors and Key Executives	Other Connected persons / related parties
	(Rupees in '000)					
Transactions during the quarter ended March 31, 2020						
Profit on savings accounts	-	3,083	-	-	-	-
Bank charges	-	26	-	-	-	-
Units issued	272,000	3,796	-	-	-	-
Units redeemed	268,527	3,985	-	-	5,021	-
Purchase of equity securities	-	91,944	-	-	-	-
Sale of equity securities	-	111,227	-	-	-	-
Sales load paid	3,025	-	-	-	-	-
Dividend	-	4,500	-	-	-	-
Remuneration (including sales tax)	14,176	-	1,416	-	-	-
CDS Expense	-	-	8	-	-	-
Allocated expenses	627	-	-	-	-	-
Selling and marketing expenses	4,020	-	-	-	-	-
Listing fee	-	21	-	-	-	-
Transactions during the period ended March 31, 2019						
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 income	-	3,328	-	-	-	-
Remuneration (including sales tax)	9,212	-	921	-	-	-
Allocated expenses	408	-	-	-	-	-
Selling and marketing expenses	1,630	-	-	-	-	-
Listing fee	-	7	-	-	-	-
CDS Expense	-	-	59	-	-	-
Balances held as at March 31, 2020						
Units held (in Units '000)	1,766	5,090	-	-	11	-
Units held (in Rupees '000)	112,519	324,235	-	-	688	-
Bank balances	-	17,264	-	-	-	-
Profit receivable	-	822	-	-	-	-
Investments	-	44,044	-	-	-	-
Remuneration payable	1,411	-	142	-	-	-
Allocated expenses payable	219	-	-	-	-	-
Selling and marketing expense payable	2,035	-	-	-	-	-
Sales load payable	830	-	-	-	-	-
Dividend Receivable	-	-	-	-	-	-
Conversion charges payable	7	-	-	-	-	-
Listing fee	-	-	-	-	-	-
Balances held as at June 30, 2019						
Units held (in Units '000)	1,496	5,096	-	-	67	-
Units held (in Rupees '000)	119,948	408,484	-	-	5,375	-
Bank balances	-	64,583	-	-	-	-
Profit receivable	-	3,141	-	-	-	-
Investments	-	80,145	-	-	-	-
Remuneration payable	1,671	-	167	-	-	-
Other payables	-	-	-	-	-	-
Allocated expenses payable	74	-	-	-	-	-
Selling and marketing expense payable	917	-	-	-	-	-
Sales load payable	1,290	-	-	-	-	-
Conversion charges payable	5	-	-	-	-	-

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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.

	Carrying Amount			Fair value		
	As at March 31, 2020			As at March 31, 2020		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Level 1	Level 2	Level 3
Rupees in '000						
<b>Financial assets measured at fair value</b>						
Investments	580,786	-	-	580,786	-	-
<b>Financial assets not measured at fair value</b>						
Bank balances	-	-	17,278	-	-	-
Mark-up / interest receivable	-	-	829	-	-	-
Deposits and other receivables	-	-	2,522	-	-	-
	-	-	20,628	-	-	-
	580,786	-	20,628	580,786	-	-
<b>Financial liabilities not measured at fair value</b>						
Payable to UBL Fund Managers Limited Management Company	-	-	1,248	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	125	-	-	-
Accrued expenses and other liabilities	-	-	9,213	-	-	-
	-	-	10,586	-	-	-

	Carrying Amount			Fair value		
	As at June 30, 2019			As at June 30, 2019		
	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3
Rupees in '000						
Financial assets measured at fair value						
Investments	798,595	-	-	798,595	-	-
Financial assets not measured at fair value						
Bank balances	-	64,596	-	-	-	-
Mark-up / interest receivable	-	3,141	-	-	-	-
Deposits and other receivables	-	2,518	-	-	-	-
		70,255				
	798,595	70,255	-	798,595	-	-
Financial liabilities not measured at fair value						
Payable to UBL Fund Managers Limited Management Company	-	-	3,765	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	148	-	-	-
Accrued expenses and other liabilities	-	-	3,705	-	-	-
	-	-	7,618	-	-	-

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

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

## 16 GENERAL

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

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 quarter.

## 17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

SD  
**CHIEF EXECUTIVE OFFICER**

SD  
**CHIEF FINANCIAL OFFICER**

SD  
**DIRECTOR**

# 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 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>	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 Soneri Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)
<b>Fund Rating</b>	A(f) (VIS)

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	548,283	1,100,418
Investments	5	1,282,865	633,787
Mark-up receivable		38,754	27,775
Advance tax	6	3,833	3,408
Deposits, prepayments and other receivables		39,422	17,805
Receivable against settlement of spread transactions		-	6,106
<b>TOTAL ASSETS</b>		<b>1,913,157</b>	<b>1,789,299</b>
<b>Liabilities</b>			
Payable to the Management Company		4,533	4,396
Remuneration payable to the Trustee		138	243
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		238	980
Accrued and other liabilities	11	70,856	48,891
<b>TOTAL LIABILITIES</b>		<b>75,765</b>	<b>54,510</b>
<b>NET ASSETS</b>		<b>1,837,392</b>	<b>1,734,789</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,837,392</b>	<b>1,734,789</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>19,671,186</b>	<b>20,397,520</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>93.4053</b>	<b>85.0490</b>

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

For UBL Fund Managers Limited  
(Management Company)

--sd--  
Chief Executive Officer

--sd--  
Chief Financial Officer

--sd--  
Director



**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine Months Period Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Note</b>	<b>(Rupees in '000)</b>			
<b>Income</b>				
Financial income	159,267	75,187	54,457	30,942
Dividend Income	3,888	-	1,430	-
Net gain / (loss) on investments classified as				
'At fair value through profit or loss'				
- Net (loss) / gain on sale and redemption of investments	(2,747)	(1,121)	(1,559)	223
- Net gain from spread transactions	167	-	664	-
- Net unrealised (loss) / gain on revaluation of investments	19,717	(6,322)	32,821	1,695
	17,137	(7,443)	31,926	1,918
Net capital (loss) on sale and redemption of investments classified as 'fair value other comprehensive income'	-	-	-	-
Other income	6,241	3,697	4,005	1,197
Reversal of provision - net	-	7,778	(3,888)	1,859
<b>Total income</b>	<b>186,533</b>	<b>79,219</b>	<b>87,930</b>	<b>35,916</b>
<b>Expenses</b>				
Remuneration of the Management Company	12,843	10,357	4,584	2,725
Sales tax on management fee	1,670	1,346	596	354
Expenses allocated by the Management Company	1,192	783	422	274
Remuneration of the Trustee	1,010	1,374	357	470
Annual fee - Securities and Exchange Commission of Pakistan	238	587	84	205
Selling and marketing expense	4,767	3,133	1,686	1,098
Auditors' remuneration	210	414	43	23
Legal and professional charges	108	114	35	38
Brokerage expense	1,648	161	760	96
Custody and settlement charges	431	460	431	91
Bank charges and other expenses	294	301	100	97
<b>Total expenses</b>	<b>24,411</b>	<b>19,030</b>	<b>9,098</b>	<b>5,471</b>
<b>Net operating income for the period</b>	<b>162,122</b>	<b>60,189</b>	<b>78,832</b>	<b>30,445</b>
Provision for Sindh Workers' Welfare Fund	(3,181)	(1,182)	(1,546)	(598)
<b>Net income for the period before taxation</b>	<b>158,941</b>	<b>59,007</b>	<b>77,286</b>	<b>29,847</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>158,941</b>	<b>59,007</b>	<b>77,286</b>	<b>29,847</b>
<i>Allocation of net income for the period:</i>				
Income already paid on units redeemed	(72,759)	(28,303)	(26,556)	(12,338)
Accounting income available for distribution:	86,182	30,704	50,730	17,509
- Relating to capital gains	-	-	-	-
- Excluding capital gains	86,182	30,704	50,730	17,509
	86,182	30,704	50,730	17,509

**Earnings per unit**

15

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

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

--sd--  
**Chief Executive Officer**

--sd--  
**Chief Financial Officer**

--sd--  
**Director**

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine Months Period Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note	(Rupees in '000)			
Net income for the period after taxation	158,941	59,007	77,286	29,847
<b>Other comprehensive income:</b>				
Other comprehensive loss for the period	-	-	-	-
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'fair value through other comprehensive income'	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>158,941</b>	<b>59,007</b>	<b>77,286</b>	<b>29,847</b>

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

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

--sd--  
**Chief Executive Officer**

--sd--  
**Chief Financial Officer**

--sd--  
**Director**

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	March 31, 2020	March 31, 2019
Note	----- (Rupees in '000) -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	158,941	59,007
<b>Adjustments for:</b>		
Financial income	(159,267)	(75,187)
Net gain / (loss) on investments classified as 'At fair value through profit or loss'		
- Net loss on sale and redemption of investments	2,747	1,121
- Net gain from spread transactions	(167)	
- Net unrealised gain / (loss) on revaluation of investments	(19,717)	6,322
Net capital loss on sale and redemption of investments classified as 'FVOCI'	-	-
Reversal of provision - net	-	(7,778)
Provision for Sindh Workers' Welfare Fund	3,181	1,182
	(173,223)	(74,340)
<b>Decrease / (increase) in assets</b>		
Investments	(631,941)	92,090
Placements and term deposit receipts	-	-
Advance tax	(425)	(7)
Fair value of derivative asset	-	-
Receivable against settlement of spread transactions	6,106	-
Receivable against margin trading system	-	-
Advances, deposits, prepayments and other receivables	(21,617)	(208)
	(647,877)	91,875
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	137	1,960
Remuneration payable to the Trustee	(105)	8
Annual fee - Securities and Exchange Commission of Pakistan	(742)	(1,831)
Accrued and other liabilities	18,784	(2,130)
	18,074	(1,993)
Finance income received	148,288	70,042
<b>Net cash (used in) / generated from operating activities</b>	(495,797)	144,591
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	5,029,839	1,791,347
Payments against redemption of units	(5,086,177)	(1,507,188)
cash distribution to unit holders	-	(64,536)
<b>Net cash (used in) / generated in financing activities</b>	(56,338)	219,623
<b>Net (decrease) / increase in cash and cash equivalents</b>	(552,135)	364,214
Cash and cash equivalents at the beginning of the period	1,100,418	811,972
<b>Cash and cash equivalents at the end of the period</b>	548,283	1,176,186
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balances	548,283	1,176,186
	548,283	1,176,186

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

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

--sd--  
Chief Executive Officer

--sd--  
Chief Financial Officer

--sd--  
Director

**UBL GROWTH AND INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 ( UN-AUDITED )**

	March 31, 2020				March 31, 2019			
	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>	2,215,081	(480,531)	239	1,734,789	1,742,361	(440,998)	239	1,301,602
<b>Amount received on issuance of 56,720,916</b> (2019: 20,459,155) units								
Capital value	4,824,057	-	-	4,824,057	1,736,833	-	-	1,736,833
Element of income during the period;								
- Relating to other comprehensive Income for the period	-	-	-	-	-	-	-	-
- Relating to net income for the period after taxation	205,782	-	-	205,782	54,514	-	-	54,514
	5,029,839	-	-	5,029,839	1,791,347	-	-	1,791,347
<b>Amount paid on redemption of 57,447,250</b> (2019: 17,402,521) units								
Capital value	(4,885,831)	-	-	(4,885,831)	(1,477,347)	-	-	(1,477,347)
Element of income during the period;								
- Relating to other comprehensive Income for the period	(127,587)	(72,759)	-	(200,346)	(1,538)	(28,303)	-	(29,841)
- Relating to net income for the period after taxation	(5,013,418)	(72,759)	-	(5,086,177)	(1,478,885)	(28,303)	-	(1,507,188)
Total comprehensive income for the period	-	158,941	-	158,941	-	59,007	-	59,007
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	-	158,941	-	158,941	(21,945)	16,416	-	(5,529)
<b>Net assets at end of the period</b>	<b>2,231,502</b>	<b>(394,349)</b>	<b>239</b>	<b>1,837,392</b>	<b>2,032,878</b>	<b>(452,885)</b>	<b>239</b>	<b>1,580,232</b>
<b>Undistributed income brought forward:</b>								
- Realised	-	(471,676)	-	(471,676)	-	(440,855)	-	(440,855)
- Unrealised	-	(8,855)	239	(8,616)	-	(143)	239	96
	-	(480,531)	239	(480,292)	-	(440,998)	239	(440,759)
<b>Accounting income available for distribution:</b>								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	86,182	-	86,182	-	30,704	-	30,704
	-	86,182	-	86,182	-	30,704	-	30,704
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	(42,591)	-	(42,591)
<b>Undistributed income carried forward</b>	<b>-</b>	<b>(394,349)</b>	<b>239</b>	<b>(394,110)</b>	<b>-</b>	<b>(452,885)</b>	<b>239</b>	<b>(452,646)</b>
<b>Undistributed income carried forward</b>								
- Realised	-	(414,066)	-	(414,066)	-	(446,563)	-	(446,563)
- Unrealised	-	19,717	239	19,956	-	(6,322)	239	(6,083)
	-	(394,349)	239	(394,110)	-	(452,885)	239	(452,646)
----- (Rupees) -----								
<b>Net assets value per unit at beginning of the period</b>				<b>85.0490</b>				<b>89.3150</b>
<b>Net assets value per unit at end of the period</b>				<b>93.4053</b>				<b>89.6342</b>

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

For UBL Fund Managers Limited  
(Management Company)

--sd--  
Chief Executive Officer

--sd--  
Chief Financial Officer

--sd--  
Director

**UBL 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**

- 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 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.

The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.

- 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, 2020.

**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**

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

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Current accounts		50	50
Saving accounts	4.1	548,233	811,922
		<u>548,283</u>	<u>811,972</u>

- 4.1 These include balances of Rs.5.27 (2019: Rs.3.31) million held with United Bank Limited and Rs.0.02 (2019: Rs.0.02) million held with Khushhali Bank Limited (related parties). These carry mark-up at rates ranging between 3.75% to 11.05% per annum (2019: 11% to 14.40%) per annum.

### 5. INVESTMENTS

#### Investments by category

#### 'At Fair Value Through Profit or Loss'

Debt securities - unquoted	5.1	104,497	20,774
Debt securities - quoted	5.1	97,324	275,953
Government securities	5.4	1,058,402	133,252
Quoted Equity securities (Spread Transaction)	5.6	22,642	-
		<u>1,282,865</u>	<u>429,979</u>

#### 'Fair Value Through Other Comprehensive Income'

Debt securities - quoted	5.2	-	-
Debt securities - unquoted	5.2	-	-
Debt securities - Pre IPO Placements	5.5	-	-
		-	-

#### 'At Amortised cost'

Letter of placement	-	50,079
Term Deposit Receipt	-	153,729
	<u>1,282,865</u>	<u>633,787</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, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	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)					

**Quoted**

**Personal goods**

Azgard Nine Limited - TFC (September 20, 2005)	5.2.1	1,000	-	-	1,000	1,366				
Less: Provision for impairment						(1,366)				
						0	-	-	0.00%	0.00%

**Commercial banks**

Soneri Bank Limited - TFC (July 08, 2015)		700	-	(700)	-	-	-	-	0.00%	0.00%
Dawood Hercules Corporation Limited - sukuk (November 16, 2017)		190	-	-	190	15,150	15,310	160	1.19%	0.83%
Bank AL Habib Limited - TFC (March 17, 2016)		-	1,200	-	1,200	5,880	5,763	(117)	0.45%	0.31%
Dawood Hercules Corporation Limited - sukuk (March 01, 2018)		-	700	-	700	75,874	76,251	377	5.94%	4.15%

**March 31, 2020**

<b>96,904</b>	<b>97,324</b>	<b>420</b>	<b>7.59%</b>	<b>5.30%</b>
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**June 30, 2019**

21,050	20,774	(276)		
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**Unquoted**

**Personal goods**

Azgard Nine Limited - PPTFC (December 04, 2007)	5.2.1	7,000	-	-	7,000	13,181				
Less: Provision for impairment						(13,181)				
						-	-	-	0.00%	0.00%

**Household goods**

New Allied Electronics Industries Limited - TFC (May 15, 2007)	5.2.1	18,000	-	-	18,000	18,094				
Less: Provision for impairment						(18,094)				
						-	-	-	0.00%	0.00%
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)	5.2.1	10,000	-	-	10,000	35,000				
Less: Provision for impairment						(35,000)				
						-	-	-	0.00%	0.00%

**Commercial Banks**

JS Bank Limited - TFC (December 14, 2016)		9,000	-	(9,000)	-	-	-	-	0.00%	0.00%
Habib Bank Limited - TFC (February 19, 2016)*		572	-	(148)	424	41,664	42,184	520	3.29%	2.30%
JS Bank Limited - TFC (December 29, 2017)		1,000	-	(1,000)	-	-	-	-	0.00%	0.00%

**Fertilizer**

Engro Fertilizer Limited -SUKUK (July 09, 2014)		3,600	-	(3,600)	-	-	-	-	0.00%	0.00%
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Particulars	Note	As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	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>Investment Banks</b>										
Jahangir Siddiqui & Company Limited (July 18, 2017)		30,000	-	(10,000)	20,000	62,313	62,313	1	4.86%	3.39%
<b>Chemical</b>										
Ghani Gases Limited - Sukuk (February 02, 2017)*		93	-	(93)	-	-	-	-	0.00%	0.00%
<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, 2020</b>						<b>103,977</b>	<b>104,497</b>	<b>520</b>	<b>8.15%</b>	<b>5.69%</b>
<b>June 30, 2019</b>						281,461	275,953	(5,508)		

5.1.1

Name of security	Number of certificates	Interest rate per annum	Maturity
Soneri Bank Limited	-	6M KIBOR + 1.35%	July 8, 2023
Dawood Hercules Corporation Limited	190	3M KIBOR + 1.00%	November 16, 2022
JS Bank Limited	-	6M KIBOR + 1.40%	December 16, 2023
JS Bank Limited	-	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	-	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, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealised gain / (loss)	Market value as a percentage of total investment	Market value as a percentage of net assets
<b>Quoted</b>		(Number of certificates)			(Rupees in '000)					
<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%
<b>March 31, 2020</b>						-	-	-	0.00%	0.00%
<b>June 30, 2019</b>						-	-	-	0.00%	0.00%
<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%
<b>March 31, 2020</b>						-	-	-	0.00%	0.00%
<b>June 30, 2019</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 2020

Name of security	Note	As at July 01, 2019	Purchased during the Period	Sold during the Period	As at March 31, 2020	Carrying value as at March 31, 2019	Percentage of total investment	Percentage of net assets
			----- Number of shares -----		Amount in '000			
<b>Personal goods</b>								
Azgard Nine Limited	5.3.1	200,000	-	-	200,000	-	0%	0%

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.

### Disclosure of Excess Exposure as at March 31, 2020

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%

Note	As at July 01, 2019	Purchased during the Period	Sold during the Period	As at March 31, 2020	Market value as at March 31, 2020	Percentage of total investment	Percentage of net assets
<b>5.4 Government Securities</b>							
	----- Number of shares -----				Amount in '000		
PIB- 03 Years	150,000	1,725,000	1,350,000	525,000	512,702	48%	28%
PIB- 05 Years	-	525,000	525,000	-	-	0%	0%
PIB- 10 Years	-	400,000	200,000	200,000	205,720	19%	11%
T-bill 3 months	-	375,000	-	375,000	339,981	32%	19%
	<b>150,000</b>	<b>3,025,000</b>	<b>2,075,000</b>	<b>1,100,000</b>	<b>1,058,402</b>	<b>100.00%</b>	<b>57.60%</b>

	(Un-audited) March 31, 2020	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>5.5 Pre-IPO Placements</b>		
Pre-IPO Placements	64,167	68,056
Less: Provision for impairment	(64,167)	(68,056)
	<b>-</b>	<b>-</b>

## 5.6 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at March 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets
	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealised gain		
----- (Rupees in '000) ----- % -----									
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:									
<b>Oil and gas exploration companies</b>									
Oil and Gas Development Company	-	507,000	222,000	285,000	22,392	22,642	250	1.76	1.23
Pakistan Oilfields Limited	-	3,000	3,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	85,000	85,000	-	-	-	-	-	-
					22,392	22,642	250	1.76	1.23
<b>Oil and gas marketing companies</b>									
Pakistan State Oil Company Limited	-	122,000	122,000	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	275,000	275,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Pharmaceuticals</b>									
The Searle Company Limited	-	238,000	238,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Engineering</b>									
Amreli Steels Limited	-	426,000	426,000	-	-	-	-	-	-
International Steels Limited	-	778,000	778,000	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	34,000	34,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Refinery</b>									
Atock Refinery Limited	-	176,000	176,000	-	-	-	-	-	-
National Refinery Limited	-	130,000	130,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Commercial banks</b>									
The Bank of Punjab	-	1,924,000	1,924,000	-	-	-	-	-	-
Habib Bank Limited	-	9,000	9,000	-	-	-	-	-	-
National Bank of Pakistan	-	501,000	501,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Chemical</b>									
Descon Oxychem Limited	-	65,000	65,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	10,000	10,000	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	2,477,000	2,477,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Food and personal care products</b>									
Frieslandcampins Engro Foods Limited	-	2,000	2,000	-	-	-	-	-	-
Fauji Foods Limited	-	1,052,500	1,052,500	-	-	-	-	-	-
					-	-	-	-	-
<b>Textile composite</b>									
Gul Ahmed Textile Mills Limited	-	28,000	28,000	-	-	-	-	-	-
Nishat Mills Limited	-	2,000	2,000	-	-	-	-	-	-
					-	-	-	-	-
<b>Automobile assembler</b>									
Gandhara Industries Limited	-	3,000	3,000	-	-	-	-	-	-
					-	-	-	-	-

**Automobile parts and accessories**

The General Tyre & Rubber	-	46,000	46,000	-	-	-	-	-	-
					-	-	-	-	-

**Power generation and distribution**

The Hub Power Company Limited	-	40,000	40,000	-	-	-	-	-	-
Kot Addu Power Company Limited	-	36,000	36,000	-	-	-	-	-	-
K-Electric Limited (Par value at Rs. 3.5)	-	2,566,000	2,566,000	-	-	-	-	-	-
					-	-	-	-	-

**Technology and communication**

NetSol Technologies Limited	-	1,000	1,000	-	-	-	-	-	-
					-	-	-	-	-

**Transport**

Pakistan International Bulk Terminal	-	387,000	387,000	-	-	-	-	-	-
					-	-	-	-	-

**Vanaspati and allied industries**

Unity Foods Limited	-	3,522,000	3,522,000	-	-	-	-	-	-
					-	-	-	-	-

**Fertilizer**

Fauji Fertilizer Company Limited	-	155,000	155,000	-	-	-	-	-	-
Engro Fertilizers Limited	-	233,000	233,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	327,000	327,000	-	-	-	-	-	-
					-	-	-	-	-

**Cement**

D.G. Khan Cement Company Limited	-	274,000	274,000	-	-	-	-	-	-
Fauji Cement Company Limited	-	64,000	64,000	-	-	-	-	-	-
Cherat Cement Company Limited	-	75,000	75,000	-	-	-	-	-	-
Kohat Cement Company Limited	-	7,000	7,000	-	-	-	-	-	-
Pioneer Cement Limited	-	180,000	180,000	-	-	-	-	-	-
					-	-	-	-	-

**Total as at March 31, 2020 (Un-audited)**

<b>22,392</b>	<b>22,642</b>	<b>250</b>
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Total as at June 30, 2019 (Audited)

-	-	-
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**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 of tax under section(s) 150, 150A and 151 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). As of March 31, 2020, various withholding agents have deducted advance tax under section(s) 150, 150A and 151 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

**7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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

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

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

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

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

During the nine months period ended March 31, 2020, management fee was charged at the rate of 2% (March 31, 2019: 2%). The remuneration is paid to the Management Company on monthly basis in arrears.

