TOGETHER CREATING TOMORROW

Quarterly Report March 31, 2018



CORPORATE INFORMATION

Board of Directors Azhar Hamid Chairman

Yasir Qadri Chief Executive Officer

Syed Furrukh Zaeem Director

Zia Ijaz Director

Sharjeel Shahid Director

Mirza Muhammad Sadeed Hassan Barlas - Director

Naz Khan Director

Audit Committee Naz Khan Chair

Zia Ijaz Member

Sharjeel Shahid Member

Mirza Muhammad Sadeed Hassan Barlas Member

Risk Management Committee

Mirza Muhammad Sadeed Barlas Chairman

Syed Furrukh Zaeem Member

Yasir Qadri Member

Azhar Hamid Member

Sharjeel Shahid Member

HR & Compensation Committee

Azhar Hamid Chairman

Naz Khan Member

Syed Furrukh Zaeem Member

Zia Ijaz Member

Yasir Qadri Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem Member

Mufti Muhammad Najeeb Khan Member Chief Financial Officer Umair Ahmed

Company Secretary Fawaz Taj Siddiqui

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

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

UAN: (92-21) 111-825-262 Fax: (92-21) 32214930

Ordinance, 1984

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

Management Quality Rating AM1 by JCR-VIS Credit Rating Company

Funds Under Management UBL Liquidity Plus Fund Launch Date: 21 June 2009

UBL Government Securities Fund Launch Date: 27 July 2011

UBL Money Market Fund Launch Date: 14 October 2010

UBL Income Opportunity Fund Launch Date: 29 March 2013

UBL Growth & Income Fund (Formerly United 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 Dedidcated Equity Fund Launch Date: 05 Jan 2016 Al- Ameen Islamic Financial Planning Fund - II Launch Date: 21 February 2017

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

UBL Financial Planning Fund Launch Date: 28 September 2017

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' Review Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its UBL Liquidity Plus Fund (ULPF), UBL Money Market Fund (UMMF), UBL Government Securities Fund (UGSF), UBL Growth and Income Fund (UGIF [formerly United Growth & Income Fund]), UBL Stock Advantage Fund (USF), UBL Income Opportunity Fund (UIOF) (formerly UBL Financial Sector Bond Fund), UBL Gold Fund (UGF), UBL Asset Allocation Fund (UAAF) and UBL Capital Protected Fund –III (UCPF-III), UBL Active Principal Preservation Plan I (UAPPP-I) UBL Conservative Allocation Plan (UCONAP) for the nine months period ended March 31, 2018.

Economy & Money Market Review – 9MFY18

Pakistan's economy continued on its growth momentum during nine months of FY18 with encouraging prospects to record a GDP growth rate over 5% for FY18. The main highlights for this strong momentum were low inflation, strong growth in private sector credit offtake along with staggering growth in the manufacturing sector. However, rising industrial expansion and growing domestic demand triggered a surge in imports resulting in a high current account deficit.

In a bid to counter macroeconomic concerns, GoP introduced policy action for discouraging imports via currency devaluation and higher tariffs on imported items. The ~10% PKR devaluation is expected to perform two folds; incentivizing export oriented sectors and discourage import trend. While the proposed regulatory duty was challenged in court, it is expected to come in effect soon. These measures along with further policy actions are expected to address ailing external account and aid the robust growth momentum over the medium term.

Large Scale Manufacturing (LSM) Index continued its strong momentum posting a growth of 6.2% during 8MFY18. Growth was primarily driven by Electronics (+39%), Iron & Steel (+31%) and Automobile (+20%) sectors. The Private sector credit offtake also remained robust, rising by 16.9%YoY in Feb'18.

Inflation for 9MFY18 averaged to 3.8%YoY against 4.0% in the same period last year. The average CPI on FYTD basis stands well within SBP's full year inflation target of 6.0%. We expect this trend of benign inflation to continue for the up-coming month. However, impact of currency devaluation followed by food inflationary pressures during the month of Ramadan should push inflation upwards by year end.

After a 20-month long monetary easing cycle, SBP increased discount rate by 25bps to 6.5% in its Jan'18 monetary policy. SBP took this pre-emptive measure citing concerns of overheating of the economy. However, in its Mar'18 MP meeting SBP decided to keep discount rate unchanged at 6.5% stating low inflation along with confidence in recent policy action to address CAD. We expect interest rate hike of 50-75bps in CY18 as the inflationary impact of PKR devaluation and high oil prices sets in.