**10. ALLOCATED EXPENSES AND SELLING & MARKETING EXPENSES**

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services. Furthermore Management Company is also charging selling and marketing expense of 0.2% of average daily net assets.

**11. ACCRUED EXPENSES AND OTHER LIABILITIES**

**11.1 Provision for Workers' Welfare Fund (WWF)**

As disclosed in note 15.2 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.2 to the annual audited financial statements for the year ended June 30, 2019.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 15.32 million (June 30, 2019: Rs. 12.14 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. However, 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. 0.78 (June 30, 2019: Re. 0.60).

**11.2 Provision for indirect taxes and duties**

This represents/includes provision for federal excise duty (FED) as at March 31, 2020 amounting to Rs. 24.36 million (June 30, 2019: Rs. 24.36). 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 for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has since maintained full provision for FED aggregating to Rs. 24.36 million until the matter is resolved. Had FED not been provided for, the net assets value per unit would have been higher by Rs. 1.23 (June 30, 2019: Rs. 1.19).

**12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

**13. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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.

**14. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 2.31% which includes 0.46% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

**15. 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.

## 16. TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the 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 as trustee and custodian of the Fund, the directors and officers of the Management Company, and unit holders holding 10% or more of the Fund's net assets.

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations.

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

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 March 31, 2020) (Un-audited)					
<b>Transactions during the period</b>						
Profit on bank balances	-	454	-	-	-	-
Units issued	3,726,062	-	-	-	4,482	254,034
Units redeemed	3,870,065	-	-	-	3,009	272,892
Bank charges	-	14	-	-	-	-
Purchase of securities	-	232,931	-	486,656	-	-
Sale of securities	-	332,254	-	1,433,302	-	-
Remuneration	12,843	-	1,010	-	-	-
Sales tax on management fee	1,670	-	-	-	-	-
Expenses allocated by the Management Company	1,192	-	-	-	-	-
Central Depository Service charges	-	-	47	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Transactions during the period</b>	(For the nine months period ended March 31, 2019) (Un-audited)					
Profit on bank balances	-	1,595	-	-	-	-
Units issued	700,000	-	-	-	12,004	249,335
Units redeemed	-	-	-	-	606	1,157
Bank charges	-	19	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	880,769	-	-
Remuneration	10,357	-	1,374	-	-	-
Sales tax on management fee	1,346	-	-	-	-	-
Expenses allocated by the Management Company	783	-	-	-	-	-
Central Depository Service charges	-	-	66	-	-	-
Dividend paid	-	-	-	-	6	-

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, 2020) (Un-audited)					

**Balances held**

Units held (units in '000)	6,228	-	-	-	72	5,445
Units held (Rupees in '000)	581,740	-	-	-	6,728	508,560
Bank balances *	-	5,291	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable - bank balances	-	133	-	-	-	-
Remuneration payable	2,048	-	138	-	-	-
Expenses allocated by the Management Company	421	-	-	-	-	-
Sales load and other payable selling and marketing	378	95	-	-	-	-
CDC fee payable	1,686	-	-	-	-	-
	-	-	45	-	-	-

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

(Rupees in '000)					
(As at June 30, 2019) (Audited)					

**Balances held**

Units held (number of units in '000)	7,850	-	-	-	55	5,715
Units held (Rupees in '000)	667,635	-	-	-	4,678	486,055
Bank balances *	-	3,328	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable - bank balances	-	118	-	-	-	-
Remuneration payable	1,907	-	243	-	-	-
Expenses allocated by the Management Company	-	-	-	-	-	-
Sales load and other payable	171	-	-	-	-	-
Selling and Marketing	141	42	-	-	-	-
CDC fee payable	2,094	-	-	-	-	-
Other payable	-	-	45	-	-	-
	83	-	-	-	-	-



## 17. 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 effect 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, 2020 and June 30, 2019, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
<b><u>March 31, 2020 (Un-audited)</u></b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities	-	1,282,865	-	1,282,865
	-	1,282,865	-	1,282,865
	Fair value			
	Level 1	Level 2	Level 3	Total
<b><u>June 30, 2019 (Audited)</u></b>	----- (Rupees) -----			
<b>Financial assets measured at fair value</b>				
Debt securities	-	429,979	-	429,979
	-	429,979	-	429,979

## 18. GENERAL

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

## 19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

--sd--	--sd--	--sd--
Chief Executive Officer	Chief Financial Officer	Director

# UGSF

## UBL Government Securities Fund

### INVESTMENT OBJECTIVE

The objective of the fund is to generate a competitive return with minimum risk, by investing 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>	AM 1 (VIS Credit Rating Company Limited)
<b>Fund Rating</b>	A+ (f) (VIS Credit Rating Company Limited)

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		<b>March 31, 2020 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>ASSETS</b>			
Bank balances	4	1,332,766	1,109,748
Investments	5	1,940,775	525,571
Mark up / interest receivable		59,100	25,236
Prepayments and other receivables		17,246	1,325
Advance tax	6	5,175	5,175
<b>TOTAL ASSETS</b>		<b>3,355,060</b>	<b>1,667,055</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	7	4,796	2,265
Payable to Central Depository Company of Pakistan Limited - Trustee	8	187	190
Payable to Securities and Exchange Commission of Pakistan	9	328	1,270
Accrued expenses and other liabilities	11	83,415	129,816
<b>TOTAL LIABILITIES</b>		<b>88,726</b>	<b>133,541</b>
<b>NET ASSETS</b>		<b>3,266,335</b>	<b>1,533,514</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,266,335</b>	<b>1,533,514</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		<b>----- (Number of units) -----</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>27,823,080</b>	<b>14,496,497</b>
		<b>----- (Rupees) -----</b>	
<b>NET ASSETS VALUE PER UNIT</b>		<b>117.3966</b>	<b>105.7851</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 INCOME STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Note	Nine Months Period Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2020	2019	2020	2019
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>INCOME</b>					
Financial income		221,815	118,330	90,742	42,299
Capital (loss) / gain on sale of investments - net		10,124	(2,141)	11,156	2,283
Unrealised (loss) / gain on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net		38,331	(69)	39,140	2,376
Other income		347	46	300	19
<b>TOTAL INCOME</b>		<b>270,618</b>	<b>116,166</b>	<b>141,339</b>	<b>46,977</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company		19,652	13,246	8,233	4,259
Sindh Sales tax on Management Company's remuneration		2,555	1,722	1,071	553
Allocated expenses		1,638	1,279	693	393
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,203	1,720	508	542
Annual fee of Securities and Exchange Commission of Pakistan		328	959	139	294
Bank and other charges		105	141	20	38
Auditors' remuneration		207	391	51	87
Brokerage and settlement expenses		2,026	539	1,216	284
Legal and professional charges		115	157	38	50
Fee and subscription charges		233	233	77	77
<b>Total operating expenses</b>		<b>28,063</b>	<b>20,387</b>	<b>12,047</b>	<b>6,577</b>
<b>Operating income for the period</b>		<b>242,555</b>	<b>95,779</b>	<b>129,292</b>	<b>40,400</b>
Provision for Sindh Workers' Welfare Fund	11.1	(4,759)	(1,879)	(2,536)	(792)
<b>Net income for the period before taxation</b>		<b>237,796</b>	<b>93,900</b>	<b>126,756</b>	<b>39,608</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>237,796</b>	<b>93,900</b>	<b>126,756</b>	<b>39,608</b>
<b>Allocation of net income for the period</b>					
Income already paid on units redeemed		(21,845)	(14,637)	(7,449)	(8,512)
<b>Net income for the period available for distribution</b>		<b>215,950</b>	<b>79,263</b>	<b>119,306</b>	<b>31,096</b>
Relating to capital gains		-	-	-	-
Excluding capital gains		215,950	79,263	119,306	31,096
<b>Earnings per unit</b>	14	<b>215,950</b>	<b>79,263</b>	<b>119,306</b>	<b>31,096</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 COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	<b>Nine Months Period Ended</b>		<b>Quarter Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>----- (Rupees in '000) -----</b>		<b>----- (Rupees in '000) -----</b>	
Net income for the period after taxation	237,796	93,900	126,756	39,608
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>237,796</b>	<b>93,900</b>	<b>126,756</b>	<b>39,608</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**

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\_\_\_\_\_  
**DIRECTOR**

**UBL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	-----Nine Months Period Ended-----					
	March 31, 2020			March 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	1,324,250	209,264	1,533,514	1,609,216	267,824	1,877,040
Issuance of 22,937,751 units (2019: 5,492,609 units)						
Capital value of units	2,426,472	-	2,426,472	579,990	-	579,990
Element of income						
Due to net income earned	137,219	-	137,219	12,033	-	12,033
<b>Total proceeds on issuance of units</b>	<b>2,563,691</b>	<b>-</b>	<b>2,563,691</b>	<b>592,023</b>	<b>-</b>	<b>592,023</b>
Redemption of 9,611,167 units (2019: 7,974,233 units)						
Capital value of units	(1,016,718)	-	(1,016,718)	(842,036)	-	(842,036)
Element of income						
Due to net income earned	(30,103)	(21,845)	(51,948)	(3,208)	(14,637)	(17,845)
<b>Total payments on redemption of units</b>	<b>(1,046,821)</b>	<b>(21,845)</b>	<b>(1,068,667)</b>	<b>(845,244)</b>	<b>(14,637)</b>	<b>(859,881)</b>
Total comprehensive income for the period	-	237,796	237,796	-	93,900	93,900
Distribution during the period:	-	-	-	(23,040)	(61,316)	(84,356)
<b>Net income for the period less distribution</b>	<b>-</b>	<b>237,796</b>	<b>237,796</b>	<b>(23,040)</b>	<b>32,584</b>	<b>9,544</b>
<b>Net assets at the end of the period</b>	<b>2,841,120</b>	<b>425,214</b>	<b>3,266,335</b>	<b>1,332,955</b>	<b>285,771</b>	<b>1,618,726</b>
Undistributed income brought forward comprises of:						
Realised gain		212,437			268,218	
Unrealised (loss) / gain		(3,173)			(394)	
Total undistributed income brought forward		209,264			267,824	
<b>Income available for distribution:</b>						
Relating to capital gains		-			-	
Excluding capital gains		215,950			79,263	
		215,950			79,263	
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>		<b>425,214</b>			<b>285,771</b>	
<b>Undistributed income carried forward comprises of:</b>						
Realised gain		386,883			285,840	
Unrealised loss		38,331			(69)	
<b>Total undistributed income carried forward</b>		<b>425,214</b>			<b>285,771</b>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			105.7851			110.5634
Net assets value per unit at the end of the period			117.3966			111.6715

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, 2020**

	<b>Nine Months Period Ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	237,796	93,900
<b>Adjustments for:</b>		
Financial income	(221,815)	(118,330)
Unrealised loss on revaluation of investments at fair value through profit or loss - net	(38,331)	69
Capital loss on sale of investments - net	(10,124)	2,141
Provision for Sindh Workers' Welfare Fund	4,759	1,879
	(265,511)	(114,241)
<b>Cash used in operations before working capital changes</b>	(27,716)	(20,341)
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Investments - net	(1,366,747)	(201,315)
Prepayments and other receivables	(15,921)	2,330
Advance tax	0	(52)
	(1,382,668)	(199,037)
<b>(Decrease) / increase in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	2,531	(344)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(18)
Annual fee payable to Securities and Exchange Commission of Pakistan	(942)	(1,086)
Accrued expenses and other liabilities	(51,160)	(835,086)
	(49,574)	(836,534)
Cash (used in) / generated from operations	(1,459,957)	(1,055,912)
Profit received on bank balances and investments	187,951	115,825
Net cash flow (used in) / generated from operating activities	(1,272,006)	(940,087)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	2,563,691	592,023
Payments against redemption of units	(1,068,667)	(859,881)
Dividend paid	-	(84,356)
Net cash used in financing activities	1,495,024	(352,214)
Net (decrease) / increase in cash and cash equivalents	223,018	(1,292,301)
Cash and cash equivalents at the beginning of the period	1,109,748	4,101,409
Cash and cash equivalents at the end of the period	1,332,766	2,809,108
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,332,766	1,474,058
Cash Equivalents	-	1,335,050
	1,332,766	2,809,108

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, 2020**

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

- 1.1 UBL Government Securities Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 19, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 19, 2011 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from July 07, 2011.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The principal activity of the fund is to provide 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.
- Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.5
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 31, 2019 and a stability rating of "A+(f)" to the Fund as at December 31, 2019.



## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the quarter ended March 31, 2019.
- 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, 2020.

## **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**

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

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

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

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

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

**3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

		<b>March 31, 2020</b>	<b>June 30,</b>
		<b>(Unaudited)</b>	<b>2019</b>
		<b>----- (Rupees in '000) -----</b>	<b>(Audited)</b>
	<b>Note</b>		
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In savings accounts	<u>1,332,766</u>	<u>1,109,748</u>

- 4.1 Profit rates on these savings accounts range from 9.00% to 14.6% per annum (June 30, 2019: 3.75% to 13.40% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 5.579 million (June 30, 2019: Rs. 1.992 million) on which return is earned at 11.25% (June 30, 2019: 8.25%) per annum.

## 5 INVESTMENTS

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

	<b>March 31, 2020</b>	<b>June 30,</b>
	<b>(Unaudited)</b>	<b>2019</b>
	<b>----- (Rupees in '000) -----</b>	<b>(Audited)</b>
Pakistan Investment Bonds	1,285,785	519,324
Market Treasury Bills	648,490	-
GOP Ijarah Sukuk	<u>6,500</u>	<u>6,247</u>
	<u>1,940,775</u>	<u>525,571</u>

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

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, 2020	Market value as at June 30, 2019	Percentage of investment
	Note	No. of holdings				(Rupees in '000)		
<b>Pakistan Investment Bonds</b>								
PIB- 03 Years	5.3	3,600	38,925	33,380	9,145	900,861	319,804	46.42%
PIB- 05 Years	5.3	-	12,250	11,250	1,000	101,030	-	5.21%
PIB- 10 Years	5.3	-	5,260	2,500	2,760	283,894	199,520	14.63%
<b>Market Treasury Bills</b>								
T-bill 3 months	5.4	-	64,260	64,260	-	-	-	0.00%
T-bill 6 months	5.4	-	20,060	20,060	-	-	-	0.00%
T-bill 1 year	5.4	-	50,430	43,360	7,070	648,490	-	33.41%
<b>GOP Ijarah Sukuk</b>	5.5							
3 Year		65	-	-	65	6,500	6,247	0.33%
		<u>65</u>	<u>140,010</u>	<u>130,180</u>	<u>9,895</u>	<u>1,940,775</u>	<u>525,571</u>	<u>100.00%</u>

- 5.3 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 797 million and Rs. 493.5 million respectively (June 30, 2019: Nil)
- 5.4 These represent Market Treasury Bills (MTBs) having a face value of Rs. 707.000 million (June 30, 2019: Nil) and carrying purchase yield of upto 12.6% per annum (June 30, 2019: Nil).
- 5.5 These represent Government of Pakistan (GOP) Ijarah Sukuk having face value of Rs. 6.500 million (June 30, 2019: Rs 6.500 million) and carry purchase yield of 5.24% per annum (June 30, 2019: 5.24% per annum).

## **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 of tax under section(s) 150, 151 & 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular “C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R” dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). As of March 31, 2020, various withholding agents have deducted advance tax under section(s) 150A, 151 & 233 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## **7 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY**

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

During the nine months period ended March 31, 2020, the Management has charged remuneration at the rate of 10% of the daily gross earnings with minimum cap of 1% and maximum cap of 1.25% of average daily net assets. The remuneration is paid to the Management Company on monthly basis in arrears.

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

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

## **9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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

## **10. ALLOCATED EXPENSES**

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services.

## **11 ACCRUED EXPENSES AND OTHER LIABILITIES**

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

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 24.213 million (June 30, 2019: Rs. 19.455 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. However, 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. 0.870 (June 30, 2019: Re. 1.342).

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

This represents/includes provision for federal excise duty (FED) as at March 31, 2020 amounting to Rs. 52.558 million (June 30, 2019: Rs. 52.558). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has since maintained full provision for FED aggregating to Rs. 52.558 million until the matter is resolved. Had FED not been provided for, the net assets value per unit would have been higher by Re. 0.1.74 (June 30, 2019: Re.3.333).

## **12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

## **13 TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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.

#### **14 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.

#### **15 TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 2.00% which includes 0.49% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

#### **16 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.

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

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

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

Details of transaction with the related parties and balances with them at the nine months ended are as follows:

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
<b>Transactions during the nine months ended March 31, 2020</b>						
<b>(Rupees in '000)</b>						
Profit on savings accounts	-	871	-	-	-	-
Bank charges	-	31	-	-	-	-
Units issued (in units in 000)	-	-	-	-	1,210	840,687
Value of Units issued	-	-	-	-	11	7,594
Units redeemed (units in 000)	-	-	-	-	73	-
Value of Units redeemed	-	-	-	-	8,123	-
Purchase of securities	-	214,297	-	159,666	-	-
Sale of securities	-	348,340	-	1,257,002	-	-
Remuneration (including Sindh sales tax)	22,207	-	1,203	-	-	-
Allocated expenses	1,638	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<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>Balances held as at March 31, 2020</b>						
<b>(Rupees in '000)</b>						
Units held (in Units '000)	-	-	-	-	1	11,581
Units held (in Rupees '000)	-	-	-	-	133	1,359,527
Bank balances	-	5,579	-	-	-	-
Remuneration payable	3,414	-	187	-	-	-
Sales load payable	514	38	-	-	-	-
Conversion charges payable	159	-	-	-	-	-
Allocated expenses payable	692	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	71	-	-	-	-
<b>Balances held as at Jun 30, 2019</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	-	-	-	-

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).
- The table below provides information on financial assets or liabilities carried at fair values, by valuation methods.

Fair value		
----- As at March 31, 2020 -----		
Level 1	Level 2	Level 3

**Financial assets measured at fair value**

Pakistan Investment Bonds	-	1,285,785	-
Market Treasury Bills	-	648,490	-
Government of Pakistan Ijara Sukuk	-	6,500	-
	-	1,940,775	-

Fair value		
----- As at Jun 30, 2019 -----		
Level 1	Level 2	Level 3

**Financial assets measured at fair value**

Pakistan Investment Bonds	-	519,324	-
Market Treasury Bills	-	-	-
Government of Pakistan Ijara Sukuk	-	6,247	-
	-	525,571	-

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

## 18 GENERAL

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

## 19 DATE OF AUTHORIZATION FOR ISSUE

- 19.1 This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR



# UIOF

## UBL Income Opportunity Fund

### INVESTMENT OBJECTIVE

The Objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments.

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 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 - VIS
<b>Fund Rating</b>	A- (f) - VIS

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	255,407	648,809
Investments	5	604,117	184,264
Dividend and mark-up receivable		12,066	8,609
Advance tax	6	347	236
Deposits, prepayments and other receivables		34,283	4,869
<b>TOTAL ASSETS</b>		<b>906,220</b>	<b>846,787</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	7	1,606	1,389
Payable to Central Depository Company of Pakistan - Trustee	8	54	131
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	77	1,090
Accrued expenses and other payables		10,164	10,917
Payable against purchase of investments		53,425	-
<b>TOTAL LIABILITIES</b>		<b>65,326</b>	<b>13,527</b>
<b>NET ASSETS</b>		<b>840,894</b>	<b>833,260</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>840,894</b>	<b>833,260</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,856,063</b>	<b>7,561,461</b>
----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<b>122.6496</b>	<b>110.1983</b>

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

		Nine months ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note		(Rupees in '000)			
<b>INCOME</b>					
Financial income on:					
- Bank balances		31,269	111,792	8,969	39,004
- Term deposit receipts		3,056	2,552	-	2,215
- Government securities		12,332	678	8,732	16
- Term finance certificates		3,003	1,425	1,502	521
- Marginal trading system		528	1,601	228	17
(Loss) / gain on redemption / sale of investments classified as 'at fair value through profit or loss' - net		4,733	878	7,685	749
Dividend income		5,483	-	-	-
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net		5,863	251	6,101	(66)
Other income		487	144	189	103
<b>Total income</b>		<b>66,754</b>	<b>119,321</b>	<b>33,406</b>	<b>42,559</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		4,886	11,895	1,977	4,219
Sales tax on management fee		635	1,546	257	548
Allocation of expenses related to the Fund		386	1,227	168	387
Selling and marketing expenses		386	884	168	387
Remuneration of the Trustee		290	1,678	127	539
Sales tax on remuneration of the Trustee		38	218	17	70
Annual fee to Securities and Exchange Commission of Pakistan		77	920	33	290
Auditors' remuneration		288	286	68	80
Brokerage and settlement expenses		1,682	700	840	203
Listing fee expense		21	21	7	7
Legal and professional charges		120	122	40	40
Bank charges and other expenses		192	195	66	57
<b>Total expenses</b>		<b>9,001</b>	<b>19,692</b>	<b>3,768</b>	<b>6,827</b>
<b>Net operating income for the period</b>		<b>57,753</b>	<b>99,629</b>	<b>29,638</b>	<b>35,732</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	(1,133)	(1,955)	(581)	(700)
<b>Net income for the period before taxation</b>		<b>56,620</b>	<b>97,674</b>	<b>29,057</b>	<b>35,032</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>56,620</b>	<b>97,674</b>	<b>29,057</b>	<b>35,032</b>
<i>Allocation of net income for the period</i>					
Income already paid on units redeemed		(19,823)	(76,335)	(10,483)	(61,666)
<b>Net income for the period available for distribution</b>		<b>36,797</b>	<b>21,339</b>	<b>18,574</b>	<b>(26,634)</b>
<i>Net income available for distribution:</i>					
- Relating to capital gains		9,901	79	9,901	(194)
- Excluding capital gains		26,896	21,260	8,673	(26,440)
		<b>36,797</b>	<b>21,339</b>	<b>18,574</b>	<b>(26,634)</b>

Earning per unit

14

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

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>56,620</b>	97,674	<b>29,057</b>	35,032
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><b>56,620</b></u>	<u>97,674</u>	<u><b>29,057</b></u>	<u>35,032</u>

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

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

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

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

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

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Ended					
	March 31, 2020			March 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	821,353	11,907	833,260	539,431	17,837	557,268
Amount received on issuance of 13,952,985 (2019: 24,174,646) units						
Capital value	1,537,595	-	1,537,595	2,658,614	-	2,658,614
Element of income during the period;						
- Relating to net income for the period after taxation	99,387	-	99,387	49,894	-	49,894
	1,636,982	-	1,636,982	2,708,508	-	2,708,508
Redemption of 14,658,384 (2019: 6,521,348) units						
Capital value	(1,615,329)	-	(1,615,329)	(2,037,592)	-	(2,037,592)
Element of income during the period;						
- Relating to net income for the period after taxation	(50,816)	(19,823)	(70,639)	(955)	(76,335)	(77,290)
	(1,666,145)	(19,823)	(1,685,968)	(2,038,547)	(76,335)	(2,114,882)
Total comprehensive income for the period	-	56,620	56,620	-	97,674	97,674
Distribution during the period Nil (2018: 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>792,190</b>	<b>48,704</b>	<b>840,894</b>	<b>1,193,851</b>	<b>31,674</b>	<b>1,225,525</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised		11,907	11,907		17,837	17,837
- Unrealised		-	-		-	-
		11,907	11,907		17,837	17,837
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		9,901	9,901		79	79
- Excluding capital gains		26,896	26,896		21,260	21,260
		36,797	36,797		21,339	21,339
Distribution during the period Nil (2018: Rs.4.7439 per unit declared on July 02, 2018 as cash dividend)		-	-		(7,502)	(7,502)
<b>Undistributed income carried forward</b>		<b>48,704</b>	<b>48,704</b>		<b>31,674</b>	<b>31,674</b>
<b>Undistributed income carried forward comprising of:</b>						
- Realised		42,841	42,841		31,423	31,423
- Unrealised (loss) / gain		5,863	5,863		251	251
		<b>48,704</b>	<b>48,704</b>		<b>31,674</b>	<b>31,674</b>
		- (Rupees) -			- (Rupees) -	
<b>Net assets value per unit at beginning of the period</b>		<b>110.1983</b>				<b>114.7192</b>
<b>Net assets value per unit at end of the period</b>		<b>122.6496</b>				<b>116.6655</b>

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

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL INCOME OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Nine months ended	
	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	56,620	97,674
<b>Adjustments for:</b>		
Financial income	(50,188)	(118,048)
Loss / (gain) on redemption / sale of investments		
classified as 'at fair value through profit or loss' - net	(4,733)	(878)
Dividend income	(5,483)	-
Unrealised loss / (gain) on revaluation of investments		
'at fair value through profit or loss' - net	(5,863)	(251)
Provision for Sindh Workers' Welfare Fund (SWWF)	1,133	1,955
	(65,134)	(117,222)
<b>Cash used in operations before working capital changes</b>	(8,514)	(19,548)
<b>Working capital changes</b>		
<b>Decrease / (increase) in assets</b>		
Investments	(409,257)	(149,113)
Receivable against margin trading system (MTS)	-	192,347
Advance tax	(111)	(10)
Deposits, prepayments and other receivables	(29,414)	20,122
	(438,782)	63,346
<b>Increase / (decrease) in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	217	2,612
Payable to Central Depository Company of Pakistan - Trustee	(77)	90
Annual fee payable to the Securities and Exchange		
Commission of Pakistan (SECP)	(1,013)	671
Accrued expenses and other payables	(1,886)	(8,843)
Payable against purchase of investments	53,425	-
	50,666	(5,470)
Dividend and mark-up received	52,214	108,770
<b>Net cash flows generated from operating activities</b>	(344,416)	147,098
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipt from issuance of units	1,636,982	2,708,508
Net payment against redemption of units	(1,685,968)	(2,114,882)
Distribution during the period	-	(23,043)
<b>Net cash (used in) / generated from financing activities</b>	(48,986)	570,583
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(393,402)	717,681
Cash and cash equivalents at beginning of the period	648,809	326,966
<b>Cash and cash equivalents at end of the period</b>	255,407	1,044,647

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

**UBL INCOME OPPORTUNITY FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

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

- 1.1** UBL Income Opportunity Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on January 01, 2013 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2013 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund commenced its operations from March 29, 2013.
- 1.4** The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuks issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Income Scheme.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and a stability rating of "A-(f)" to the Fund as on December 31, 2019.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1** 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 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

**2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the period ended March 31, 2019.

**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, 2020.

## **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**

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 this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.

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



- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.
- 3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2019.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Current account		9	-
Saving accounts	4.1	255,398	648,809
		<u>255,407</u>	<u>648,809</u>
<b>4.1</b>	These carry mark-up at the rates ranging from 9.00% to 14.60% (June 30, 2019: 3.75% to 13.90%) per annum and include balances of Rs.6.606 (June 30, 2019: Rs.2.36) million held with United Bank Limited (a related party).		
<b>5. INVESTMENTS</b>			
<b>Investments by Category</b>			
	Note	(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
<b>'At fair value through profit or loss'</b>			
Government Securities - Market Treasury Bills	5.1	399,077	-
Government Securities - Pakistan Investment Bonds	5.2	163,414	-
Debt securities - Term Finance Certificates	5.3	41,626	21,685
Quoted equity securities - Spread transactions	5.4	-	-
		<u>604,117</u>	<u>21,685</u>
<b>'At amortised cost'</b>			
Letter of placement		-	60,092
Term deposit receipt		-	102,487
		<u>604,117</u>	<u>184,264</u>

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

Government Securities - Treasury Bills - At Fair Value through Profit or Loss						March 31, 2020				
Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value	Market value	Unrealised (loss)	Market value as a % of net assets	Market value as a % of total investments
----- (Number of holding) -----						----- (Rupees in '000) -----			----- % -----	
Market Treasury Bills -										
3 months		-	14,750	14,750	-	-	-	-	-	-
6 months			2,000	2,000	-					
1 year	13.05% 25-Mar-21	-	12,866	8,500	4,366	398,149	399,077	928	47.46%	66.06%
Total as at March 31, 2020 (un-audited)						398,149	399,077	928	47.46%	66.06%

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

	Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value	Market value	Unrealised Gain / (loss)	Market value as a % of net assets	Market value as a % of total investments
				----- (Number of holding) -----			----- (Rupees in '000) -----			----- % -----	
Pakistan Investment Bonds											
3 Years	11.24%	19-Sep-22	-	7,500	6,500	1,000	95,026	97,470	2,444	11.59%	16.13%
5 Years	10.54%	19-Sep-24	-	3,000	2,500	500	48,188	50,515	2,327	6.01%	8.36%
10 Years	14.70%	22-Aug-29	-	2,500	2,350	150	15,286	15,429	143	1.83%	2.55%
Total as at March 31, 2020 (un-audited)							158,500	163,414	4,914	19.43%	27.05%

5.2.1 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 15 million and Rs. 150 million respectively (June 30, 2018: Nil)

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

Particulars		Number of certificates				March 31, 2020			Market value as a % of net assets	Market value as a % of total investments
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value	Market value	Unrealised Gain / (loss)		
Note		----- (Rupees in '000) -----							----- % -----	
Commercial banks										
Bank AL Habib Limited - unlisted	5.3.1 &	2,000	-	-	2,000	9,884	9,605	(279)	1.14%	1.59%
(Issue date - March 17, 2016)	5.3.2									
Dawood Hercules Corporation Ltd. - listed	5.3.1 &	-	50	-	50	4,008	4,029	21	0.48%	0.67%
(Issue date - November 16, 2017)	5.3.2									
The Hub Power Company Ltd. - unlisted	5.3.1 &	-	300	300	-	-	-	-	0.00%	0.00%
(Issue date - August 22, 2019)	5.3.2									
Dawood Hercules Corporation Ltd. - listed	5.3.1 &	-	200	-	200	15,920	16,053	133	1.91%	2.66%
(Issue date - March 01, 2018)	5.3.2									
Habib Bank Limited - unlisted	5.3.1 &	120	-	-	120	11,792	11,939	147	1.42%	1.98%
(Issue date - February 19, 2016)	5.3.2									
Total as at March 31, 2020 (Un-audited)						41,604	41,626	22	4.95%	6.89%
Total as at June 30, 2019 (Audited)						21,899	21,685	(214)		

5.3.1 These carry profit rate from 13.06% to 14.46% (June 2019: from 11.34% to 11.58%).

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

Name of security	Number of certificates	Redemption Value (Rupees)		Interest rate (Per annum)	Maturity
		Per certificate	Total		
Bank AL Habib Limited					
BAHL/TFC/170316	2,000	4,992	9,984,000	6M KIBOR + 0.75%	March 17, 2026
Habib Bank Limited					
HBL/TFC/190216	120	99,840	11,980,800	6M KIBOR + 0.50%	February 19, 2026
Dawood Hercules Corporation Ltd.					
DHCL/SUK/010318	200	80,000	16,000,000	3M KIBOR + 1%	March 1, 2023
Dawood Hercules Corporation Ltd.					
DHCL/SUK/161117	50	80,000	4,000,000	3M KIBOR + 1%	November 16, 2022

#### 5.4 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at March 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealized gain / (loss)			
----- (Rupees in '000) ----- % -----										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile Assembler</b>										
Ghandhara Industries Limited	-	13,500	13,500	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	369,000	369,000	-	-	-	-	-	-	-
D.G.Khan Cement Co. Limited	-	293,500	293,500	-	-	-	-	-	-	-
Fauji Cement Co. Limited	-	483,500	483,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	3,500	3,500	-	-	-	-	-	-	-
Lucky Cement Company Limited	-	56,000	56,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	104,000	104,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Chemicals</b>										
Engro Polymer And Chemicals Limited	-	743,000	743,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	2,348,000	2,348,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Commerical Banks</b>										
Habib Bank Limited	-	5,000	5,000	-	-	-	-	-	-	-
National Bank Of Pakistan	-	583,000	583,000	-	-	-	-	-	-	-
The Bank Of Punjab	-	1,318,000	1,318,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Engineering</b>										
Amreli Steels Limited	-	167,500	167,500	-	-	-	-	-	-	-
International Industries Limited	-	47,000	47,000	-	-	-	-	-	-	-
International Steels	-	571,000	571,000	-	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	-	73,000	73,000	-	-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at March 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealized gain / (loss)			
					----- (Rupees in '000) -----			----- % -----		
					-	-	-	-	-	-
<b>Fertilizer</b>										
Engro Corporation	-	1,500	1,500	-	-	-	-	-	-	-
Engro Fertilizer Limited	-	295,000	295,000	-	-	-	-	-	-	-
Fauji Fert Bin Qasim Limited	-	165,000	165,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	2,000	2,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Food &amp; Personal Care Products</b>										
Fauji Foods Limited	-	1,671,500	1,671,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>										
Oil And Gas Development Co. Limited	-	21,000	21,000	-	-	-	-	-	-	-
Pak Oilfields Limited	-	2,500	2,500	-	-	-	-	-	-	-
Pak Petroleum Limited	-	50,000	50,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Oil &amp; Gas Marketing Companies</b>										
Hascol Petroleum Limited	-	53,000	53,000	-	-	-	-	-	-	-
Pakistan State Oils Limited	-	86,500	86,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	106,500	106,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Pharmaceuticals</b>										
The Searle Company Limited	-	327,500	327,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>										
Hub Power Company Limited	-	95,500	95,500	-	-	-	-	-	-	-
K Electric Limited	-	714,000	714,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited	-	70,000	70,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Refinery</b>										
Attock Refinery Limited	-	144,500	144,500	-	-	-	-	-	-	-
National Refinery Limited	-	4,500	4,500	-	-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at March 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Unrealized gain / (loss)			
					----- (Rupees in '000) -----			----- % -----		
					-	-	-	-	-	-
<b>Technology &amp; Communication</b>										
Netsol Technologies Limited	-	34,500	34,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	-	12,000	12,000	-	-	-	-	-	-	-
Nishat (Chunian) Limited	-	179,500	179,500	-	-	-	-	-	-	-
Nishat Mills Limited	-	5,500	5,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	-	777,000	777,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Vanaspati &amp; Allied Industries</b>										
Unity Foods Limited	-	4,236,000	4,236,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
<b>Total as at March 31, 2020 (Un-audited)</b>					-	-	-			
<b>Total as at June 30, 2019 (Audited)</b>					-	-	-			

## **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 of tax under section(s) 150 and 151 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). As of March 31, 2020, various withholding agents have deducted advance tax under section(s) 150 and 151 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in these condensed interim financial statements.

## **7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY**

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

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

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

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

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

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

## **10. ALLOCATED EXPENSES & SELLING AND MARKETING EXPENSES**

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

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

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

### **11.1 Provision for Workers' Welfare Fund (WWF)**

As disclosed in note 15.2 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.2 to the annual audited financial statements for the year ended June 30, 2019.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 4.186 million (June 30, 2019: Rs. 3.053 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. However, 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.0.61 (June 30, 2019: Re. 0.40).

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

This represents/includes provision for federal excise duty (FED) as at March 31, 2020 amounting to Rs. 1.597 million (June 30, 2019: Rs. 1.597). 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 for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has since maintained full provision for FED aggregating to Rs. 1.597 million until the matter is resolved. Had FED not been provided for, the net assets value per unit would have been higher by Re. 0.23 (June 30, 2019: Re.0.21).

## **12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

**13. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. As the Management Company intends to distribute through cash at least 90% of the Fund's net accounting income as reduced by capital gains 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.

**14. 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.

**15. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 2.62% which includes 0.53% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

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

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

Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

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

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
<b>For The Nine months Ended March 31, 2020 (Un-audited)</b>						
<b>----- (Units in '000) -----</b>						
<b>Transactions during the period</b>						
Units issued	1,290	-	-	-	52	2,349
Units redeemed	6,055	-	-	-	164	84

<b>----- (Rupees in '000) -----</b>						
Mark-up on saving accounts	-	539	-	-	-	-
Bank charges	-	33	-	-	-	-
Value of units issued	150,000	-	-	-	6,092	282,427
Value of units redeemed	679,325	-	-	-	19,724	10,000
Sale of investment	-	101,866	-	486,113	-	-
Purchase of investment	-	93,173	-	-	-	-
Remuneration *	5,521	-	327	-	-	-
Central Depository System (CDS) charges	-	-	2	-	-	-
Allocated expenses by the Management Company	386	-	-	-	-	-
Selling and marketing expenses	386	-	-	-	-	-

<b>For The Nine months Ended March 31, 2019 (Un-audited)</b>						
<b>Transactions during the period</b>						
Mark-up on saving 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 expenses by the Management Company	1,227	-	-	-	-	-
Selling and marketing expenses	884	-	-	-	-	-

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
<b>----- (Rupees in '000) -----</b>						
<b>As at March 31, 2020 (Un-audited)</b>						
<b>Balances held</b>						
Units held (units in '000)	-	-	-	-	-	2,265
Units held (Rupees in '000)	-	-	-	-	-	277,843
Bank balances	-	6,606	-	-	-	-
Remuneration payable*	869	-	54	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payable	400	-	-	-	-	-
Mark-up receivable	-	53	-	-	-	-
Payable against allocated expenses	169	-	-	-	-	-
Selling and marketing expense payable	169	-	-	-	-	-

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

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





## 19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

SD

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

SD

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

SD

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

# 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>	Deloitte Yousuf Adil, Chartered Accountants
<b>Bankers</b>	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank Of Pakistan Meezan Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)
<b>Fund Rating</b>	AA(f) (VIS)

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		(Un-audited) March, 2020	(Audited) June 30, 2019
Note		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	8,497,216	5,986,231
Placements, Commercial Papers and Term Deposit Receipts	5	-	850,000
Investments - net	6	1,348,424	-
Mark-up / interest receivable		71,764	66,745
Security deposits, prepayments and other receivables		1,592	47,904
Advance income tax	7	1,994	1,994
<b>Total assets</b>		<b>9,920,990</b>	<b>6,952,874</b>
<b>LIABILITIES</b>			
Payable to UBL Fund Managers Limited - Management Company	10	9,775	6,449
Payable to Central Depository Company of Pakistan Limited - Trustee	9	580	548
Payable to Securities and Exchange Commission of Pakistan	8	1,359	8,912
Accrued expenses and other liabilities	11	118,413	99,639
<b>Total liabilities</b>		<b>130,128</b>	<b>115,548</b>
<b>Net Assets</b>		<b>9,790,862</b>	<b>6,837,326</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>9,790,862</b>	<b>6,837,326</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	----- (Number of units) -----	
<b>Number of Units in Issue</b>		<b>97,083,179</b>	<b>67,843,773</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>100.8502</b>	<b>100.7804</b>
<b>Face Value per Unit</b>		<b>100.0000</b>	<b>100.0000</b>

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

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

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

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

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

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

		Nine months period ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note		(Rupees in '000)			
<b>INCOME</b>					
Financial income		936,000	879,150	304,453	302,011
Loss on sale of investments - net		2,879	(16,667)	7,848	(2,430)
Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		4,269	-	4,318	-
Other income		462	485	316	288
<b>Total income</b>		<b>943,610</b>	<b>862,968</b>	<b>316,935</b>	<b>299,869</b>
<b>EXPENSES</b>					
Remuneration of UBL Fund Managers Limited - Management Company	10	51,595	64,982	15,446	22,541
Sindh sales tax on remuneration of Management Company		6,707	8,448	2,008	2,931
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	4,992	8,436	1,654	2,520
Annual fee of Securities and Exchange Commission of Pakistan	8	1,359	7,233	450	2,107
Bank charges		453	500	113	197
Auditors' remuneration		571	674	183	132
Brokerage and settlement expenses		954	2,049	333	778
Allocated expenses	10.1	5,241	6,442	2,251	-
Allocated selling and marketing expenses	10.1	7,447	-	1,168	-
Fees and subscription charges		204	199	67	64
Other expenses		124	179	30	39
<b>Total expenses</b>		<b>79,649</b>	<b>99,142</b>	<b>23,705</b>	<b>31,309</b>
<b>Net operating income for the period</b>		<b>863,961</b>	<b>763,826</b>	<b>293,230</b>	<b>268,560</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	(16,946)	(14,983)	(5,749)	(5,266)
<b>Net income for the period before taxation</b>		<b>847,015</b>	<b>748,843</b>	<b>287,481</b>	<b>263,294</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>847,015</b>	<b>748,843</b>	<b>287,481</b>	<b>263,294</b>
<b>Allocation of net income for the period</b>					
- Net income for the period after taxation		847,015	748,843	287,481	263,294
- Income already paid on units redeemed		(46,369)	(15,108)	(18,358)	(2,552)
<b>Net income for the period available for distribution</b>		<b>800,646</b>	<b>733,735</b>	<b>269,123</b>	<b>260,742</b>
<b>Net income for the period available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		800,646	733,735	269,123	260,742
<b>Earnings per unit</b>	14	<b>800,646</b>	<b>733,735</b>	<b>269,123</b>	<b>260,742</b>

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

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

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

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

**SD**  
**Director**

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<b>March 31,</b>	March 31,	<b>March 31,</b>	March 31,
	<b>2020</b>	2019	<b>2020</b>	2019
	<u>----- (Rupees in '000) -----</u>			
<b>Net income for the period after taxation</b>	<b>847,015</b>	748,843	<b>287,481</b>	263,294
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>847,015</b>	748,843	<b>287,481</b>	263,294

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

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

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine months period ended					
	March 31, 2020			March 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees. in '000)					
<b>Net assets at the beginning of the period</b>	6,731,381	105,945	6,837,326	14,120,429	333,781	14,454,210
Amount received on issuance of 260,883,165 units (2019: 229,510,626 units)						
- Capital value	26,293,819	-	26,293,819	23,107,910	-	23,107,910
- Element of income	50,711	-	50,711	28,609	-	28,609
<b>Total amount received on issuance of units</b>	26,344,530	-	26,344,530	23,136,519	-	23,136,519
Amount paid on redemption of 231,596,616 units (2019: 258,160,771 units)						
- Capital value	(23,347,060)	-	(23,347,060)	(25,992,504)	-	(25,992,504)
- Element of income	(6,677)	(46,369)	(53,046)	(11,729)	(15,108)	(26,837)
<b>Total amount paid on redemption of units</b>	(23,353,737)	(46,369)	(23,400,106)	(26,004,233)	(15,108)	(26,019,341)
Total comprehensive income for the period	-	847,015	847,015	-	748,843	748,843
<b>Annual distribution:</b>						
Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend	-	-	-	(501,698)	(253,759)	(755,457)
<b>Interim distributions:</b>						
<b>July 2019 to March 2020</b>						
Re. 0.4494 per unit declared on July 14, 2019 as cash dividend	(3,064)	(29,356)	(32,420)	-	-	-
Re. 0.4500 per unit declared on July 28, 2019 as cash dividend	(214)	(32,686)	(32,900)	-	-	-
Re. 0.6064 per unit declared on August 15, 2019 as cash dividend	(1,798)	(52,396)	(54,194)	-	-	-
Re. 0.4712 per unit declared on August 29, 2019 as cash dividend	(2,938)	(43,393)	(46,331)	-	-	-
Re. 0.5675 per unit declared on September 15, 2019 as cash dividend	(6,673)	(56,033)	(62,706)	-	-	-
Re. 0.5009 per unit declared on September 29, 2019 as cash dividend	(3,041)	(50,834)	(53,875)	-	-	-
Re. 0.5173 per unit declared on October 13, 2019 as cash dividend	(806)	(48,876)	(49,682)	-	-	-
Re. 0.4849 per unit declared on October 27, 2019 as cash dividend	(1,018)	(41,355)	(42,373)	-	-	-
Re. 0.4459 per unit declared on November 10, 2019 as cash dividend	(715)	(38,627)	(39,342)	-	-	-
Re. 0.4592 per unit declared on November 24, 2019 as cash dividend	(394)	(34,734)	(35,128)	-	-	-
Re. 0.4805 per unit declared on December 8, 2019 as cash dividend	(3,085)	(36,630)	(39,715)	-	-	-
Re. 0.4946 per unit declared on December 22, 2019 as cash dividend	(1,359)	(37,584)	(38,943)	-	-	-
Re. 0.4883 per unit declared on January 05, 2020 as cash dividend	(5,674)	(40,638)	(46,312)	-	-	-
Re. 0.4729 per unit declared on January 19, 2020 as cash dividend	(1,365)	(43,925)	(45,290)	-	-	-
Re. 0.3672 per unit declared on January 30, 2020 as cash dividend	(1,408)	(31,397)	(32,805)	-	-	-
Re. 0.4691 per unit declared on February 13, 2020 as cash dividend	(1,931)	(36,085)	(38,016)	-	-	-
Re. 0.4775 per unit declared on February 27, 2020 as cash dividend	(1,726)	(36,464)	(38,190)	-	-	-
Re. 0.5000 per unit declared on March 12, 2020 as cash dividend	(4,596)	(38,674)	(43,270)	-	-	-
Re. 0.6777 per unit declared on March 29, 2020 as cash dividend	(3,547)	(61,865)	(65,412)	-	-	-
<b>July 2018 to March 2019</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>	(45,350)	54,462	9,112	(529,252)	(207,421)	(736,673)
<b>Net assets at the end of the period</b>	9,676,823	114,038	9,790,862	10,723,463	111,252	10,834,715
<b>Undistributed income brought forward comprising of:</b>						
- Realised		105,945	105,945		333,781	333,781
- Unrealised		-	-		-	-
Total undistributed income brought forward		105,945	105,945		333,781	333,781
<b>Accounting income available for distribution</b>						
- Related to capital gain	-	-	-	-	-	-
- Excluding capital gain	800,646	800,646		733,735	733,735	
	800,646	800,646		733,735	733,735	
<b>Distribution during the period:</b>						
Annual distribution	-	-		(253,759)	(253,759)	
Interim distributions during the nine months ended March 31, 2019 as cash dividend	(792,553)	(792,553)		(702,505)	(702,505)	
<b>Undistributed income carried forward - net</b>		114,038	114,038		111,252	111,252
<b>Undistributed income carried forward comprising of:</b>						
- Realised		109,769	109,769		111,252	111,252
- Unrealised		4,269	4,269		-	-
		114,038	114,038		111,252	111,252
	(Rupees)					
<b>Net assets value per unit at the beginning of the period</b>		100.7804		106.2344		
<b>Net assets value per unit at the end of the period</b>		100.8502		100.8730		