The current account position continued to deteriorate reaching a deficit of USD 10.8bn in 8MFY18. The widening deficit was mainly on account of high trade deficit (+23%). Despite the positive development on export side (+13%YoY) external account position continues to remain challenging for the authorities warranting additional policy measures. We expect the corrective currency devaluation measure to aid in strengthening of exports and discourage unnecessary import trends providing respite to overall external account position.

At the end of 9MFY18 the country's foreign reserves stood at USD 17.8bn at the end of Mar'18. Despite having raised USD 2.5bn from issue of Eurobond and Sukuk in the last quarter, the GoP was not able to maintain its foreign reserves. The GoP recorded a +15.5% growth in its provisional net-revenue-collection for 9MFY18 accumulating PKR 2.6trn. Recently, the GoP announced a tax amnesty scheme to encourage tax evaders to disclose their undeclared local and foreign assets and become part of tax net in a window of 3-months. This move is expected to bring in one-off revenue collection of USD 3-5bn. More importantly, it could lead to improvement in documentation of the economy. Integration of undocumented sector into mainstream economy will yield multiple benefits such as improvement in Government's tax revenues, reduction in saving to investment gap and improve transmission of monetary and fiscal policies. Moreover, Government's plan to mobilize external flows will play a pivotal role in preserving adequate level of foreign exchange reserves.

During 9MFY18, yields on short and long term tenor witnessed changes in line with SBP's interest rates hike of 25 bps. Yields on T-Bills for 3M, 6M and 12M tenor increased by 21bps, 35bps and 46bps respectively while yields on 3-year, 5-year and 10-year bonds increased by 113bps, 100bps and 36bps respectively. The Government in nine PIB auctions was only able to raise

PKR 52.4bn while it raised PKR 12.0trn from T-Bills. Until Jun'18, the government has planned to raise PKR 4.0trn through Tbills auctions and PKR 200bn through PIB auction.

The economy is well set on its path to achieve robust growth of above 5% in this fiscal year. The timely advancements into CPEC related activities are also set to boost further foreign investments in the country. Concerns related to macroeconomic stability stands as a key risk to this growth momentum. However, renewed interest and corrective policy measures to address macroeconomic risks will bode positive results in the medium term. This resolve has also been endorsed by IMF.

Stock Market Review – 9MFY18

After undergoing a round of bear-run during the first half of the fiscal year amid high uncertainty the market has recovered remarkably. The rally in the out-going quarter (+12.6%) brought a significant recovery of +20.2% from its low and aided the overall index to bring the FYTD loss down to 2.2%. The market's rally was prompted by ease in political tensions, appointment of Finance Advisor for PM, essential policy action (~10% currency devaluation) to address external account position, smooth senate elections, announcement of tax amnesty scheme along with strong growth in the manufacturing sector.

At the end of 9MFY18 foreign investors stood as net sellers of USD 124mn. The selling pressure was mainly absorbed by local institutions of Insurance Sector and Companies buying shares worth USD 104mn and USD 94mn respectively. Moreover, trading activity dropped by 46.4%YoY as average daily trade volume reached 81mn in 9MFY18 against 151mn SPLY. However, in light of the positive events, lost investor confidence was revived resulting in a healthy average daily trade volume of 87.3mn shares during the quarter and also turned foreign investors to net-buyers of USD 31.2mn.

In recent developments, uncertainty kept global investors cautious on account of US Fed's interest rates hike of 25bps along with imminent trade war. We believe escalated tensions on global front will further give rise to volatility in markets. International Oil prices increased to USD 70/barrels at the end of Mar'18, averaging to USD 60.2/barrels in 9MFY18. The high price was primarily due to tight compliance between OPEC and Non-OPEC members to cut production. We expect high oil prices to remain a key risk to the weakening current account situation and strong growth momentum.

In the upcoming months, market will take direction from Budget FY19 and upcoming general elections. We expect political noise to affect short-term market performance. However, once elections are held, the elected party will have a fresh opportunity to address structural reform issues. We expect broad economic agenda to remain intact despite any changes at the political level. The liquidity created through recent relief in income taxes is expected to energize interest in stock market. We believe corrective measures and reforms on the macroeconomic front will uphold economy on a sustained growth path. Furthermore, increasing per capita income, ongoing infrastructure development along with timely execution of CPEC projects is expected to fuel demand in construction and allied sectors. In this regard, corporate earnings growth is also anticipated to remain strong over the next two years.