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

FOR UBL FUND MANAGERS LIMITED  
(Management Company)

SD  
Chief Executive Officer

SD  
Chief Financial Officer

SD  
Director

**UBL LIQUIDITY PLUS FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	<b>Nine months period ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>------(Rupees in '000)-----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	<b>847,015</b>	748,843
<b>Adjustments for:</b>		
Financial income	<b>(936,462)</b>	(879,635)
Loss on sale of investments - net	<b>(2,879)</b>	16,667
Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	<b>(4,269)</b>	-
Provision for Sindh Workers' Welfare Fund (SWWF)	<b>16,946</b>	14,983
	<b>(926,664)</b>	(847,985)
<b>Cash used in operations before working capital changes</b>	<b>(79,649)</b>	(99,142)
<b>(Increase) / decrease in assets</b>		
Placements, Commercial Papers and Term Deposit Receipts	<b>500,000</b>	-
Investments - net	<b>(1,341,276)</b>	(16,667)
Security deposits, prepayments and other receivables	<b>46,312</b>	(4,036)
Advance income tax	<b>-</b>	488
	<b>(794,964)</b>	(20,215)
<b>Increase / (decrease) in liabilities</b>		
Payable to UBL Fund Managers Limited - Management Company	<b>3,326</b>	(1,479)
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>31</b>	(264)
Payable to Securities and Exchange Commission of Pakistan	<b>(7,552)</b>	152
Accrued expenses and other liabilities	<b>1,829</b>	(56,037)
	<b>(2,366)</b>	(57,628)
<b>Cash generated from / (used in) operations</b>	<b>(876,979)</b>	(176,985)
Mark-up received on bank balances and investments	<b>931,443</b>	808,375
<b>Net cash generated from operating activities</b>	<b>54,464</b>	631,390
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	<b>26,344,530</b>	23,136,519
Payments against redemption of units	<b>(23,400,106)</b>	(26,019,341)
Dividend paid	<b>(837,903)</b>	(1,485,516)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,106,521</b>	(4,368,338)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>2,160,985</b>	(3,736,948)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,336,231</b>	14,571,421
<b>Cash and cash equivalents at the end of the period</b>	<b>8,497,216</b>	10,834,473
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	<b>8,497,216</b>	9,634,473
Placements, Commercial Papers and Term Deposit Receipts	<b>-</b>	1,200,000
	<b>8,497,216</b>	10,834,473

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

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

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

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

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



**UBL LIQUIDITY PLUS FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

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

- 1.1** UBL Liquidity Plus Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the management company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2009 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from June 21, 2009.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an open-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The investment objective of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.
- 1.5** VIS Credit Rating Company has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2019 and assigned a stability rating of "AA (f)" to the Fund as on December 31, 2019.

**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 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the period ended March 31, 2019.
- 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, 2020.

## 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

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

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

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

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	
<b>4. BANK BALANCES</b>			
<b>In local currency:</b>			
- Current account		4	4
- Profit and loss sharing accounts	4.1	8,497,212	5,986,227
		<u>8,497,216</u>	<u>5,986,231</u>

- 4.1** Mark-up rates on these savings accounts range between 9.00% to 13.54% per annum (June 30, 2019: 4.00% to 13.40% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 16.842 million (June 30, 2019: Rs. 29.278 million) on which return is earned at 11.75% (June 30, 2019: 4.50%) per annum.

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

Particulars	Note	As at July 1, 2019	Purchased during the period	Matured during the period	As at March 31, 2020	Market value as a percentage of net assets of the Fund
-----Rupees in '000-----						-----%
Term Deposits Receipts	5.1	-	1,830,000	1,830,000	-	0.00
Letter of Placements	5.2	850,000	10,402,708	11,252,708	-	0.00
Commercial Papers - at book value	5.3	-	500,000	500,000	-	0.00
<b>Total as at March 31, 2020 (Un-audited)</b>		<b>850,000</b>	<b>12,732,708</b>	<b>13,582,708</b>	<b>-</b>	<b>0.00</b>
Term Deposits Receipts		1,580,000	2,250,000	3,830,000	-	0.00
Letter of Placements		-	48,383,000	47,533,000	850,000	12.43
Commercial Papers		-	-	-	-	0.00
<b>Total as at June 30, 2019 (Audited)</b>		<b>1,580,000</b>	<b>50,633,000</b>	<b>51,363,000</b>	<b>850,000</b>	<b>12.43</b>

5.1. Term Deposit Receipts (TDRs) having face value of Rs. 1,830 million carrying interest rate ranging from 13.75% to 14.45% were acquired and matured during the period.

5.2. Letter of Placements (LOPs) having face value of Rs. 11.252 million carrying interest rates ranging from 12.50% to 13.71% were acquired and matured during the period.

5.3. Commercial Paper (CP) having a face value of Rs. 500 million carrying interest rate of 15.40% was acquired during the year with a maturity date of March 23, 2020.

## 6. INVESTMENTS - NET

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

Name of security	Note	As at July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Total carrying value as at March 31, 2020	Total market value as at March 31, 2020	Appreciation / (diminution) as at March 31, 2020	Market value as a percentage of total investment of the Fund	Market value as a percentage of net assets of the Fund
-----Number of holdings-----						-----Rupees in '000-----			-----%	
Market Treasury Bills - 3 months	6.1	-	526,229	519,545	6,684	656,552	658,404	1,852	48.83%	6.72%
Market Treasury Bills - 6 months	6.1	-	65,090	57,840	7,250	687,603	690,020	2,417	51.17%	7.05%
<b>Total as at March 31, 2020 (Un-audited)</b>						<b>1,344,155</b>	<b>1,348,424</b>	<b>4,269</b>	<b>100.00%</b>	<b>13.77%</b>
<b>Total as at June 30, 2019 (Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pakistan Investment Bonds - 3 years	6.1	-	5,000	5,000	-	-	-	-	-	-
<b>Total as at March 31, 2020 (Un-audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at June 30, 2019 (Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## 7. ADVANCE INCOME TAX

The income of the Fund is exempt 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(s) 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). As of March 31, 2020, various withholding agents have deducted advance tax under section(s) 150, 150A, 151 and 233 of the Income Tax Ordinance, 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

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

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

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

The remuneration is payable to the Management Company on monthly basis in arrears. During the period ended March 31, 2020, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

### 10.1 ALLOCATED AND SELLING & MARKETING EXPENSES

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

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

Furthermore Management Company has also charged selling and marketing expense to the Fund as follows:

From September 05, 2019 through January 21, 2020	0.24% per annum of average daily net assets
From January 22, 2020 through March 31, 2020	0.00% per annum of average daily net assets

## **11 ACCRUED EXPENSES AND OTHER LIABILITIES**

### **11.1 Provision for Workers' Welfare Fund (WWF)**

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2020 amounting to Rs. 49.878 million (June 30, 2019: Rs. 32.932 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. However, 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. 0.5135 (June 30, 2019: Re. 0.4854).

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

This represents/includes provision for federal excise duty (FED) as at March 31, 2020 amounting to Rs. 55.39 million (June 30, 2019: Rs. 55.390). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has since maintained full provision for FED aggregating to Rs. 55.39 million until the matter is resolved. Had FED not been provided for, the net assets value per unit would have been higher by Re. 0.5703 (June 30, 2019: Re.0.8164).

## **12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

## **13. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. As the Management Company intends to distribute through cash at least 90% of the Fund's net accounting income as reduced by capital gains 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.

## **14. 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.

## **15. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 1.42% which includes 0.38% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## **16. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

ASSETS	As at March 31, 2020 (un-audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through profit or loss				
- Market Treasury Bills	-	1,348,424	-	-

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

**16.1** 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.

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

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

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

**17.2** Transactions with the connected persons are carried out in the normal course of business, at agreed terms.

**17.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations.

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

**17.5** Details of transactions with related parties / connected persons 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 and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
<b>Transactions during the period</b>						
----- Nine Months Ended March 31, 2020 -----						
(Units in '000)						
Units issued	90,069	36	2,348	-	97	50,759
Units redeemed	85,478	36	4	-	212	22,826
----- (Rupees in '000) -----						
Value of units issued	9,094,167	3,688	237,229	-	9,778	5,123,563
Value of units redeemed	8,638,366	3,686	377	-	21,329	2,302,188
Mark-up on PLS accounts	-	1,385	-	-	-	-
Bank and other charges	-	84	-	-	-	-
Purchase of securities	-	-	-	4,898,358	-	-
Sale of securities	-	5,140,148	-	2,195,625	-	-
Remuneration (inclusive of SST)	58,303	-	4,992	-	-	-
Allocated selling and marketing expenses	7,447	-	-	-	-	-
Allocated expense	5,241	-	-	-	-	-
Custody fee	-	-	4	-	-	-
Dividend paid	41,090	38	7,961	-	1,004	240,250
----- As at March 31, 2020 -----						
(Units in '000)						
Units held	4,591	-	2,344	-	33	34,921
----- (Rupees in '000) -----						
Value of units held	462,975	-	236,443	-	3,280	3,521,836
Bank Balances	-	18,466	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration (inclusive of SST)	6,209	-	580	-	-	-
Allocated expenses payable	2,251	-	-	-	-	-
Allocated selling and marketing expenses payable	1,167	-	-	-	-	-
Other payable	148	-	-	-	-	-
Mark-up receivable	-	320	-	-	-	-

	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
<b>Transactions during the period</b>						
----- Nine Months Ended March 31, 2019 -----						
(Rupees in '000)						
Value of units issued	136,779	6,128	-	18,030	3,615	7,814,316
Value of units redeemed	791,123	16,151	-	186,316	14,744	5,024,816
Mark-up on PLS accounts	-	22,139	-	-	-	-
Bank and other charges	-	77	-	-	-	-
Purchase of securities	-	-	-	1,518,709	-	-
Sale of securities	-	6,023,448	-	491,649	-	-
Remuneration (inclusive of SST)	73,430	-	8,436	-	-	-
Allocated expense	6,442	-	-	-	-	-
Custody fee	-	-	5	-	-	-
Dividend paid	38,911	-	-	9,788	2,086	192,417
----- As at June 30, 2019 -----						
(Units in '000)						
Units held	-	-	-	-	147	24,399
----- (Rupees in '000) -----						
Value of units held	-	-	-	-	14,847	2,458,989
Bank Balances	-	29,278	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration (inclusive of SST)	6,314	-	548	-	-	-
Other payable	135	-	-	-	-	-
Mark-up receivable	-	279	-	-	-	-

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

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

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

**18. GENERAL**

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

**19. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

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

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

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



# 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 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>	Allied Bank Limited JS Bank Limited Soneri Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)

UBL Special Savings Fund  
Condensed Interim Statement of Assets and Liabilities (Un-Audited)  
As at 31 March 2020

		31 March 2020						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	Note	(Rupees in '000)						
<b>Assets</b>								
Bank balances	4	417	658	1,684	11,944	47,974	31,630	94,307
Investments	5	357,535	762,273	130,122	187,875	5,071,563	200,778	6,710,146
Profit receivables		5,979	12,902	2,275	3,357	9,891	1,836	36,240
Prepayments and other receivables		30	17	10	9	4	3	73
Preliminary expenses and floatation cost	6	606	-	-	-	-	-	606
Advance tax	7	214	108	132	4	-	-	458
<b>Total assets</b>		<b>364,781</b>	<b>775,958</b>	<b>134,223</b>	<b>203,189</b>	<b>5,129,432</b>	<b>234,247</b>	<b>6,841,830</b>
<b>Liabilities</b>								
Payable to the Management Company	8	3,251	2,269	477	344	1,975	345	8,661
Payable to Central Depository Company of Pakistan Limited - Trustee	10	20	44	8	12	294	12	390
Payable to Securities and Exchange Commission of Pakistan	11	59	124	34	31	652	22	922
Dividend payable		-	-	-	-	-	-	-
Accrued expenses and other payables	12	6,386	3,938	783	556	9,019	27,125	47,807
<b>Total liabilities</b>		<b>9,716</b>	<b>6,375</b>	<b>1,302</b>	<b>943</b>	<b>11,940</b>	<b>27,504</b>	<b>57,780</b>
<b>Net assets</b>		<b>355,065</b>	<b>769,583</b>	<b>132,921</b>	<b>202,246</b>	<b>5,117,492</b>	<b>206,743</b>	<b>6,784,050</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>355,065</b>	<b>769,583</b>	<b>132,921</b>	<b>202,576</b>	<b>5,117,492</b>	<b>206,743</b>	<b>6,784,050</b>
<b>Contingencies and commitments</b>								
	13	(Number of units)						
<b>Number of units in issue</b>		<b>3,278,610</b>	<b>7,184,166</b>	<b>1,200,791</b>	<b>1,886,006</b>	<b>49,606,367</b>	<b>1,888,784</b>	
		(Rupees)						
<b>Net assets value per unit</b>		<b>108.2973</b>	<b>107.1221</b>	<b>110.6948</b>	<b>107.2349</b>	<b>103.1620</b>	<b>109.4583</b>	

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

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

	30 June 2019				
	USSP-I	USSP-II	USSP-III	USSP-IV	Total
	(Rupees in '000)				
<b>Assets</b>					
Bank balances	23,311	39,497	543	37,274	100,625
Investments	426,850	840,705	255,564	130,003	1,653,122
Profit receivables	16,294	33,486	11,179	6,212	67,171
Prepayments and other receivables	-	22,152	191	9,894	32,237
Preliminary expenses and floatation cost	890	-	-	-	890
Advance tax	214	39	36	3	292
<b>Total assets</b>	<b>467,559</b>	<b>935,879</b>	<b>267,513</b>	<b>183,386</b>	<b>1,854,337</b>
<b>Liabilities</b>					
Payable to the Management Company	2,447	983	1,957	219	5,606
Payable to Central Depository Company of Pakistan Limited - Trustee	40	77	22	14	153
Payable to Securities and Exchange Commission of Pakistan	229	213	23	10	475
Dividend payable	-	627	-	-	627
Accrued expenses and other payables	5,123	32,160	686	356	38,325
<b>Total liabilities</b>	<b>7,839</b>	<b>34,060</b>	<b>2,688</b>	<b>599</b>	<b>45,186</b>
<b>Net assets</b>	<b>459,720</b>	<b>901,819</b>	<b>264,825</b>	<b>182,787</b>	<b>1,809,151</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>459,720</b>	<b>901,819</b>	<b>264,825</b>	<b>182,787</b>	<b>1,809,151</b>
<b>Contingencies and commitments</b>					
	(Number of units)				
<b>Number of units in issue</b>	<b>4,709,959</b>	<b>9,257,824</b>	<b>2,678,767</b>	<b>1,833,947</b>	
	(Rupees)				
<b>Net assets value per unit</b>	<b>97.6060</b>	<b>97.4116</b>	<b>98.8607</b>	<b>99.6688</b>	

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Income Statement (Un-Audited)  
For the Nine months period ended 31 March 2020

		For the nine months period ended 31 March 2020				For the period from 13 September 2019 to 31 March 2020	For the period from 09 August 2019 to 31 March 2020	Total	For the period from 09 November 2018 to 31 March 2019	For the period from 05 February 2019 to 31 March 2019	Total
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		USSP-I	USSP-II	
	Note	(Rupees in '000)									
<b>Income</b>											
Profit on bank deposits and profit / return on investments calculated using the effective interest method	14	37,102	75,950	21,941	20,899	432,177	14,022	602,091	20,671	6,122	26,793
Realised (loss) / gain on sale of investments		(4,108)	(365)	2,915	47	1,426	1,201	1,116	19	(150)	(131)
Other income		383	628	477	44	4	126	1,662	285	0	285
<b>Total Income</b>		<b>33,377</b>	<b>76,213</b>	<b>25,333</b>	<b>20,990</b>	<b>433,607</b>	<b>15,349</b>	<b>604,869</b>	<b>20,975</b>	<b>5,972</b>	<b>26,947</b>
<b>Expenses</b>											
Remuneration of the Management Company	8	2,970	6,183	1,698	1,569	3,258	1,103	16,781	1,820	512	2,332
Sindh sales tax on the Management Company's remuneration		386	804	221	204	424	143	2,182	237	68	305
Allocation of expenses relating to the Fund	9	-	-	-	-	3,266	-	3,266	0	0	0
Selling and marketing expenses	9	1,188	-	-	-	-	-	1,188	140.00	-	140.00
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	201	419	115	106	2,209	74	3,124	206	58	264
Annual fee of Securities and Exchange Commission of Pakistan	11	59	124	34	31	652	22	922	136	38	174
Auditors' remuneration		88	66	57	53	30	35	329	179	23	202
Formation cost		284	-	-	-	-	-	284	146	0	146
Bank charges		30	26	14	11	22	9	112	7.00	5.00	12.00
Listing fees		4	4	4	4	3	3	22	14.00	3.00	17.00
Legal and professional charges		28	28	28	28	14	15	141	58.00	14.00	72.00
Brokerage expenses		31	27	28	13	96	9	204	-	11.00	11.00
Other expenses		5	4	4	2	11	1	27	-	-	-
<b>Total operating expenses</b>		<b>5,274</b>	<b>7,685</b>	<b>2,203</b>	<b>2,021</b>	<b>9,985</b>	<b>1,414</b>	<b>28,582</b>	<b>2,943</b>	<b>732</b>	<b>3,675</b>
<b>Net income for the period from operating activities</b>		<b>28,103</b>	<b>68,528</b>	<b>23,130</b>	<b>18,969</b>	<b>423,622</b>	<b>13,935</b>	<b>576,287</b>	<b>18,032</b>	<b>5,240</b>	<b>23,272</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	(551)	(1,344)	(454)	(372)	(8,307)	(273)	(11,301)	(354)	(103)	(457)
<b>Net income for the period before taxation</b>		<b>27,552</b>	<b>67,184</b>	<b>22,676</b>	<b>18,597</b>	<b>415,315</b>	<b>13,662</b>	<b>564,986</b>	<b>17,678</b>	<b>5,137</b>	<b>22,815</b>
Taxation	15	-	-	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>		<b>27,552</b>	<b>67,184</b>	<b>22,676</b>	<b>18,597</b>	<b>415,315</b>	<b>13,662</b>	<b>564,986</b>	<b>17,678</b>	<b>5,137</b>	<b>22,815</b>
<b>Allocation of net income for the period after taxation</b>											
Net income for the period after taxation		27,552	67,184	22,676	18,597	415,315	13,662	564,986	17,678	5,137	22,815
Income already paid on units redeemed		(1,543)	(4,650)	(9,131)	(611)	(89,835)	(536)	(106,306)	(528)	(253)	(781)
		<b>26,009</b>	<b>62,534</b>	<b>13,545</b>	<b>17,986</b>	<b>325,480</b>	<b>13,126</b>	<b>458,680</b>	<b>17,150</b>	<b>4,884</b>	<b>22,034</b>
<b>Accounting income available for distribution</b>											
- Relating to capital gains		-	-	1,475	44	1,426	1,195	4,140	-	-	-
- Excluding capital gains		26,009	62,534	12,070	17,942	324,054	11,931	454,540	17,150	4,884	22,034
		<b>26,009</b>	<b>62,534</b>	<b>13,545</b>	<b>17,986</b>	<b>325,480</b>	<b>13,126</b>	<b>458,680</b>	<b>17,150</b>	<b>4,884</b>	<b>22,034</b>
<b>Earnings per unit</b>	17										

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Income Statement (Un-Audited)  
For the quarter ended 31 March 2020

Quarter ended 31 March 2020							For the quarter from 09 November 2018 to 31 March 2019
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	USSP-I
	(Rupees in '000)						
<b>Income</b>							
Profit on bank deposits and Profit / return on investments calculated using the effective interest method	11,291	23,237	4,669	6,985	189,506	6,240	241,928
Realised (loss) / gain on sale of investments	(285)	(139)	(282)	104	2,028	1,702	3,128
Other income	93	149	71	31	4	79	427
<b>Total Income</b>	<b>11,099</b>	<b>23,247</b>	<b>4,458</b>	<b>7,120</b>	<b>191,538</b>	<b>8,021</b>	<b>245,483</b>
<b>Expenses</b>							
Remuneration of the Management Company	887	1,879	341	515	1,458	501	5,581
Sindh sales tax on the Management Company's remuneration	115	244	44	67	190	65	725
Allocation of expenses relating to the Fund	-	-	-	-	1,459	-	1,459
Selling and marketing expenses	355	-	-	-	-	-	355
Remuneration of Central Depository Company of Pakistan Limited - Trustee	60	127	23	35	989	34	1,268
Annual fee of Securities and Exchange Commission of Pakistan	17	38	7	10	292	10	374
Auditors' remuneration	38	23	22	15	12	14	124
Formation cost	94	-	-	-	-	-	94
Bank charges	3	10	11	2	12	4	42
Listing fees	1	1	1	1	1	1	6
Legal and professional charges	13	13	13	13	6	6	64
Brokerage expenses	3	9	2	3	72	-	89
Other expenses	1	2	1	1	8	-	13
<b>Total operating expenses</b>	<b>1,587</b>	<b>2,346</b>	<b>465</b>	<b>662</b>	<b>4,499</b>	<b>635</b>	<b>10,194</b>
<b>Net income for the quarter from operating activities</b>	<b>9,512</b>	<b>20,901</b>	<b>3,993</b>	<b>6,458</b>	<b>187,039</b>	<b>7,386</b>	<b>235,289</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	(186)	(410)	(79)	(127)	(3,667)	(144)	(4,613)
<b>Net income for the quarter before taxation</b>	<b>9,326</b>	<b>20,491</b>	<b>3,914</b>	<b>6,331</b>	<b>183,372</b>	<b>7,242</b>	<b>230,676</b>
Taxation	-	-	-	-	-	-	-
<b>Net income for the quarter after taxation</b>	<b>9,326</b>	<b>20,491</b>	<b>3,914</b>	<b>6,331</b>	<b>183,372</b>	<b>7,242</b>	<b>230,676</b>
<b>Allocation of net income for the quarter after taxation</b>							
Net income for the quarter after taxation	9,326	20,491	3,914	6,331	183,372	7,242	230,676
Income already paid on units redeemed	(252)	(537)	(662)	(396)	(84,164)	(105)	(86,116)
	<b>9,074</b>	<b>19,954</b>	<b>3,252</b>	<b>5,935</b>	<b>99,208</b>	<b>7,137</b>	<b>144,560</b>
<b>Accounting income available for distribution</b>							
- Relating to capital gains	-	-	-	44	1,426	1,195	2,665
- Excluding capital gains / (loss)	9,074	19,954	3,252	5,891	97,782	5,942	141,895
	<b>9,074</b>	<b>19,954</b>	<b>3,252</b>	<b>5,935</b>	<b>99,208</b>	<b>7,137</b>	<b>144,560</b>
<b>Earnings per unit</b>							

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

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Financial Officer

SD  
Chief Executive Officer

SD  
Director

UBL Special Savings Fund  
Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the Nine months period ended 31 March 2020

	For the nine months period ended 31 March 2020						Total	For the period from 09 November 2018 to 31 March 2019 USSP-I	For the period from 05 February 2019 to 31 March 2019 USSP-II	Total
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI				
	(Rupees in '000)									
Net income for the period after taxation	27,552	67,184	22,676	18,597	415,315	13,662	564,986	17,678	5,137	22,815
Other comprehensive income for the period										
Items to be reclassified to income statement in subsequent periods:										
Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income	29,196	53,217	12,049	7,622	52,115	2,509	156,708	1,028	1,834	2,862
	29,196	53,217	12,049	7,622	52,115	2,509	156,708	1,028	1,834	2,862
Total comprehensive income for the period	56,748	120,401	34,725	26,219	467,430	16,171	721,694	18,706	6,971	25,677

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

# UBL Special Savings Fund

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

For the quarter ended 31 March 2020

	Quarter ended 31 March 2020						Total	For the quarter from 09 November 2018 to 31 March 2019 USSP-I
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		
	(Rupees in '000)							
Net income for the quarter after taxation	9,326	20,491	3,914	6,331	183,372	7,242	230,676	13,363
Other comprehensive income for the quarter								
Items to be reclassified to income statement in subsequent quarters:								
Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income	12,251	25,439	5,241	4,282	57,499	3,505	108,217	1,028
	12,251	25,439	5,241	4,282	57,499	3,505	108,217	1,028
Total comprehensive income for the quarter	21,577	45,930	9,155	10,613	240,871	10,747	338,893	14,391

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund  
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)  
For the Nine months period ended 31 March 2020

	For the nine months period ended 31 March 2020								For the period from 13 September 2019 to 31 March 2020								For the period from 09 August 2019 to 31 March 2020								For the period from 09 November 2018 to 31 March 2019								For the period from 05 February 2019 to 31 March 2019																			
	USSB-I				USSB-II				USSB-III				USSB-IV				USSB-V				USSB-VI				Total				USSB-I				USSB-II				USSB-III				USSB-IV				USSB-V				USSB-VI			
	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total	Capital value	Unrealised income	Unrealised diminution on revaluation of fair value through OCI	Total												
	(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)															
Net assets at beginning of the period	471,249	136	(11,665)	459,720	925,449	1,024	(24,654)	901,819	267,855	(80)	(2,978)	264,825	183,380	(78)	(915)	182,787	-	-	-	-	-	-	-	-	1,847,833	1,822	(39,804)	1,809,151	-	-	-	-	-	-	-	-	-	-	-	-												
Issuance of 8,916, 10,878, 21,843, 388,889, 88,459,254, 2,341,626 units (31 March 2019 : 7,266,352 & 7,909,138 units)																																																				
- Capital value	783	-	-	783	1,059	-	-	1,059	2,160	-	-	2,160	38,746	-	-	38,746	8,645,025	-	-	8,645,025	224,162	-	-	224,162	7,121,949	-	-	7,121,949	726,835	-	-	726,835	790,913	-	-	790,913	-	-	-	790,913												
- Element of income during the period relating to other comprehensive income	-	9	9	-	-	-	-	-	35	35	-	(84)	(84)	-	-	11,423	11,423	-	-	-	-	-	(27)	(27)	-	-	-	11,356	11,356	-	-	552	-	-	552	-	-	-	-													
- Relating to net income for the period after taxation	5	-	-	5	75	-	-	75	45	45	-	259	259	35	35	35,230	35,230	8,739	8,739	35,939	2,880	-	-	2,880	8,300	-	-	8,300	2,212	-	-	2,212	6,293	-	-	6,293	-	-	-	6,293												
Total proceeds on issuance of units	824	-	9	833	1,134	-	-	1,134	2,232	-	-	2,267	39,042	-	-	39,042	8,685,994	-	-	8,685,994	227,042	-	-	227,042	7,146,268	-	-	7,146,268	728,847	-	-	728,847	797,758	-	-	797,758	-	-	-	797,758												
Redemption of 1,433,365, 2,084,536, 2,489,876, 194,897, 18,843,888 and 452,842 units (31 March 2019 : 2,321,750 & 40,588 units)																																																				
- Capital value	(140,491)	-	-	(140,491)	(203,058)	-	-	(203,058)	(148,274)	-	-	(148,274)	(33,571)	-	-	(33,571)	(1,884,389)	-	-	(1,884,389)	(55,284)	-	-	(55,284)	(2,455,067)	-	-	(2,455,067)	(232,175)	-	-	(232,175)	(4,959)	-	-	(4,959)	-	-	-	(4,959)												
- Element of income during the period relating to other comprehensive income	-	(3,235)	(3,235)	-	-	(3,899)	(3,899)	-	-	(3,837)	(3,837)	-	-	-	1,639	1,639	-	-	-	-	-	247	247	-	-	-	(9,115)	(9,115)	(26)	-	-	(26)	-	-	-	-	-	-	-													
- Relating to net income for the period after taxation	(19)	(1,543)	-	(1,562)	-	(4,500)	-	(4,500)	(11)	(9,131)	-	(9,142)	(49)	(8,11)	-	(8,68)	77,833	(89,835)	-	(12,002)	(879)	(59)	-	(1,460)	78,884	(196,39)	-	(29,422)	83	(528)	-	(445)	19	(253)	-	(234)	-	-	-	(234)												
Total payments on redemption of units	(140,510)	(1,543)	(2,225)	(145,278)	(203,058)	(4,500)	(3,809)	(215,157)	(148,285)	(9,131)	(3,837)	(161,053)	(33,620)	(8,11)	(330)	(24,231)	(1,894,556)	(89,835)	1,639	(1,894,752)	(6,154)	(59)	247	(46,443)	(2,378,183)	(196,39)	(9,115)	(2,493,604)	(232,118)	(528)	-	(232,646)	(4,940)	(253)	-	(5,193)	-	-	-	(5,193)												
Total comprehensive income for the period	-	27,552	29,196	56,748	-	67,184	53,217	120,401	-	22,676	12,849	34,725	-	16,597	7,422	26,219	-	415,315	52,115	467,430	-	13,662	2,599	16,171	-	564,886	156,708	721,694	-	17,678	1,028	18,708	-	5,137	1,834	6,971	-	-	-	6,971												
Interim distribution for the period -Rs. 0.8513 per unit																																																				
-UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019	(5)	(16,345)	(8)	(16,358)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(16,345)	(8)	(16,358)	-	-	-	-	-	-	-	-	-	-	-	-												
(31 December 2019 : @ Rs. 0.8513 per unit paid)																																																				
-UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	(42,254)	-	(42,254)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,254)	-	-	(42,254)	-	-	-	-	-	-	-	-	-												
-UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	(45)	(7,765)	(33)	(7,843)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(45)	(7,765)	(33)	(7,843)	-	-	-	-	-	-	-	-	-												
-UBL Special Savings Plan IV @ Rs. 4.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(258)	(10,976)	78	(11,157)	-	-	-	-	(258)	(10,976)	78	(11,157)	-	-	-	-	-	-	-	-	-	-	-	-												
-UBL Special Savings Plan V @ Rs.4.4336 per unit paid on 10 February 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,230)	(304,999)	(12,374)	(352,603)	-	-	-	-	(15,230)	(304,999)	(12,374)	(352,603)	-	-	-	-	-	-	-	-	-	-	-	-												
Net income for the period less distribution	(5)	10,607	29,188	39,799	-	24,330	53,217	78,147	(45)	14,911	12,816	26,862	(258)	7,621	7,700	15,062	(15,230)	110,316	39,741	114,827	-	13,662	2,599	16,171	(15,230)	182,647	144,371	290,879	(2,079)	14,554	1,028	15,503	-	5,137	1,834	6,971	-	-	-	6,971												
Net assets at end of the period	337,558	9,205	14,387	355,065	723,526	21,304	24,764	763,593	121,757	5,720	6,444	132,821	189,543	6,932	6,771	202,578	9,044,208	20,481	52,803	5,117,492	190,888	13,126	2,729	206,743	6,600,479	186,808	6,784,059	494,645	14,026	1,028	509,703	792,818	6,884	1,834	295,638	-	-	-	295,638													
Undistributed income brought forward:-																																																				
- Realised income	136	-	-	136	1,024	-	-	1,024	(80)	-	-	(78)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,822	-	-	-	-	-	-	-	-	-	-	-	-												
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Accounting income available for distribution :-	136	-	-	136	1,024	-	-	1,024	(80)	-	-	(78)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,822	-	-	-	-	-	-	-	-	-	-	-	-												
- Relating to capital gains	-	-	-	-	-	-	-	-	1,475	-	-	44	-	-	-	-	1,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
- Excluding capital gains	29,099	-	-	29,099	63,534	-	-	63,534	12,070	-	-	17,862	-	-	-	-	324,654	-	-	324,654	11,851	-	-	1,195	4,140	-	-	454,549	17,150	-	-	17,150	-	-	-	-	-	-	-	4,884												
- Excluding capital gains	29,099	-	-	29,099	63,534	-	-	63,534	12,070	-	-	17,862	-	-	-	-	324,654	-	-	324,654	11,851	-	-	1,195	4,140	-	-	454,549	17,150	-	-	17,150	-	-	-	-	-	-	-	4,884												
Distribution during the period																																																				
Interim distribution :- Rs. 0.8513 per unit declared on December 21,2019 as cash dividend																																																				
-UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019	(16,345)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
(31 December 2018 : @ Rs. 0.8513 per unit paid)																																																				
-UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	(42,254)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
-UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-														
-UBL Special Savings Plan IV @ Rs. 4.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		

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

For UBL Fund Managers Limited  
(Management Company)

SD  
Chief Financial Officer

SD  
Chief Executive Officer

SD  
Director



UBL Special Savings Fund  
Condensed Interim Cash Flow Statement (Un-Audited)  
For the Nine months period ended 31 March 2020

	Nine Months Period Ended March, 2020				For the period from 13 Sept 2019 to 31 March 2020	For the period from 09 August 2019 to 31 March 2020	Total	For the period from 09 November 2018 to 31 March 2019	For the period from 05 February 2019 to 31 March 2019
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		USSP-I	USSP-II
	(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Net income for the period before taxation	27,552	67,184	22,676	18,597	415,315	13,662	564,986	17,678	5,137
<b>Adjustments:</b>									
Profit on bank deposits and profit / return on investments calculated using the effective interest method	(37,102)	(75,950)	(21,941)	(20,899)	(432,177)	(14,022)	(602,091)	(20,671)	(6,122)
Provision for Sindh Workers' Welfare Fund	551	1,344	454	372	8,307	273	11,301	354	103
Formation cost	284	-	-	-	-	-	284	-	-
Realised loss / (gain) on sale of investments	4,108	365	(2,915)	(47)	(1,426)	(1,201)	(1,116)	(19)	(150)
	(32,159)	(74,241)	(24,402)	(20,574)	(425,296)	(14,950)	(591,622)	(20,336)	(6,169)
	(4,607)	(7,057)	(1,726)	(1,977)	(9,981)	(1,288)	(26,636)	(2,658)	(1,032)
<i>(Increase) / decrease in assets</i>									
Investments	107,115	156,239	147,967	(42,788)	(5,014,816)	(195,246)	(4,841,529)	(500,951)	(788,697)
Prepayments and other receivables	(30)	22,135	181	9,885	(4)	(3)	32,164	(32)	(705)
Preliminary expenses and floatation cost	-	-	-	-	-	-	-	(984)	-
Advance tax	-	(69)	(96)	(1)	-	-	(166)	(214)	(41)
	107,085	178,305	148,052	(32,904)	(5,014,820)	(195,249)	(4,809,531)	(502,181)	(789,443)
<i>Increase / (decrease) in liabilities</i>									
Payable to the Management Company	804	1,286	(1,480)	125	1,975	345	3,055	1,941	2,656
Payable to Central Depository Company of Pakistan Limited - Trustee	(20)	(33)	(14)	(2)	294	12	237	49	51
Payable to Securities and Exchange Commission of Pakistan	(170)	(89)	11	21	652	22	447	136	38
Dividend payable	-	(627)	-	-	-	-	(627)	-	-
Accrued expenses and other payables	712	(29,566)	(357)	(172)	712	26,852	(1,819)	629	163,525
	1,326	(29,029)	(1,840)	(28)	3,633	27,231	1,293	2,755	166,270
Profits received during the period	34,705	71,579	23,284	16,339	419,080	10,364	575,351	11,957	(8,119)
<b>Net cash generated from / (used) in operating activities</b>	138,509	213,798	167,770	(18,570)	(4,602,088)	(158,942)	(4,259,523)	(490,127)	(632,324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Proceeds from issuance of units	833	1,134	2,189	38,777	6,897,417	237,015	7,177,365	728,847	797,758
Payments on redemption of units	(145,278)	(211,517)	(161,053)	(34,231)	(1,894,752)	(46,443)	(2,493,274)	(232,647)	(5,193)
Total distribution to unit holders	(16,958)	(42,254)	(7,765)	(10,976)	(352,603)	-	(430,556)	(5,203)	-
<b>Net cash (used) in / generated from financing activities</b>	(161,403)	(252,637)	(166,629)	(6,430)	4,650,062	190,572	4,253,535	490,997	792,565
<b>Net (decrease) / increase in cash and cash equivalents</b>	(22,894)	(38,839)	1,141	(25,000)	47,974	31,630	(5,988)	870	160,241
Cash and cash equivalents at beginning of the period	23,311	39,497	543	37,274	-	-	100,625	-	-
<b>Cash and cash equivalents at end of the period</b>	417	658	1,684	12,274	47,974	31,630	94,637	870	160,241
<b>Cash and cash equivalents</b>									
Bank balances	417	658	1,684	11,944	47,974	31,630	94,307	870	160,241

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

For UBL Fund Managers Limited  
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

# UBL Special Savings Fund

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

*For the nine months period ended 31 March 2020*

### 1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund (the Fund) was established under the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan ("SECP"). It was constituted under a Trust Deed, dated 19 October 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The Fund commenced its operations from 09 November 2018.

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

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

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

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

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

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

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

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

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

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 27 December 2019.

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

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

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

**2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the period ended March 31, 2019.

**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, 2020.

### **2.2 Basis of measurement**

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

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

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

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING 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 30 June 2019.

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

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

**3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

#### 4 BANK BALANCES

4	BANK BALANCES	Note	31 March 2020 (Un-Audited)						
			USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
			(Rupees in '000)						
	Saving accounts	4.1	417	658	1,684	11,944	47,974	31,630	94,307
			30 June 2019 (Audited)						
			USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
			(Rupees in '000)						
	Saving accounts	6.1	23,311	39,497	543	37,274			100,625
4.1	These carry profit rates ranging from 13.55% to 13.60% (30 June 2019: 7% to 13.15%) per annum.								

4.1 These carry profit rates ranging from 13.55% to 13.60% (30 June 2019: 7% to 13.15%) per annum.

#### 5 INVESTMENTS

		31 March 2020 (Un-Audited)						
	Note	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
At fair value through other comprehensive income								
Government securities								
- Pakistan investment bonds	5.1	357,535	762,273	130,122	187,875	580,325	101,164	2,119,294
- Market Treasury Bills	5.1	-	-	-	-	4,491,238	99,614	4,590,852
		<u>357,535</u>	<u>762,273</u>	<u>130,122</u>	<u>187,875</u>	<u>5,071,563</u>	<u>200,778</u>	<u>6,710,146</u>
30 June 2019 (Audited)								
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
----- (Rupees in '000) -----								
At fair value through other comprehensive income								
Government securities - Pakistan investment bonds								
	5.1			426,850	840,705	255,564	130,003	1,653,122

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

Issue date	Tenor	Face value				Amortised Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 March 2020			Total investments of plan	Net assets of the Plan
		----- (Rupees in '000) -----							
Held by USSP I									
Pakistan Investment Bonds									
12 July 2018	3 years	480,500	100,000	309,500	271,000	256,456	261,099	73.03%	73.54%
12 July 2018	5 years	-	175,000	75,000	100,000	85,176	96,436	26.97%	27.16%
		<u>480,500</u>	<u>275,000</u>	<u>384,500</u>	<u>371,000</u>	<u>341,632</u>	<u>357,535</u>	<u>100.00%</u>	<u>100.00%</u>
Held by USSP II									
Pakistan Investment Bonds									
12 July 2018	3 years	761,000	100,000	263,000	598,000	565,795	576,151	75.58%	74.87%
12 July 2018	5 years	200,000	75,000	82,000	193,000	170,615	186,122	24.42%	24.18%
		<u>961,000</u>	<u>175,000</u>	<u>345,000</u>	<u>791,000</u>	<u>736,410</u>	<u>762,273</u>	<u>100.00%</u>	<u>99.05%</u>

Issue date	Tenor	Face value				Amortised Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 March 2020			Total investments of plan	Net assets of the Plan
		----- (Rupees in '000) -----							
Held by USSP III									
Pakistan Investment Bonds									
12 July 2018	3 years	195,000	100,000	220,000	75,000	70,516	72,260	55.53%	54.36%
12 July 2018	5 years	100,000	75,000	115,000	60,000	51,530	57,862	44.47%	43.53%
		<u>295,000</u>	<u>175,000</u>	<u>335,000</u>	<u>135,000</u>	<u>122,046</u>	<u>130,122</u>	<u>100.00%</u>	<u>97.89%</u>
Held by USSP IV									
Pakistan Investment Bonds									
12 July 2018	3 years	100,000	209,000	114,000	195,000	181,412	187,875	100.00%	92.89%
12 July 2018	5 years	50,000	75,000	125,000	-	-	-	0.00%	0.00%
		<u>150,000</u>	<u>284,000</u>	<u>239,000</u>	<u>195,000</u>	<u>181,412</u>	<u>187,875</u>	<u>100.00%</u>	<u>92.89%</u>
Held by USSP V									
Pakistan Investment Bonds									
July 12, 2018	3 years	-	500,000	-	500,000	468,236	481,732	9.50%	9.41%
19 September 2019	3 years	-	200,000	100,000	100,000	93,807	98,593	1.94%	1.93%
		<u>-</u>	<u>700,000</u>	<u>100,000</u>	<u>600,000</u>	<u>562,043</u>	<u>580,325</u>	<u>11.44%</u>	<u>11.34%</u>
Market Treasury Bills									
18 July 2019	3 months	-	1,975,000	1,975,000	-	-	-	-	-
1 August 2019	3 months	-	450,000	450,000	-	-	-	-	-
12 September 2019	6 months	-	500,000	500,000	-	-	-	-	-
12 September 2019	1 year	-	4,120,000	3,404,000	716,000	677,445	682,833	13.46%	13.34%
26 September 2019	1 year	-	1,656,000	350,000	1,306,000	1,229,736	1,240,642	24.46%	24.24%
10 October 2019	1 year	-	1,000,000	2,000	998,000	937,247	944,461	18.62%	18.46%
24 October 2019	3 months	-	500,000	500,000	-	-	-	0.00%	0.00%
24 October 2019	6 months	-	500,000	500,000	-	-	-	0.00%	0.00%
March 26, 2020	6 months	-	375,000	-	375,000	355,830	356,233	7.02%	6.96%
March 26, 2020	1 year	-	375,000	-	375,000	339,518	339,981	6.70%	6.64%
March 12, 2020	6 months	-	250,000	250,000	-	-	-	0.00%	0.00%
March 12, 2020	1 year	-	250,000	-	250,000	224,788	227,438	4.48%	4.44%
March 12, 2020	3 months	-	375,000	375,000	-	-	-	0.00%	0.00%
February 27, 2020	1 year	-	250,000	-	250,000	223,477	228,233	4.50%	4.46%
January 2, 2020	3 months	-	800,000	800,000	-	-	-	0.00%	0.00%
24 October 2019	1 year	-	500,000	-	500,000	468,410	471,418	9.30%	9.21%
		<u>-</u>	<u>13,876,000</u>	<u>9,106,000</u>	<u>4,770,000</u>	<u>4,456,451</u>	<u>4,491,238</u>	<u>88.54%</u>	<u>87.75%</u>

Issue date	Tenor	Face value				Amortised Cost as at 31 March 2020	Market value as at 31 March 2020	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 March 2020			Total investments of plan	Net assets of the Plan
		----- (Rupees in '000) -----							
Held by USSP VI									
Pakistan Investment Bonds									
19 September 2019	5 years	-	75,000	75,000	-	-	-	-	-
19 September 2019	3 years	-	100,000	100,000	-	-	-	-	-
12 July 2018	3 years	-	125,000	20,000	105,000	99,161	101,164	50.39%	48.93%
		<u>-</u>	<u>125,000</u>	<u>20,000</u>	<u>105,000</u>	<u>99,161</u>	<u>101,164</u>	<u>50.39%</u>	<u>48.93%</u>
Market Treasury Bills									
10 October 2019	3 months	-	75,000	75,000	-	-	-	-	-
26 March 2020	1 year	-	29,500	-	29,500	26,712	26,745	13.32%	12.94%
10 October 2019	1 year	-	157,000	80,000	77,000	72,416	72,869	36.29%	35.25%
		<u>-</u>	<u>261,500</u>	<u>155,000</u>	<u>106,500</u>	<u>99,128</u>	<u>99,614</u>	<u>49.61%</u>	<u>48.19%</u>

## 6. PRELIMINARY EXPENSES AND FLOATATION COST

	31 March 2020 (Un-Audited)						30 June 2019 (Audited)
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	USSP I
	(Rupees in '000)						
Deferred formation cost	890	-	-	-	-	-	1,131
Amortisation during the period	(284)	-	-	-	-	-	(241)
Unamortised formation cost at end of the period	606	-	-	-	-	-	890

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

## 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 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## 8. PAYABLE TO THE MANAGEMENT COMPANY

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

During the period ended 31 March 2020, the Management Company has charged remuneration at the rate of 1% and 0.1% per annum of average daily net assets of USSP I, USSP II, USSP III, USSP IV, USSP VI and USSP V respectively.