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 5.51% p.a. during 9MFY18 as compared to benchmark return of 5.24%. Major exposure was maintained in cash at the end of Mar18 to take advantage of attractive rates on offer. The net assets of the fund were PKR 11,416mn at the end of 9MFY18. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the fund was 3 days at the end of 9MFY18.

	ULPF	Benchmark
9MFY18 Return:	5.51%	5.24%
Standard Deviation (12m Rolling):	0.08%	0.09%
Sharpe Ratio (12m Rolling):	(6.32)	(8.32)

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Placements with Banks	10%	9%	8%
Placements with DFIs	8%	12%	0%
Placements with NBFCs	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	20%	56%	0%
PIBs	0%	0%	0%
Cash	61%	22%	91%
Others	1%	0%	1%
Leverage	0%	0%	0%
Total Amount Invested by FoFs is PKR 1,062.18 N	1n		

ULPF-Portfolio Quality



ULPF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ULPF (p.a)	5.63%	5.57%	5.50%	5.99%	6.89%	8.56%
Benchmark	5.36%	5.27%	5.24%	5.37%	6.49%	7.89%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 347.112 million for the Nine months period ended March 31, 2018 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 54.743 million, the Fund managed to earn a net income of PKR 292.370 million. The net assets of the Fund were PKR 11,415.568 million as at March 31, 2018 representing the net asset value of PKR 104.8182 per unit.

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

UBL MONEY MARKET FUND (UMMF)

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

During the period under review, UMMF generated a return of 5.03% p.a during 9MFY18. Net assets of the fund were PKR 1,220mn at the end of 9MFY18. The Fund Manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents at the end of period to take advantage of attractive rates on offer. The weighted average time to maturity of the fund was 3 days at the end of 9MFY18.

	UMMF	Benchmark
9MFY18 Return:	5.03%	5.241%
Standard Deviation (12m Rolling):	0.15%	0.094%
Sharpe Ratio (12m Rolling):	(6.96)	(8.33)

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Placements with Banks	6%	3%	8%
Placements with DFIs	4%	5%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	4%	69%	0%
Cash	85%	22%	91%
Others	1%	0%	1%
Leverage	Nil	Nil	Nil

UMMF - Portfolio Quality



UMMF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	5.54%	5.19%	5.01%	5.34%	6.42%	8.02%
Benchmark	5.36%	5.27%	5.24%	5.61%	7.07%	8.66%

Returns are annualized using the Morningstar Methodology

During the period, the Fund earned total income of PKR 51.927 million for the Nine months period ended March 31, 2018 which mainly includes markup / interest income on bank balances, placements, term deposits and government securities. After accounting for the expenses of PKR 11.461 million, the Fund managed to earn a net income of PKR 40.466 million. The net assets of the Fund were PKR 1,220.019 million as at March 31, 2018 representing the net asset value of PKR 104.2369 per unit.

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

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 4.50% p.a. during 9MFY18. The fund manager allocated 2% to PIBs and 97% in Cash at end of 9MFY18. The weighted average maturity of the fund was 0.07 years by the end of 9MFY18.

	UGSF	Benchmark
9MFY18 Return:	4.50%	6.09%
Standard Deviation (12m Rolling):	0.20%	0.14%
Sharpe Ratio (12m Rolling):	(6.51)	0.30

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Placements with banks	0%	0%	0%
PIB	0%	1%	2%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	98%	98%	0%
Cash	1%	1%	97%
Others	0%	0%	1%
Leverage	Nil	Nil	Nil

UGSF - Portfolio Quality



UGSF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGSF (p.a)	4.71%	4.71%	4.73%	6.24%	8.52%	9.23%
Benchmark	6.25%	6.13%	6.07%	5.93%	7.04%	7.79%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 131.040 million for the Nine months period ended March 31, 2018 which mainly includes markup / interest income on bank balances, placements, term deposits and government securities. After accounting for the expenses of PKR 34.579 million, the Fund managed to earn a net income of PKR 96.461 million. The net assets of the Fund were PKR 2,330.866 million as at March 31, 2018 representing the net asset value of PKR 109.1387 per unit.