## 9. ALLOCATED EXPENSES AND SELLING AND MARKETING EXPENSES

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

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

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

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

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

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

## 12. ACCRUED EXPENSES AND OTHER PAYABLES

		31 March 2020 (Un-Audited)						
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
		(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	1,113	1,924	521	403	8,307	273	12,541
Auditors' remuneration payable		52	52	52	52	30	34	272
Withholding tax payable		-	-	-	-	-	-	-
Zakat deducted at source		715	1,329	39	-	-	-	2,083
Other payables		4,506	633	171	101	682	26,818	32,911
		6,386	3,938	783	556	9,019	27,125	47,807
		30 June 2019 (Audited)						
		USSP I	USSP II	USSP III	USSP IV			Total
Provision for Sindh Workers' Welfare Fund (SWWF)		561	580	68	31			1,240
Auditors' remuneration payable		123	50	17	6			196
Withholding tax payable		3,130	3,695	448	212			7,485
Zakat deducted at source		715	1,288	32	-			2,035
Other payables		594	26,547	121	107			27,369
		5,123	32,160	686	356			38,325

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

The Fund has recognised provision for SWWF amounting to Rs. 1.113, Rs. 1.924, Rs. 0.521, Rs. 0.403, Rs. 8.307 and Rs. 0.273 million for USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI respectively. Had the provision not been provided for, net assets value per unit of the USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI would have been higher by Rs. 0.3393, Rs.0.2678 Rs. 0.4340, Rs. 0.2137, Rs. 0.1675 and Rs. 0.1447 per unit respectively (30 June 2019 : USSP I Rs 0.1191 ,USSP II Rs 0.0626 ,USSP III Rs 0.0252, USSP IV Rs 0.0168).

## 13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 March 2020.



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

Nine Months ended 31 March 2020 (Un-Audited)				For the period from 13 Sept 2019 to 31 March 2020	For the period from 09 August 2019 to 31 March 2020	Total	For the period from 09 November 2018 to 31 March 2019	For the period from 05 February 2019 to 31 March 2019
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI		USSP I	USSP II
----- (Rupees in '000) -----								
Profits on:								
- Bank balances	653	2,141	706	2,843	17,596	3,388	27,327	3,112
- Pakistan investment bonds	36,449	73,809	21,235	18,056	10,297	4,980	164,826	3,010
- Treasury bills	-	-	-	-	404,284	5,654	409,938	-
	37,102	75,950	21,941	20,899	432,177	14,022	602,091	6,122

	Quarter ended 31 March 2020 (Un-Audited)						Total	USSP I
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI		
	(Rupees in '000)							
Profits on:								
- Bank balances	180	537	296	790	4,486	480	6,769	3,552
- Pakistan investment bonds	11,111	22,700	4,373	6,195	8,438	3,038	55,855	11,744
- Treasury bills	-	-	-	-	176,582	2,722	179,305	-
	11,291	23,237	4,669	6,985	189,506	6,240	241,929	15,296

**15. TAXATION**

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

# 16 TOTAL EXPENSE RATIO (TER)

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

	2020					
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI
Total expense ratio	1.96%	1.46%	1.56%	1.53%	0.45%	1.37%
Government levy, SWWF and SECP fee	0.34%	0.38%	0.43%	0.40%	0.24%	0.36%

# 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), AI - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

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

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

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Transaction during the period ended 31 March 2020) -----						
----- (Rupees in '000) -----						
<b>USSP I</b>						
Sale of securities	-	44,330	-	10,341	-	-
Remuneration	2,970	-	178	-	-	-
Sindh sales tax on remuneration	386	-	23	-	-	-
Selling and marketing expense	1,188	-	-	-	-	-
----- Balances held as at 31 March 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Remuneration payable*	338	-	20	-	-	-
Sales load and other payables	1,421	27	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	355	-	-	-	-	-

\* 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
<b>USSP II</b>	----- (Transaction during the period ended 31 March 2020) -----					
	----- (Rupees in '000) -----					
Sale of securities	-	-	-	4,641	-	-
Remuneration	6,183	-	371	-	-	-
Sindh sales tax on remuneration	804	-	48	-	-	-
	----- Balances held as at 31 March 2020 (Un-Audited) -----					
	----- (Rupees in '000) -----					
Remuneration payable*	724	-	44	-	-	-
Sales load and other payables	1,545	564	-	-	-	-
* This balance is inclusive of Sindh Sales Tax.						
<b>USSP III</b>	----- (Transaction during the period ended 31 March 2020) -----					
	----- (Rupees in '000) -----					
Sale of securities	-	-	-	8,526	-	-
Dividend paid	-	-	-	-	-	1,614
Remuneration	1,698	-	102	-	-	-
Sindh sales tax on remuneration	221	-	13	-	-	-
	----- Balances held as at 31 March 2020 (Un-Audited) -----					
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	293
Units held (Rupees in '000)	-	-	-	-	-	32,434
Remuneration payable*	126	-	8	-	-	-
Sales load and other payables	351	43	-	-	-	-
Dividend payable						-
* This balance is inclusive of Sindh Sales Tax.						
<b>USSP IV</b>	----- (Transaction during the period ended 31 March 2020) -----					
	----- (Rupees in '000) -----					
Purchase of securities	-	-	-	8,362	-	-
Dividend paid	-	-	-	-	-	4,709
Remuneration	1,569	-	94	-	-	-
Sindh sales tax on remuneration	204	-	12	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	-----Balances held as at 31 March 2020 (Un-Audited) -----					
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	856
Units held (Rupees in '000)	-	-	-	-	-	91,793
Remuneration payable*	199	-	12	-	-	-
Sales load and other payables	145	11	-	-	-	-
Dividend payable						-

\* This balance is inclusive of Sindh Sales Tax.

#### USSP V

	----- (Transaction during the period from 13 September 2019 to 31 March 2020) -----					
	----- (Rupees in '000) -----					
Units issued	-	-	-	-	-	6,505,127
Units redeemed	-	-	-	-	-	1,668,551
Dividend Paid	-	-	-	-	-	339,862
Sale of securities	-	-	-	1,863	-	-
Remuneration	3,258	-	1,955	-	-	-
Sindh sales tax on remuneration	424	-	254	-	-	-
Reimbursement of expenses	3,266	-	-	-	-	-

	-----Balances held as at 31 March 2020 (Un-Audited) -----					
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	47,968
Units held (Rupees in '000)	-	-	-	-	-	4,948,475
Remuneration payable*	486	-	294	-	-	-
Sales load and other payables	31	15	-	-	-	-
Reimbursement of expenses	1,458	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

#### USSP VI

	----- (Transaction during the period from 9 August 2019 to 31 March 2020) -----					
	----- (Rupees in '000) -----					
Units issued	-	-	-	-	600	-
Purchase of securities	-	-	-	1,863	-	-
Remuneration	1,103	-	65	-	-	-
Sindh sales tax on remuneration	143	-	9	-	-	-
Profit on savings accounts	-	-	-	-	-	-

	-----Balances held as at 31 December 2019 (Un-Audited) -----					
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	6	-
Units held (Rupees in '000)	-	-	-	-	657	-
Remuneration payable*	196	-	12	-	-	-
Sales load and other payables	149	58	-	-	-	-

\* 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
<b>USSP I</b>	----- (Transaction during the period from 9 November 2018 to 31 March 2019) -----					
	----- (Rupees in '000) -----					
Units issued	201,498	-	-	-	-	-
Units redeemed	201,498	-	-	-	-	-
Dividend paid	1,703	-	-	-	-	-
Selling and marketing Expense	140	-	-	-	-	-
Remuneration*	2,057	-	206	-	-	-
	----- Balances held as at 30 June 2019 (Audited) -----					
	----- (Rupees in '000) -----					
Remuneration payable*	451	-	40	-	-	-
Sales load and other payables	363	-	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	496	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

#### USSP II

	----- (Transaction during the period from 9 Feb 2019 to 31 March 2019) -----					
	----- (Rupees in '000) -----					
Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Selling and marketing Expense	-	-	-	-	-	-
Remuneration*	580	-	58	-	-	-
	----- Balances held as at 30 June 2019 (Audited) -----					
	----- (Rupees in '000) -----					
Remuneration payable*	855	-	77	-	-	-
Sales load and other payables	128	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

#### USSP III

	----- Balances held as at 30 June 2019 (Audited) -----					
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	1,069
Units held (Rupees in '000)	-	-	-	-	-	105,682
Remuneration payable*	244	-	22	-	-	-
Sales load and other payables	1,713	-	-	-	-	-

\* This balance is inclusive of Sindh Sales Tax.

#### USSP IV

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

\* This balance is inclusive of Sindh Sales Tax.

## 19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		31 March 2020 (Un-Audited)								
		USSP I								
On-balance sheet financial instruments		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
Investment in Debt Securities.	5	-	-	357,535	-	357,535	-	357,535	-	357,535
<b>Financial assets not measured at fair value</b>	19.2									
Bank balances		-	-	-	417	417				
Profits receivables		-	-	-	5,979	5,979				
Prepayments and other receivables		-	-	-	30	30				
		-	-	-	6,426	6,426				
<b>Financial liabilities not measured at fair value</b>	19.2									
Payable to the Management Company		-	-	-	3,251	3,251				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	20	20				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	5,273	5,273				
		-	-	-	8,544	8,544				

On-balance sheet financial instruments		USSP II								
		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
Investment in Debt Securities.	5	-	-	762,273	-	762,273	-	762,273	-	762,273
<b>Financial assets not measured at fair value</b>										
Bank balances	19.2	-	-	-	658	658				
Profits receivables		-	-	-	12,902	12,902				
Prepayments and other receivables		-	-	-	17	17				
		-	-	-	13,577	13,577				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company	19.2	-	-	-	2,269	2,269				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	44	44				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	2,014	2,014				
		-	-	-	4,327	4,327				
On-balance sheet financial instruments		USSP III					Fair value			
		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
Investment in Debt Securities.	5	-	-	130,122	-	130,122	-	130,122	-	130,122
<b>Financial assets not measured at fair value</b>										
Bank balances	19.2	-	-	-	1,684	1,684				
Profits receivables		-	-	-	2,275	2,275				
Prepayments and other receivables		-	-	-	10	10				
		-	-	-	3,969	3,969				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company	19.2	-	-	-	477	477				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8	8				
Dividend payable		-	-	-	34	34				
Accrued expenses and other payables		-	-	-	262	262				
		-	-	-	781	781				

On-balance sheet financial instruments		USSP IV								
		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
Investments	5	-	-	187,875	-	187,875	-	187,875	-	187,875
<b>Financial assets not measured at fair value</b>										
Bank balances	19.2	-	-	-	11,944	11,944				
Profits receivables		-	-	-	3,357	3,357				
Prepayments and other receivables		-	-	-	9	9				
		-	-	-	15,310	15,310				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company	19.2	-	-	-	344	344				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	12				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	153	153				
		-	-	-	509	509				
		USSP V								
On-balance sheet financial instruments		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Note										
<b>Financial assets measured at fair value</b>										
Investments	5	-	-	5,071,563	-	5,071,563	-	5,071,563	-	5,071,563
<b>Financial assets not measured at fair value</b>										
Bank balances	19.2	-	-	-	47,974	47,974				
Profits receivables		-	-	-	9,891	9,891				
Prepayments and other receivables		-	-	-	4	4				
		-	-	-	57,869	57,869				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company	19.2	-	-	-	1,975	1,975				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	294	294				
Accrued expenses and other payables		-	-	-	712	712				
		-	-	-	2,981	2,981				



On-balance sheet financial instruments		USSP VI								
		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>										
Investments	5	-	-	200,778	-	200,778	-	200,778	-	200,778
<b>Financial assets not measured at fair value</b>	19.2									
Bank balances		-	-	-	31,630	31,630				
Profits receivables		-	-	-	1,836	1,836				
Prepayments and other receivables		-	-	-	3	3				
		-	-	-	33,469	33,469				
<b>Financial liabilities not measured at fair value</b>	19.2									
Payable to the Management Company		-	-	-	345	345				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	12				
Accrued expenses and other payables		-	-	-	26,852	26,852				
		-	-	-	27,209	27,209				
30 June 2019 (Audited)										
USSP I										
On-balance sheet financial instruments		Carrying amount					Fair value			
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>										
Investments		-	-	426,850	-	426,850	-	426,850	-	426,850
<b>Financial assets not measured at fair value</b>										
Bank balances		-	-	-	23,311	23,311				
Profits receivables		-	-	-	16,294	16,294				
Prepayments and other receivables		-	-	-	-	-				
		-	-	-	39,605	39,605				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company		-	-	-	2,447	2,447				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	40	40				
Accrued expenses and other payables		-	-	-	4,562	4,562				
		-	-	-	7,049	7,049				

**On-balance sheet financial instruments**

USSP II								
Carrying amount					Fair value			
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								

**Financial assets measured at fair value**

Investments	-	-	840,705	-	840,705	-	840,705	-	840,705
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**Financial assets not measured at fair value**

Bank balances	-	-	-	39,497	39,497				
Profits receivables	-	-	-	33,486	33,486				
Prepayments and other receivables	-	-	-	22,152	22,152				
	-	-	-	95,135	95,135				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	-	-	983	983				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	77	77				
Dividend payable	-	-	-	627	627				
Accrued expenses and other payables	-	-	-	31,580	31,580				
	-	-	-	33,267	33,267				

**On-balance sheet financial instruments**

USSP III								
Carrying amount					Fair value			
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								

**Financial assets measured at fair value**

Investments	-	-	255,564	-	255,564	-	255,564	-	255,564
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**Financial assets not measured at fair value**

Bank balances	-	-	-	543	543				
Profits receivables	-	-	-	11,179	11,179				
Prepayments and other receivables	-	-	-	191	191				
	-	-	-	11,913	11,913				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	-	-	1,957	1,957				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	22	22				
Accrued expenses and other payables	-	-	-	618	618				
	-	-	-	2,597	2,597				

## On-balance sheet financial instruments

USSP IV								
Carrying amount					Fair value			
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
-	-	130,003	-	130,003	-	130,003	-	130,003
-	-	-	37,274	37,274				
-	-	-	6,212	6,212				
-	-	-	9,894	9,894				
-	-	-	53,380	53,380				
-	-	-	219	219				
-	-	-	14	14				
-	-	-	325	325				
-	-	-	558	558				

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

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

- 19.2** The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.
- 19.3** Net assets attributable to unit holders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in this condensed interim financial information. Accordingly, the carrying amount of net assets attributable to unit holders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

## 20. GENERAL

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

**20.2** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 30, 2020.

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

SD  
Chief Financial Officer

SD  
Chief Executive Officer

SD  
Director

# USSF-II

## UBL Special Savings Fund

### INVESTMENT OBJECTIVE

UBL Special Savings Fund-II 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 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>	Deloitte Yousuf Adil, Chartered Accountants
<b>Bankers</b>	Soneri Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)

**UBL Special Savings Fund II**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at March 31, 2020*

		<b>USSP VIII</b> <b>(Un-Audited)</b> <b>31, March</b> <b>2020</b> <b>-- (Rupees in '000) --</b>	
Note			
<b>Assets</b>			
	Bank balances	4	15,864
	Investment	5	90,662
	Profit receivable		953
	Formation Cost		954
	Prepayments and other receivables		50
	Advance tax		267
	<b>Total assets</b>		<b>108,748</b>
<b>Liabilities</b>			
	Payable to UBL Fund Managers Limited - Management Company	6	1,097
	Payable to Central Depository Company of Pakistan Limited - Trustee	7	6
	Payable to Securities and Exchange Commission of Pakistan	8	3
	Accrued expenses and other payables	9	305
	<b>Total liabilities</b>		<b>1,411</b>
	<b>Net assets</b>		<b>107,337</b>
	<b>Unit holders' fund</b> (as per statement attached)		<b>107,337</b>
	<b>Contingencies and commitments</b>	10	(Number of Units)
	<b>Number of units in issue</b>		<b>1,056,006</b>
			(Rupees)
	<b>Net assets value per unit</b>		<b>101.6448</b>
	<b>Face value per unit</b>		<b>100.0000</b>

The annexed notes 1 to 15 form an integral part of these financial statements.

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

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

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

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

**UBL Special Savings Fund II**  
**Condensed Interim Income Statement (Un-audited)**  
*For the period from February 10, 2020 to March 31, 2020*

**USSP VIII**  
**For the period from**  
**February 10, 2020**  
**to March 31, 2020**  
**---- (Rupees in '000) ----**

**Income**

Markup on bank deposits and mark-up / return on investments calculated  
using the effective interest method

**1,926**

**Expenses**

Remuneration of UBL Fund Managers Limited - Management Company  
Allocation of expenses relating to the Fund  
Remuneration of Central Depository Company of Pakistan Limited - Trustee  
Annual fee of Securities and Exchange Commission of Pakistan  
Formation cost  
Auditors' remuneration  
Listing fees  
Legal and professional charges  
**Total operating expenses**

6.2

**120**

**14**

**10**

**3**

**46**

**103**

**10**

**37**

**342**

**Net income from operating activities**

**1,584**

Provision for Sindh Workers' Welfare Fund

9.1

**(31)**

**Net income for the period before taxation**

**1,553**

Taxation

11

**-**

**Net income for the period after taxation**

**1,553**

**Allocation of net income for the period after taxation**

Net income for the period after taxation

**1,553**

Income already paid on units redeemed

**-**

Accounting income available for distribution

**1,553**

**Accounting income available for distribution**

- Relating to capital gains

**-**

- Excluding capital gains

**1,553**

**1,553**

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

**Chief Executive Officer**

SD

**Chief Financial Officer**

SD

**Director**

**UBL Special Savings Fund II**  
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
*For the period from February 10, 2020 to March 31, 2020*

**USSP VIII**  
**For the period from**  
**February 10, 2020**  
**to March 31, 2020**  
**---- (Rupees in '000) ----**

<b>Net income for the period after taxation</b>	<b>1,553</b>
Other comprehensive income for the period	-
Unrealised loss on re-measurement of investments - classified at fair value through other comprehensive income	<b>121</b>
<b>Total comprehensive income for the period</b>	<b>1,674</b>

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD  
**Chief Executive Officer**

SD  
**Chief Financial Officer**

SD  
**Director**

# UBL Special Savings Fund II

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

For the period from February 10, 2020 to March 31, 2020

### USSP VIII

For the period from February 10, 2020 to March 31, 2020

	Capital value	Undistributed income	Unrealised diminution on revaluation of fair value through OCI	Total
----- (Rupees in '000) -----				
<b>Net assets at beginning of the quarter</b>	-	-	-	-
<b>Issuance of 1,056,006 units</b>				
- Capital value	105,601	-	-	105,601
- Element of income	62	-	-	62
Total proceeds on issuance of units	105,663	-	-	105,663
<b>Redemption of Nil units</b>	-	-	-	-
Total comprehensive income for the period	-	1,553	121	1,674
	-	-	-	-
Net income for the period less distribution	-	1,553	121	1,674
<b>Net assets at end of the quarter</b>	<u>105,663</u>	<u>1,553</u>	<u>121</u>	<u>107,337</u>
<b>Undistributed income brought forward:</b>				
- Realised income		-		
- Unrealised income		-		
		-		
<b>Accounting income available for distribution</b>				
- Relating to capital gains		-		
- Excluding capital gains		1,553		
		1,553		
		-		
<b>Undistributed income carried forward</b>		<u>1,553</u>		
<b>Undistributed income carried forward comprise of:</b>				
- Realised income		1,553		
- Unrealised income		-		
		<u>1,553</u>		
				(Rupees)
<b>Net assets value per unit at end of the period</b>				<u>101.6448</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

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

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

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

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



**UBL Special Savings Fund II**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
*For the period from February 10, 2020 to March 31, 2020*

**USSP VIII**  
**For the period from**  
**February 10, 2020**  
**to March 31, 2020**  
**---- (Rupees in '000) ----**

Note

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation

1,553

**Adjustments:**

Markup on bank deposits and mark-up / return on investments calculated  
using the effective interest method

(1,926)

Provision for Sindh Workers' Welfare Fund

31

Formation cost

46

(1,849)

**Net cash used in operations before working capital changes**

(296)

**Working capital changes**

*(Increase) / Decrease in assets*

Investments

(90,541)

Formation Cost

(1,000)

Prepayments and other receivables

(50)

Advance tax

(267)

(91,857)

*Increase / (decrease) in liabilities*

Payable to UBL Fund Managers Limited - Management Company

1,097

Payable to Central Depository Company of Pakistan Limited - Trustee

6

Payable to Securities and Exchange Commission of Pakistan

3

Accrued expenses and other payables

274

1,380

Profit received

974

**Net cash flows (used in) / generated from operating activities**

(89,799)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuance of units

105,663

**Net cash flows generated from financing activities**

105,663

**Net increase in cash and cash equivalents**

15,864

Cash and cash equivalents at beginning of the period

-

**Cash and cash equivalents at end of the period**

15,864

**CASH AND CASH EQUIVALENTS**

Bank balances

15,864

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

# UBL Special Savings Fund II

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

*For the period from February 10, 2020 to March 31, 2020*

### 1 LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund II 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 27th June 2019 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 10 February 2020.

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 has been categorized by the Management Company as Capital protected fund. The Fund consists of one plans namely, UBL Special Savings Fund - Plan VIII.

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.

The Fund currently comprises of UBL Special Savings Plan VIII (USSP VIII). The investment objective of the USSP VIII is as follows:

The "UBL Special Savings Plan-VIII (USSP-VIII)" 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.

VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 31, 2019.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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) and 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.

- 2.1.1** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements.

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

## 2.3 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 stated otherwise.

## 2.4 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 October 2019:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after 01 October 2019 and are not likely to have an impact on the Fund's financial statements.

## **2.5 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of 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**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 3.2 - Regarding the classification of investments.

### **b) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements is included in the following notes:

- Notes 3.2 - Valuation and Impairment of investments
- Notes 3.17 - Impairment of other assets

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied during the period.

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at amortised cost. These comprise of deposits with banks and highly liquid investments with original maturities of three months or less and 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.

### **3.2 Financial assets**

#### **i. Classification**

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or 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 security 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.

### **Business model assessment**

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

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

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

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

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

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;

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

## ii. 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 interest / markup, 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. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
<b>Debt securities at FVOCI</b>	These assets are subsequently measured at fair value. Interest / 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 fair value of financial assets are determined as follows:

### a) Debt securities (other than Government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

### b) Government securities

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

## iii. Reclassifications

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

## iv. Impairment of financial assets

### Financial assets at amortised cost

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated 24 October 2012 issued by SECP. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

## 3.3 Derecognition

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

## 3.4 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 realise the assets and settle the liabilities simultaneously.

### **3.5 Financial liabilities**

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

### **3.6 Unit holders' 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.

### **3.7 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.

### **3.8 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 assets Value (NAV) at the beginning of the relevant accounting period.

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

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the 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.

### **3.9 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.

### **3.10 Net assets value per unit**

The net assets 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 year end.

### **3.11 Taxation**

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

### 3.12 Revenue recognition

- ### 3.13 Zakat Payable

### 3.14 Expenses

### 3.15 Earnings per unit

### 3.16 Distributions

### 3.17 Other assets

### 3.18 Formation Cost

		USSP VIII March 31, 2020 (Rupees in '000)
<b>4</b>	<b>BANK BALANCES</b>	
	In current accounts	-
	In saving accounts	4.1 15,864
		<u>15,864</u>

5	INVESTMENTS	Note	USSP VIII March 31, 2020 (Rupees in '000)
	Investments by category		
	At fair value through other comprehensive income		
	Government securities		
	- Market Treasury bills	5.1	90,662
			<u>90,662</u>

5.1	Name of security	At the beginning of the quarter	Acquired during the quarter	Sold / matured during quarter	At the end of the quarter	Market value as at Mar 31, 2020	Percentage of investment
		----- No. of certificates -----			----- (Rupees in '000) -----		
<b>Market Treasury Bills</b>							
	T bills 3 months	-	1,000	-	1,000	90,662	84%
		-	1,000	-	1,000	90,662	84%



## 6 PAYABLE TO UBL FUND MANAGERS LIMITED

	Note	USSP VIII March 31, 2020 (Rupees in '000)
Remuneration payable	6.1	73
Payable against allocation of expenses relating to the Fund	6.2	14
Formation Cost		<u>1,010</u>
		<u><u>1,097</u></u>

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

During the period ended March 31, 2020, the Management has charged remuneration at the rate of 0.75% per annum of average daily net assets of the fund.

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

The Management Company is charging 0.1% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services.

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

	Note	USSP VIII March 31, 2020 (Rupees in '000)
Trustee remuneration	7.1	<u>6</u>
		<u><u>6</u></u>

- 7.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee is 0.06% of net assets of the fund.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

- 8.1 The Fund is required to pay SECP an annual fee at the rate of 0.02 % of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008 and S.R.O 685(I)/2019.

## 9 ACCRUED EXPENSES AND OTHER PAYABLES

	Note	USSP VIII March 31, 2020 (Rupees in '000)
Provision for Sindh Workers' Welfare Fund	9.1	31
Auditors' remuneration payable		103
Other Payable		74
Legal Fee Payable		69
Listing Fee Payable		<u>28</u>
		<u><u>305</u></u>

- 9.1 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 assets value per unit of the Fund as at 31 March, 2020 would have been higher by Rs. 0.029 per unit.

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at 31 March 2020.

## **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.

## **12 TOTAL EXPENSE RATIO (TER)**

The 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 March 31, 2020 is 1.01% which includes 0.13% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

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

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

Remuneration to 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.

All other transactions with related parties / connected persons are in the normal course of business, at agreed terms

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

## Transactions during the quarter

Transactions during the quarter	USSP VIII					
	Nine months Ended March 31, 2020					
	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
	----- (Rupees in '000) -----					
Units issued - (Units in '000)	1,000	-	-	-	-	-
Value of Units issued	100,000					
Profit on saving accounts	-	-	-	-	-	-
Purchase of securities	-		-	-	-	-
Remuneration	120	-	9	-	-	-
Dividend paid	-	-	-	-	-	-
Allocation of expenses relating to the Fund	14	-	-	-	-	-

## Balances outstanding as at quarter end

		USSP VIII				
		As at March 31, 2020				
Units held (in units '000)	1,000	-	-	-	-	-
Units held (in rupees '000)	101,645	-	-	-	-	-
Bank balances	-	-	-	-	-	-
Remuneration payable	73	-	6	-	-	-
Payable against allocated expenses	14	-	-	-	-	-
Formation Cost	1,010	-	-	-	-	-
Profit receivable	-	-	-	-	-	-

## 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 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.

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.

On-balance sheet financial instruments

As at March 31, 2020									
USSP VIII									
Note	Carrying amount			Amortised cost	Total	Fair value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income			Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	15,864	15,864	-	-	-	-
Investments	-	-	-	-	-	-	90,662	-	90,662
Profits receivable	-	-	-	953	953	-	-	-	-
Formation Cost	-	-	-	954	954	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,770</u>	<u>17,770</u>	<u>-</u>	<u>90,662</u>	<u>-</u>	<u>90,662</u>
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	-	-	-	1,097	1,097				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	6	6				
Accrued expenses and other liabilities				305	305				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408</u>	<u>1,408</u>				

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

15 GENERAL

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

15.2 Date of authorisation for issue

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

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

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

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

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

# UFPF

## UBL Financial Planning Fund

### INVESTMENT OBJECTIVE

The objective of the fund is to generate returns on investments as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the Investor

<b>Management Company</b>	UBL Fund Managers Limited
<b>Trustee</b>	Central Depository Company of Pakistan Limited 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>	EY Ford Rhodes
<b>Bankers</b>	United Bank Limited
<b>Management Co.Rating</b>	AM1 (VIS)

**UBL FINANCIAL PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2020**

		March 31, 2020 (Un-audited)				June 30, 2019 (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	UBL Active Principal Preservation Plan III	Total
Note		(Rupees in '000)							
<b>ASSETS</b>									
Bank balances	4	6,041	68	281	6,390	1,195	521	1,751	3,467
Investments	5	59,217	219,943	151,260	430,421	168,177	309,837	190,265	668,279
Mark-up and other receivables		78	222	1,384	1,684	46	188	21	255
Advance tax	6	1	-	-	1	1	-	-	1
Preliminary expenses and floatation costs		7	44	7	58	167	203	-	370
<b>TOTAL ASSETS</b>		<b>65,344</b>	<b>220,277</b>	<b>152,932</b>	<b>438,554</b>	<b>169,586</b>	<b>310,749</b>	<b>192,037</b>	<b>672,372</b>
<b>LIABILITIES</b>									
Payable to the Management Company		473	608	49	1,129	463	570	21	1,054
Payable to the Trustee		5	15	11	31	16	29	18	63
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		16	36	27	79	129	240	104	473
Accrued and other liabilities	7	635	486	281	1,402	226	1,194	1,447	2,867
<b>TOTAL LIABILITIES</b>		<b>1,129</b>	<b>1,145</b>	<b>368</b>	<b>2,641</b>	<b>834</b>	<b>2,033</b>	<b>1,590</b>	<b>4,457</b>
<b>NET ASSETS</b>		<b>64,216</b>	<b>219,133</b>	<b>152,564</b>	<b>435,913</b>	<b>168,752</b>	<b>308,716</b>	<b>190,447</b>	<b>667,915</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>64,216</b>	<b>219,133</b>	<b>152,564</b>	<b>435,913</b>	<b>168,752</b>	<b>308,716</b>	<b>190,447</b>	<b>667,915</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8								
<b>NUMBER OF UNITS IN ISSUE</b>		<b>631,867</b>	<b>2,149,109</b>	<b>1,539,117</b>		<b>1,636,777</b>	<b>3,042,371</b>	<b>1,898,372</b>	
<b>NET ASSETS VALUE PER UNIT (RUPEES)</b>		<b>101.6287</b>	<b>101.9643</b>	<b>99.1245</b>		<b>103.1001</b>	<b>101.4723</b>	<b>100.3210</b>	

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 PERIOD AND QUARTER ENDED MARCH 31, 2020**

	For The Period Ended March 31, 2020			Total	For The Period Ended March 31, 2019			Total	For The Quarter Ended March 31, 2020			Total	For The Quarter Ended March 31, 2019			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	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	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	
(Rupees in '000)																
	256	135	88	479	138	55	38	231	127	82	11	220	27	20	26	73
	-	-	-	-	74	711	-	785	-	-	-	-	-	41	-	41
	2,191	353	6,496	9,040	5,520	5,029	3,535	14,084	(5,922)	(14,737)	(9,855)	(30,514)	4,404	3,097	4,158	11,659
	-	6,269	-	6,269	-	6,246	-	6,246	-	2,075	-	2,075	-	2,052	-	2,052
	(1,786)	(5,810)	(5,979)	(13,575)	327	1,665	927	2,919	(2,514)	(7,022)	(9,102)	(18,638)	105	713	692	1,510
	1,572	1,811	867	4,250	203	568	509	1,280	68	10	184	262	33	-	503	536
	2,233	2,758	1,472	6,463	6,262	14,274	5,009	25,545	(8,241)	(19,592)	(18,762)	(46,595)	4,569	5,923	5,379	15,871
	-	932	-	932	-	928	-	928	-	309	-	309	-	305	-	305
	-	121	-	121	-	121	-	121	-	40	-	40	-	40	-	40
	81	181	138	400	130	241	90	461	24	59	43	126	43	79	51	173
	56	127	97	280	130	241	90	461	16	42	31	89	43	79	51	173
	7	16	12	35	17	31	12	60	2	5	3	10	6	10	7	23
	16	36	28	80	97	181	68	346	5	12	9	26	32	59	39	130
	167	167	-	334	193	167	-	360	37	55	-	92	63	55	-	118
	84	84	84	252	118	118	44	280	21	21	21	63	21	37	20	78
	38	38	38	114	65	47	24	136	12	12	12	36	12	13	14	39
	12	55	29	96	22	23	7	52	2	3	12	17	6	5	3	14
	461	1,757	426	2,644	772	2,098	335	3,205	119	558	131	808	226	682	185	1,093
	1,772	1,001	1,046	3,819	5,490	12,176	4,674	22,340	(8,360)	(20,150)	(18,893)	(47,403)	4,343	5,241	5,194	14,778
	35	20	21	76	108	239	92	439	(164)	(395)	(370)	(929)	85	103	92	280
	1,737	981	1,025	3,743	5,382	11,937	4,582	21,901	(8,196)	(19,755)	(18,523)	(46,474)	4,258	5,138	5,102	14,498
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,737	981	1,025	3,743	5,382	11,937	4,582	21,901	(8,196)	(19,755)	(18,523)	(46,474)	4,258	5,138	5,102	14,498
	1,737	981	1,025	3,743	5,382	11,937	4,582	21,901	(8,196)	(19,755)	(18,523)	(46,474)	4,258	5,138	5,102	14,498
	(1,737)	(56)	(1,025)	(2,818)	(100)	(198)	(251)	(549)	(1,644)	(31)	968	(46,474)	(39)	-	(251)	(290)
	-	925	-	925	5,381	11,937	4,582	21,901	(9,840)	(19,786)	(17,555)	(46,474)	4,219	5,138	4,851	14,208
	-	2,749	-	2,749	5,740	6,561	4,205	16,506	-	(13,534)	-	(13,534)	4,467	3,812	4,725	13,004
	-	(1,824)	-	(1,824)	(458)	5,178	126	4,846	-	(6,252)	-	(6,252)	(248)	1,326	126	1,204
	-	925	-	924	5,282	11,739	4,331	21,352	-	(19,786)	-	(19,786)	4,219	5,138	4,851	14,208

Earnings per unit 9

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 PERIOD AND QUARTER ENDED MARCH 31, 2020**

	For The Period Ended March 31, 2020			Total	For The Period Ended March 31, 2019			Total	For The Quarter Ended March 31, 2020			Total	For The Quarter Ended March 31, 2019			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	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	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	
(Rupees in '000)																
Net income / loss for the period after taxation	1,737	981	1,025	3,743	5,382	11,937	5,102	4,582	(8,196)	(19,755)	(18,523)	(46,474)	4,258	5,138	5,102	14,498
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / loss for the period	1,737	981	1,025	3,743	5,382	11,937	5,102	4,582	(8,196)	(19,755)	(18,523)	(46,474)	4,258	5,138	5,102	14,498

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

	For The Period Ended March 31, 2020			Total	For The Period Ended March 31, 2019			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	UBL Active Principal Preservation Plan III	
(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income for the period before taxation	1,737	981	1,025	3,743	5,382	11,937	4,582	21,901
<b>Adjustments for:</b>								
Mark-up on bank accounts	(256)	(135)	(88)	(479)	(138)	(55)	(38)	(231)
Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss -	(2,191)	(353)	(6,496)	(9,040)	(5,520)	(5,029)	(3,535)	(14,084)
Income from term deposit receipt (TDR)	-	(6,269)	-	(6,269)	-	(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'	1,786	5,810	5,979	13,575	(327)	(1,665)	(927)	(2,919)
Amortization of preliminary expenses and floatation costs	167	167	-	334	193	167	-	360
Provision for Sindh Workers' Welfare Fund (SWWF)	35	20	21	76	108	239	-	347
	(459)	(760)	(584)	(1,803)	(5,684)	(13,300)	(4,500)	(23,484)
<b>(Increase) / decrease in assets</b>								
Investments	109,364	84,437	39,522	233,322	1,834	125,192	(195,296)	(68,270)
Term deposit receipt	-	-	-	-	-	(123,663)	-	(123,663)
Mark-up and other receivables	(32)	(34)	(1,363)	(1,429)	27	(6,781)	(5)	(6,759)
Advance tax	-	-	-	-	-	-	-	-
Preliminary expenses and floatation costs	(7)	(8)	(7)	(22)	(266)	(230)	(19)	(515)
	109,325	84,395	38,152	231,871	1,595	(5,482)	(195,320)	(199,207)
<b>(Decrease) / Increase in liabilities</b>								
Payable to the Management Company	10	38	28	75	-	6	1,093	1,099
Payable to the Trustee	(11)	(14)	(7)	(32)	1	2	19	22
Annual fee payable to SECP	(113)	(204)	(77)	(394)	(32)	(59)	68	(23)
Accrued and other liabilities	375	(728)	(1,187)	(1,540)	(103)	(1,061)	1,430	266
	261	(908)	(1,243)	(1,891)	(134)	(1,112)	2,610	1,364
Mark-up received	256	6,404	88	6,748	138	6,301	38	6,477
Dividend income received	-	-	-	-	-	711	-	711
<b>Net cash flows generated from operating activities</b>	<b>111,119</b>	<b>90,111</b>	<b>37,438</b>	<b>238,668</b>	<b>1,297</b>	<b>(945)</b>	<b>(192,590)</b>	<b>(192,238)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Net receipt from issuance of units	-	-	-	-	-	362	211,004	211,366
Cash dividend paid to unit holders	-	-	-	-	-	(405)	-	(405)
Net payment against redemption of units	(106,273)	(90,564)	(38,908)	(235,745)	(5,647)	(14,194)	(17,110)	(36,951)
<b>Net cash flows generated from financing activities</b>	<b>(106,273)</b>	<b>(90,564)</b>	<b>(38,908)</b>	<b>(235,745)</b>	<b>(5,647)</b>	<b>(14,237)</b>	<b>193,894</b>	<b>174,010</b>
<b>Net increase in cash and cash equivalent during the period</b>	<b>4,846</b>	<b>(453)</b>	<b>(1,470)</b>	<b>2,923</b>	<b>(4,350)</b>	<b>(15,182)</b>	<b>1,304</b>	<b>(18,228)</b>
Cash and cash equivalents at beginning of the period	1,195	521	1,751	3,467	1,195	521	-	1,716
<b>Cash and cash equivalents at end of the period</b>	<b>6,041</b>	<b>68</b>	<b>281</b>	<b>6,390</b>	<b>(3,155)</b>	<b>(14,661)</b>	<b>1,304</b>	<b>(16,512)</b>
<b>Cash and cash equivalents</b>	<b>6,041</b>	<b>68</b>	<b>281</b>	<b>6,390</b>	<b>1,258</b>	<b>741</b>	<b>1,304</b>	<b>3,303</b>
Bank balances								

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 PERIOD ENDED MARCH 31, 2020**

	For The Period Ended March 31, 2020									Total	Nine Months Period Ended March 31, 2019									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			UBL Active Principal Preservation Plan III				
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		
	(Rupees in '000)										(Rupees in '000)										
Net assets at beginning of the period	163,614	5,138	168,752	304,219	4,497	308,716	189,616	831	190,447	667,915	171,657	1508	173,165	322,086	2,032	324,118	-	-	-	497,283	
Issuance of units:																					
UBL Active Principal Preservation Plan I (2020: Nil UNITS), (2019: Nil Units)																					
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Element relating to the income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UBL Active Principal Preservation Plan II (2020: Nil UNITS), (2019: 3,606 Units)																					
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	362	-	362	-	-	-	362	
- Element relating to the income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UBL Active Principal Preservation Plan III (2020: UNITS), (2019: 2,110,001 Units)																					
- 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	
Redemption of units																					
UBL Active Principal Preservation Plan I (2020: 1,004,917 units) (2019: 55,023 Units)																					
- Capital value	(103,607)	-	(103,607)	-	-	-	-	-	-	(103,607)	(5,551)	-	(5,551)	-	-	-	-	-	-	(5,551)	
- Element relating to the income for the year after taxation	(929)	(1,737)	(2,666)	-	-	-	-	-	-	(2,666)	4	(100)	(96)	-	-	-	-	-	-	(96)	
UBL Active Principal Preservation Plan II (2020: 893,264 units) (2019: 139,347 Units)																					
- Capital value	-	-	-	(90,642)	-	(90,642)	-	-	-	(90,642)	-	-	-	(14,005)	-	(14,005)	-	-	-	(14,005)	
- Element relating to the income for the year after taxation	-	-	-	134	(56)	78	-	-	-	78	-	-	-	9	(198)	(189)	-	-	-	(189)	
UBL Active Principal Preservation Plan III (2020: 359,255 units) (2019: 168,883 Units)																					
- Capital value	-	-	-	-	-	-	(36,041)	-	(36,041)	(36,041)	-	-	-	-	-	-	(16,888)	-	(16,888)	(16,888)	
- Element relating to the income for the year after taxation	-	-	-	-	-	-	(1,842)	(1,025)	(2,867)	(2,867)	-	-	-	-	-	-	30	(251)	(221)	(221)	
	(104,536)	(1,737)	(106,273)	(90,508)	(56)	(90,564)	(37,883)	(1,025)	(38,908)	(235,745)	(5,547)	(100)	(5,647)	(13,996)	-	(14,194)	(16,858)	-	(17,109)	(36,950)	
Total comprehensive income for the period	-	1,737	1,737	-	981	981	-	1,025	1,025	3,743	-	5,382	5,325	-	11,937	11,937	-	4,582	4,582	21,901	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(405)	(405)	-	-	-	(405)	
Net income for the period less distribution	-	1,737	1,737	-	981	981	-	1,025	1,025	3,743	-	5,382	5,325	-	11,532	11,532	-	4,582	4,582	21,496	
Net assets at end of the period	59,078	5,138	64,216	213,711	5,422	219,133	151,733	831	152,564	435,913	166,110	6,790	172,900	308,453	13,366	321,819	194,146	4,331	198,477	693,196	
Undistributed income brought forward:																					
- Realised	-	9,274	9,274	-	10,714	10,714	-	6,511	6,511	26,498	-	330	330	-	1,504	1,504	-	-	-	1,830	
- Unrealised	-	(4,136)	(4,136)	-	(6,217)	(6,217)	-	(5,690)	(5,690)	(16,033)	-	1,178	1,178	-	623	623	-	-	-	1,701	
	-	5,138	5,138	-	4,497	4,497	-	831	831	10,466	-	1,508	1,508	-	2,032	2,032	-	-	-	3,540	
Accounting income available for distribution:																					
- Relating to capital gains	-	-	-	-	2,749	2,749	-	-	-	2,749	-	5,740	5,740	-	6,561	6,561	-	4,205	4,205	16,506	
- Excluding capital gains	-	-	-	-	(1,824)	(1,824)	-	-	-	(1,824)	-	(458)	(458)	-	5,178	5,178	-	126	126	4,846	
	-	-	-	-	925	925	-	-	-	925	-	5,282	5,282	-	11,739	11,739	-	4,331	4,331	21,352	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(405)	(405)	-	-	-	(405)	
Undistributed income carried forward	5,138	5,138		5,422	5,422		831	831	11,391	11,391	6,790	6,790		13,366	13,366		4,331	4,331	24,487		
Undistributed income carried forward																					
- Realised	-	2,947	2,947	-	5,069	5,069	-	(5,665)	(5,665)	2,351	-	1,270	1,270	-	8,337	8,337	-	796	796	10,403	
- Unrealised	-	2,191	2,191	-	353	353	-	6,496	6,496	9,040	-	5,520	5,520	-	5,029	5,029	-	3,535	3,535	14,084	
	-	5,138	5,138	-	5,422	5,422	-	831	831	11,391	-	6,790	6,790	-	13,366	13,366	-	4,331	4,331	24,487	
	-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --		
Net assets value per unit at end of the period	101.6287			101.9643			99.1245			104.0610			104.3151			102.2486					

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

**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 31, 2019.

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, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.
- 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, 2020.

## **2.2 Basis of measurement**

- 2.2.1** The financial information of UAPPP-I and UAPPP-II included in this condensed interim financial information has been prepared on liquidation basis of accounting and accordingly assets and liabilities have been carried at the values at which they are expected to be realized or settled.
- 2.2.2** Except for the effects of note 2.2.1, 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**

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

		March 31, 2020 (Un-audited)				June 30, 2019 (Audited)			
	Note	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	UBL Active Principal Preservation Plan III	Total
					(Rupees in '000)				
4. BANK BALANCES									
Bank accounts - savings	4.1	6,041	68	281	6,390	1,195	521	1,751	3,467

4.1 Profit rates on profit and loss savings accounts range between 4.5% to 12.25% (June 30, 2019: 8% to 8.25%) per annum and maintained with United Bank Limited (a related party).

## 5. INVESTMENTS

### Investments by Category

#### At fair value through profit or loss

<b>5.1 Units of mutual funds</b>	5.1.1	59,217	81,144	151,260	291,621	168,177	177,306	190,265	535,748
<b>5.2 At Amortised Cost</b>	5.2.1	-	138,799	-	138,799	-	132,531	-	132,531
		59,217	219,943	151,260	430,420	168,177	309,837	190,265	668,279

#### 5.1.1 Units of mutual funds classified as 'at fair value through profit or loss'

	Number of Units				Balance as at March 31, 2020				
Name of investee Fund (funds under common management)	As at July 01, 2019	Purchased during the period	Sold / Redeemed during the period	As at March 31, 2020	Carrying Value	Market Value	Appreciation	Market value as a % of net assets of each plan	Market value as a % of total value of Investment
	Number of units				(Rupees in '000)			(%)	(%)
Held by UBL Active Principal Preservation Plan I									
UBL Dedicated Equity Fund	455,644	667,734	1,123,378	-	-	-	-	0.00%	0.00%
UBL Money Market Fund	1,304,352	650,556	1,417,810	537,098	57,026	59,217	2,191	92.22%	100.00%
					57,026	59,217	2,191	92.22%	100.00%
Held by UBL Active Principal Preservation Plan II									
UBL Dedicated Equity Fund	689,972	1,216,826	1,906,798	-	-	-	-	0.00%	0.00%
UBL Money Market Fund	1,206,745	1,153,054	1,623,821	735,978	80,791	81,144	353	37.03%	36.89%
					80,791	81,144	353	37.03%	36.89%
Held by UBL Active Principal Preservation Plan III									
UBL Dedicated Equity Fund	671,331	930,829	1,602,160	-	-	-	-	0.00%	0.00%
UBL Money Market Fund	1,350,445	1,030,590	1,009,106	1,371,929	144,764	151,260	6,496	99.15%	100.00%
					144,764	151,260	6,496	99.15%	100.00%
As at March 31, 2020					282,581	291,621	9,040		
Total as at June 30, 2019					551,781	535,748	(16,033)		

5.2.1 This carries mark-up at the rate of 6.75% (June 30, 2019: 6.75%) per annum with maturity upto June 07, 2020 and placed with United Bank Limited (a related party).

## 6. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150 and 151 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II-66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001 which has been recorded as receivable from the Tax Department in this condensed interim financial information.

## 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, 2019. 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.0.22 (June 30, 2019: Rs.0.065) in UBL Active Principal Preservation Plan I, Rs. 0.12 (June 30, 2019: Rs.0.078) in UBL Active Principal Preservation Plan II and Rs. 0.03 in UBL Active Principal Preservation Plan III (June 30, 2019: 0.011)

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020.

## 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 0.46%, 0.74% and 0.24% as on March 31, 2020 and this includes 0.05%, 0.08% and 0.03% representing government levy, worker's welfare fund and SECP fee respectively.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2.00% to 2.50% for income, aggressive income, Capital protected, Index and commodity scheme (cash settled).

## 12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

12. 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 terms.

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 year ended March 31, 2020 are as follows:

**UBL Active Principal Preservation Plan I**

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
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(Rupees in '000)

**Transactions for the period ended March 31, 2020**

Mark-up on bank accounts	-	256	-	-	-
Bank and other charges	-	5	-	-	-
Remuneration (Inclusive of SST)	-	-	63	-	-
Units issued	-	-	-	-	-
Units redeemed	-	-	-	-	-
Purchase of Investment	-	-	131,362	-	-
Sale of Investment	-	-	240,727	-	-
Allocated Expenses	81	-	-	-	-
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	-	-

**Transactions for the period ended March 31, 2019**

Profit on profit and loss saving account	-	138	-	-	-
Bank charges	-	7	-	-	-
Remuneration	-	-	17	-	-
Units issued	-	-	-	-	-
Units redeemed	-	-	-	-	-
Purchase of securities	-	-	154,141	-	-
Sale of securities	-	-	160,253	-	-
Allocated Expenses	130	-	-	-	-
Dividend received	-	-	74	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
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(Rupees in '000)

**Balances as at March 31, 2020**

Bank balance	-	6,041	-	-	-
Remuneration payable	-	-	5	-	-
Sales load payable	-	-	-	-	-
Allocated expenses payable	24	-	-	-	-
Other payable	449	-	-	-	-
Mark-up receivable	-	78	-	-	-
Units held (in Units '000)	-	-	-	-	387
Units held (in Rupees '000)	-	-	-	-	39,285
Units of mutual funds held	-	-	59,217	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
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(Rupees in '000)

**UBL Active Principal Preservation Plan II**

**Transactions for the period ended March 31, 2020**

Income from term deposit receipt (TDR)	-	6,269	-	-	-
Mark-up on bank accounts	-	135	-	-	-
Bank and other charges	-	48	-	-	-
Remuneration (Inclusive of SST)	1,053	-	143	-	-
Units issued	-	-	-	-	-
Units redeemed	-	-	-	-	-
Purchase of Investment	-	-	229,914	-	-
Sale of Investment	-	-	320,619	-	-
Allocated Expenses	181	-	-	-	-
Dividend paid	-	-	-	-	78
Dividend received	-	-	-	-	-

Transactions for the period  
ended March 31, 2019

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	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)					

**Balances as at March 31, 2020**

Bank balance	-	68	-	-	-	-
Term deposit receipt (TDR)	-	123,663	-	-	-	-
Remuneration payable	119	-	15	-	-	-
Sales load payable	-	-	-	-	-	-
Allocated expenses payable	59	-	-	-	-	-
Other payable	430	-	-	-	-	-
Mark-up receivable	-	57	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	887
Units held (in Rupees '000)	-	-	-	-	-	90,395
Units of mutual funds held	-	-	-	-	-	-
Mark-up receivable on term deposit receipt (	-	15,137	-	-	-	-

**UBL Active Principal Preservation  
Plan III**

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)					

Transactions for the period  
**Ended March 31, 2020**

Mark-up on bank accounts	-	88	-	-	-	-
Bank and other charges	-	22	-	-	-	-
Remuneration (Inclusive of SST)	-	-	109	-	-	-
Units issued	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-
Purchase of Investment	-	-	-	193,416	-	-
Sale of Investment	-	-	-	232,938	-	-
Allocated Expenses	138	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-

Transactions for the period  
ended March 31, 2019

Income from term deposit receipt (TDR)	-	38	-	-	-	-
Mark-up on bank accounts	-	5	-	-	-	-
Bank and other charges	-	-	-	-	-	-
Remuneration (Inclusive of SST)	1,049	-	102	-	-	-
Units issued	-	-	-	-	-	20,007
Units redeemed	-	-	-	-	-	-
Purchase of Investment	-	-	-	456,958	-	-
Sale of Investment	-	-	-	96,993	-	-
Allocated Expenses	90	-	-	-	-	-
Dividend paid	-	-	-	-	-	78
Dividend received	-	-	-	711	-	-



Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)					

**Balances as at March 31, 2020**

Bank balance	-	281	-	-	-
Remuneration payable	-	-	11	-	-
Sales load payable	-	-	-	-	-
Allocated expenses payable	44	-	-	-	-
Other payable	5	-	-	-	-
Mark-up receivable	-	6	-	-	-
Units held (in Units '000)	-	-	-	-	391
Units held (in Rupees '000)	-	-	-	-	38,773
Units of mutual funds held	-	-	-	-	-

## UBL Active Principal Preservation Plan I

**Balances as at June 30, 2019**

Bank balance	-	1,195	-	-	-
Remuneration payable	-	-	16	-	-
Sales load payable	-	-	-	-	-
Allocated expenses payable	14	-	-	-	-
Other payable	449	-	-	-	-
Mark-up receivable	-	46	-	-	-
Units held (in Units '000)	-	-	-	-	535
Units held (in Rupees '000)	-	-	-	-	55,159
Units of mutual funds held	-	-	168,177	-	-

Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Persons / Related Parties
(Rupees in '000)					

## UBL Active Principal Preservation Plan II

**Balances as at June 30, 2019**

Bank balance	-	521	-	-	-
Term deposit receipt	-	123,663	-	-	-
Remuneration payable	115	-	29	-	-
Sales load payable	-	-	-	-	-
Allocated expenses payable	26	-	-	-	-
Other payable	430	-	-	-	-
Mark-up receivable	-	23	-	-	-
Units held (in Units '000)	-	-	-	-	635
Units held (in Rupees '000)	-	-	-	-	64,435
Units of mutual funds held	-	-	177,306	-	-
Mark-up receivable on term deposit receipt (TDR)	-	8,868	-	-	-

UBL Active Principal Preservation  
Plan III

	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 June 30, 2019</b>						
Bank balance	-	1,751	-	-	-	-
Term deposit receipt	-	-	-	-	-	-
Remuneration payable	-	-	18	-	-	-
Sales load payable	-	1,300	-	-	-	-
Allocated expenses payable	16	-	-	-	-	-
Other payable	5	-	-	-	-	-
Mark-up receivable	-	21	-	-	-	-
Units held (in Units '000)	-	-	-	-	-	391
Units held (in Rupees '000)	-	-	-	-	-	39,226
Units of mutual funds held	-	-	-	190,265	-	-

### 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 (except UAPPP-I and UAPPP-II - refer note 2.2.1), 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.

	Fair Value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>As at March 31, 2020 (Un-audited)</b>				
<b>Financial assets measured at fair value</b>				
Units of mutual fund	<b>291,621</b>	-	-	<b>291,621</b>
	Fair Value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>As at June 30, 2019 (Audited)</b>				
<b>Financial assets measured at fair value</b>				
Units of mutual fund	<b>535,748</b>	-	-	<b>535,748</b>

**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 30, 2020 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**

# UBLP-ETF

UBL Pakistan Enterprise Exchange Traded Fund

## INVESTMENT OBJECTIVE

<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 Sidat Hyder & Co.
<b>Bankers</b>	MCB Bank Limited
<b>Management Co.Rating</b>	AM1 (JCR-VIS)

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 31 MARCH 2020**

		(Un-audited) 31 March 2020
	Note	(Rupees in '000)
<b>ASSETS</b>		
Bank balances	4	238
Investments	5	12,076
Deposits and prepayments		56
Preliminary expenses and floatation costs	6	999
		<b>13,369</b>
<b>LIABILITIES</b>		
Payable to UBL Fund Managers Limited - Management Company	7	1,002
Payable to Central Depository Company of Pakistan - Trustee	8	-
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	-
Accrued and other liabilities	10	89
Payable against purchase of investments		82
		<b>1,173</b>
<b>NET ASSETS</b>		<b>12,196</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>12,196</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	12	
		(Number of units)
<b>NUMBER OF CREATION UNITS IN ISSUE</b>		<b>1,150,000</b>
		(Rupees)
<b>NET ASSETS VALUE PER UNIT</b>		<b>10.6053</b>
<b>Face Value Per Unit</b>		<b>10</b>

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE PERIOD FROM 24 MARCH 2020 TO 31 MARCH 2020**

		For the period From 24 March 2020 To 31 March 2020
	Note	(Rupees in '000)
<b>INCOME</b>		-
<b>EXPENSES</b>		
Remuneration of the Management Company	7	2
Amortization of preliminary expenses and floatation costs		1
Legal and professional charges		17
		<b>20</b>
<b>Net operating loss for the period</b>		<b>(20)</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	11	-
<b>Net loss for the period before taxation</b>		<b>(20)</b>
Taxation	13	-
<b>Net loss for the period after taxation</b>		<b>(20)</b>
<i>Allocation of net income for the period:</i>		
Net income for the period after taxation		-
Income already paid on units redeemed		-
		<b>-</b>
<i>Accounting income available for distribution</i>		
- Relating to capital gains		-
- Excluding capital gains		-
		<b>-</b>
<b>Earnings per unit</b>	14	

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

For UBL Fund Managers Limited  
(Management Company)

-SD-  
Chief Executive Officer

-SD-  
Chief Financial Officer

-SD-  
Director

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD FROM 24 MARCH 2020 TO 31 MARCH 2020**

	For the period From 24 March 2020 To 31 March <u>2020</u> (Rupees in '000)
<b>Net loss for the period after taxation</b>	<b>(20)</b>
<b>Other comprehensive income</b>	
<i>Items that may not be reclassified subsequently to income statement</i>	
Element of income and capital gains - net included in prices of Creation Units issued relating gains other than net income for the period	<b>10</b>
Unrealised gain on re-measurement of investments classified as 'at fair value through other comprehensive income - net	<b>706</b>
<b>Total comprehensive income for the period</b>	<b>696</b>

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

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

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

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

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

**UBL DEDICATED EQUITY FUND**  
**CONDENSED ITERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD FROM 24 MARCH 2020 TO 31 MARCH 2020**

	For the period From 24 March 2020 To 31 March 2020 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period before taxation	(20)
<b>Adjustments for:</b>	
Amortization of preliminary expenses and floatation costs	1
<b>(Increase) in assets</b>	
Investments	(11,370)
Deposits and prepayments	(56)
Preliminary expenses and floatation costs	(1,000)
	(12,426)
<b>Increase in liabilities</b>	
Payable to UBL Fund Managers Limited - Management Company	1,002
Payable against purchase of investments	82
Accrued and other liabilities	89
	1,173
<b>Net cash flows used in operating activities</b>	(11,272)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net receipt from issuance of units	11,510
Net payment against redemption of units	-
<b>Net cash flows generated from financing activities</b>	11,510
<b>Net increase in cash and cash equivalents during the period</b>	238
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	238

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

For UBL Fund Managers Limited  
(Management Company)

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

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

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



**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD FROM 24 MARCH 2020 TO 31 MARCH 2020**

----- For the period From 24 March 2020 To 31 March 2020 -----

	Capital value	Undistributed income	Unrealised gain on re-measurement of investments classified as FVTOCI - net	Element reserve related to gains/losses of OCI - net	Total
	----- (Rupees in '000) -----				
At the beginning of the period	-	-	-	-	-
Amount received on issuance of Creation Units	11,510	-	-	-	11,510
Element of (income) and capital (gains) / losses included in prices of Creation Units issued - relating to OCI	(10)	-	-	-	(10)
Total payments on redemption of Creation Units	-	-	-	-	-
Total comprehensive income for the period	-	(20)	706	10	696
<b>Net assets at end of the period</b>	<b>11,500</b>	<b>(20)</b>	<b>706</b>	<b>10</b>	<b>12,196</b>
<b>Accounting income available for distribution :</b>					
- Relating to capital gains		-		10	
- Excluding capital gains		-		-	
		<u>-</u>		<u>10</u>	
Distribution during the period		-		-	
<b>Undistributed income carried forward</b>		<u>-</u>		<u>10</u>	
<b>Undistributed income carried forward comprise of :</b>					
- Realised		-		-	
- Unrealised		-		10	
		<u>-</u>		<u>10</u>	
					(Rupees)
<b>Net assets value per unit at end of the period</b>					<u><u>10.6053</u></u>

For UBL Fund Managers Limited  
(Management Company)

-SD-  
Chief Executive Officer

-SD-  
Chief Financial Officer

-SD-  
Director

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD FROM 24 MARCH 2020 TO 31 MARCH 2020**

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

UBL Pakistan Enterprise Exchange Traded 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 November 28, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2020 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 March 24, 2020.

The Fund is an open end mutual fund. Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund.

Once created, units of the Fund generally trade in the secondary market in multiplier of Marketable lot size which can be less than a Creation Unit lot size. Units of the Fund are listed on a Pakistan Stock Exchange for trading. Units can be bought and sold throughout the trading day like shares of other publicly-traded companies.

The Fund being an Exchange Traded Fund aims to track the Index of securities which comprises basket of Equity Securities as specified in the Offering Document of the Fund.

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

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

**2.1.2** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

**2.2 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after 01 January 2020 and are not likely to have an impact on this condensed interim financial information.

## **2.3 Basis of measurement**

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

## **2.4 Functional and presentation currency**

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

## **2.5 Critical accounting estimates and judgments**

The preparation of condensed interim financial information 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 condensed interim financial information or where judgment was exercised in the application of accounting policies are given below:

### **a) Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the condensed interim financial information is included in note 3.2.1 regarding the classification of investments.

### **b) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the period ended 31 March 2020 is included in the following note :

- Note number 3.2.3 Impairment of financial instruments and other assets

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The management has adopted the following significant policies for the preparation of this condensed interim financial information:

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at amortised cost. These comprise of deposits with banks and highly liquid investments with original maturities of three months or less and 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.

## 3.2 Financial assets

### 3.2.1 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or 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.

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.

#### Business model assessment

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

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

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

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

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

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

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

### 3.2.2 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 yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in 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 fair value of financial assets are determined as follows:

**a) Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

**3.2.3 Impairment of financial assets**

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.

**3.3 Derecognition**

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

**3.4 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.

**3.5 Financial liabilities**

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

**3.6 Unit holders' fund**

Unit holders' fund representing the Creation Units issued by the Fund to Authorized Participant, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

**3.7 Issuance and redemption of units**

Creation Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the Management Company from Authorized Participant 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 such amount as the Management Company may consider an appropriate provision for duties and charges.

Only the Authorized Participants can directly redeem units with the Fund in Creation Unit Size or multiples thereof. 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 such amount as the Management Company may consider an appropriate provision for duties and charges.

**3.8 Element of income / (loss) included in prices of units issued less those in units redeemed**

The SECP vide its letter # SCD/AMCW/ETF/240/2020 dated March 2, 2020 has exempted Exchange Traded Funds (ETFs) from requirements of Clause xiib of the NBFC Regulations, 2008. In view of the said exemption, below is the Fund's policy with respect to element of income:

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of Creation Units issued less those in Creation Units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The 'element of income / (loss) and capital gains / (losses) included in prices of Creation Units issued less those in Creation Units redeemed' to the extent that it is represented by income earned during the year is recognized in the Income Statement and the remaining portion of element of income / (loss) and capital gains / (losses) is held in separate reserve account and at the end of an accounting period (whether gain or loss) is included in amount available for distribution to unit holders.

### **3.9 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.

### **3.10 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 Creation Units issued to Authorised Participant, outstanding at the period end.

### **3.11 Taxation**

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

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

### **3.12 Revenue recognition**

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on mark to market of investments classified as Financial assets at fair value through profit or loss are included in the Income Statement in the year in which they arise.
- Mark-up on deposits with banks is recognised using effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

### **3.13 Zakat Payable**

Zakat payment is the responsibility of each unit holder. Nevertheless, the Fund follows the provisions of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani unit holders are subject to Zakat at 2.5% of the par value of unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat year before the payment of Zakat.

### **3.14 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.

### **3.15 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.

### **3.16 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.

### **3.17 Other assets**

Other assets are stated at cost less impairment losses, if any.

5	INVESTMENTS		
	At fair value through other comprehensive income		
	- Listed equity securities	5.1	12,076

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

Name of the Investee Company	Purchases during the period	Sales during the period	As at 31 March 2020	Cost of holdings as at 31 March 2020	Market value as at 31 March 2020	Unrealised gain/(loss) as at March 31, 2020	Percentage of total Investments	Percentage of Net Assets
	Note ----- (Number of shares) -----					----- (Rupees in '000) -----		
<b>CEMENT</b>								
Lucky Cement Company Limited	2,990	-	2,990	1,105	1,108	3	9.18%	0.54%
	2,990	-	2,990	1,105	1,108	3	9.18%	0.54%
<b>COMMERICAL BANKS</b>								
MCB Bank Limited	9,890	-	9,890	1,362	1,476	114	12.22%	0.73%
United Bank Limited	11,615	-	11,615	1,216	1,171	(45)	9.70%	0.58%
Habib Bank Limited	17,365	-	17,365	1,796	1,793	(3)	14.85%	0.88%
Bank Alfalah Limited	16,675	-	16,675	505	530	25	4.39%	0.26%
	55,545	-	55,545	4,879	4,970	91	41.16%	2.44%
<b>POWER GENERATION &amp; DISTRIBUTION</b>								
Hub Power Company Limited	23,000	-	-	1,477	1,570	93	13.00%	0.77%
	23,000	-	-	1,477	1,570	93	13.00%	0.77%
<b>FERTILIZER</b>								
Fauji Fertilizer Company Limited	16,905	-	16,905	1,357	1,572	215	13.02%	0.77%
Engro Fertilizer Limited	14,375	-	14,375	736	829	93	6.86%	
Engro Corporation	7,590	-	7,590	1,816	2,027	211	16.79%	1.00%
	38,870	-	38,870	3,909	4,428	519	36.67%	1.77%
<b>Total as at 31 March 2020</b>				<b>11,370</b>	<b>12,076</b>	<b>706</b>		

		(Un-audited) March 31, 2020 (Rupees in '000)
<b>6. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>	<b>Note</b>	
Preliminary expenses and floatation costs	6.1	1,000
Amortization during the period		(1)
		<u>999</u>

- 6.1** This represents all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund which will be amortized by the Fund over a period of five years commencing from March 24, 2020 in accordance with the Trust Deed and the NBFC Regulations.

#### **7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY**

- 7.1** SECP vide S.R.O. 639 (I)/2019 has substituted regulation 61 whereby Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. During the period ended March 31, 2020, the Management Company has charged remuneration at the rate of 0.65% annum of average daily net assets of the Fund.
- 7.2** SECP vide S.R.O. 639 (I)/2019 has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% and 0.4% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation & valuation services and selling & Marketing expenses respectively, provided that total expense ratio remains within the allowed limit.

Currently, the Management Company is only charging selling and marketing expense of 0.4% of average daily net assets of the Fund.

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. During the period ended March 31, 2020, Trustee remuneration has been accrued at an agreed rate of 0.01% of net assets.

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

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

		(Un-audited) 31 March 2020 (Rupees in '000)
<b>10. ACCRUED AND OTHER LIABILITIES</b>	<b>Note</b>	
Brokerage payable		17
Listing fee payable		27
Legal and professional fees payable		45
		<u>89</u>

#### **11. PROVISION FOR SINDH WORKERS' WELFARE FUND**

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.

#### **12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 2020

#### **13. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Management Company 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.

#### **14. EARNINGS PER UNIT**

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

#### **15. TOTAL EXPENSE RATIO**

The 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 March 31, 2020 is 1.46% as on March 31, 2020 and this includes 0.02% representing Government evy, Sindh Worker's Welfare Fund and SECP Fee.

As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 4% to 4.50% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure)

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

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

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the period ended March 31, 2020 are as follows:

	Management Company	Associated companies	Trustee	Other connected persons / related parties
----- (Rupees in '000) -----				
<b>For the period From 24 March 2020 To 31 March 2020 (Un-audited)</b>				
<b>Transactions during the period</b>				
Units issued	10,000	-	-	1,717
Units redeemed	-	-	-	101
Purchase of investment	-	10,345	-	-
Sale of investment	-	5,168	-	-
Remuneration	2	-	-	-
<b>As at March 31, 2020 (Un-audited)</b>				
<b>Balances held</b>				
Units held (units in '000)	1,000	-	-	160
Units held (Rupees in '000)	10,605	-	-	1,697
Investment	-	5,578	-	-
Remuneration payable	2	-	-	-
Other payable	1,000	-	-	-

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

**Level 1:** Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

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

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

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

	Fair value			Total
	Level 1	Level 2	Level 3	
<b>March 31, 2020 (Un-audited)</b>	<b>(Rupees in '000)</b>			
<b>Financial assets measured at fair value</b>				
- Equity securities - listed	<b>12,076</b>	<b>-</b>	<b>-</b>	<b>12,076</b>

- 17.1 The Fund has not disclosed the fair values of certain financial assets and financial liabilities, as their carrying amounts are reasonable approximation of fair value.

## 18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated. Accordingly, certain balances and transactions amounting to less than one thousand rupees have been omitted on account of rounding off.

## 19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 30, 2020 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited  
(Management Company)

-SD-  
Chief Executive Officer

-SD-  
Chief Financial Officer









-SD-  
Director









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