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

UBL 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 4.13% p.a. during 9MFY18. During the period the Fund Managers maintained majority exposure of in Cash (60%) and Term Finance Certificates/ Sukuks (36%). As on Mar18 the net assets of the fund were PKR 1,422mn.

	UGIF	Benchmark
9MFY18 Return:	4.13%	6.30%
Standard Deviation (12m Rolling):	0.77%	0.13%
Sharpe Ratio (12m Rolling):	(1.82)	1.95

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Term Finance Certificates/ Sukuks	41%	48%	36%
Commercial Paper	0%	0%	0%
Placements with DFIs	0%	0%	0%
Placements with Banks	0%	0%	0%
Cash	49%	48%	60%
T-Bills	4%	0%	0%
PIBs	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
Spread Transaction	0%	0%	0%
MTS Exposure	2%	1%	0%
Others	3%	4%	4%
Leverage	Nil	Nil	Nil

UGIF Portfolio Quality



UGIF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGIF (p.a)	5.22%	4.18%	4.61%	7.72%	11.02%	6.26%
Benchmark	6.46%	6.34%	6.28%	6.58%	7.80%	10.08%

Returns are annualized using the Morningstar Methodology

The Fund posted a net profit of PKR 117.425 million for the Nine months period ended March 31, 2018. The net assets were PKR 1,422.331 million as at March 31, 2018 representing a net asset value of PRK 87.5116 per unit.

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

UBL STOCK ADVANTAGE FUND (USF)

USF is an open-end equity fund, investing primarily in equities listed on the PSX. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long-term capital gains and dividend yield potential. During the period under review, the Fund generated a negative return of 2.79%. The exposure of the equity-portfolio was concentrated in Commercial Banks, Oil & Gas Exploration Companies, Cement, fertilizer and Power, Generation and Distribution sectors at the end of 9MFY18.

	USF	Benchmark
9MFY18 Return:	-2.79%	-2.16%
Standard Deviation (12m Rolling):	18.29%	18.62%
Sharpe Ratio (12m Rolling):	(0.51)	(0.61)

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Equities	86%	85%	83%
International Investments	0%	0%	0%
Cash	14%	14%	15%
Others	0%	0%	2%
Leverage	Nil	Nil	Nil

USF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USF	11.48%	7.48%	-3.22%	66.63%	175.94%	447.80%
Benchmark	12.57%	7.43%	-5.39%	44.25%	130.16%	266.41%

Returns are on absolute basis

The Fund incurred a net loss of PKR 528.291 million for the nine months period ended March 31, 2018. (including an unrealized loss of PKR 246.358 million on revaluation of investments) as compared to a net gain of PKR 1,776.223 million (including an unrealized gain of PKR 852.247 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 388.964 million (March 31, 2017: capital gain amounting to PKR 697.934 million) and dividend income amounting to PKR 229.003 million (March 31, 2017: PKR 166.133 million). As at March 31, 2018, net assets of the Fund were PKR 7,253.871 million representing the net asset value of PKR 74.10 per unit.

UBL INCOME OPPORTUNITY FUND (UIOF) (formerly UBL Financial Sector Bond Fund)

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 3.88% p.a. during 9MFY18. The weighted average maturity of the fund was 0.25 year and the Fund's Asset Size was PKR 734mn at the end of 9MFY18.

	UIOF	Benchmark
9MFY18 Return:	3.88%	6.11%
Standard Deviation (12m Rolling):	0.23%	0.12%
Sharpe Ratio (12m Rolling):	(9.07)	0.60

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Term Finance Certificates / Sukuks	15%	4%	3%
Placements with Banks	0%	0%	0%
Placements with NBFCs	0%	0%	0%
PIBs	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	10%	5%	7%
Cash	72%	90%	56%
Others	4%	1%	1%
MTS Exposure	0%	0%	34%

UIOF Portfolio Quality



UIOF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UIOF (p.a)	5.63%	4.37%	3.93%	5.64%	7.08%	7.09%
Benchmark	6.26%	6.16%	6.09%	6.37%	7.31%	7.31%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 11.341 million for the Nine months period ended March 31, 2018 which mainly includes markup / interest income on bank balances After accounting for the expenses of PKR 3.735 million, the Fund managed to earn a net income of PKR 7.606 million. The net assets of the Fund were PKR 733.703 million as at March 31, 2018 representing the net asset value of PKR 113.1639 per unit.

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

UBL Asset Allocation Fund (UAAF)

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

During the period under review, the Fund generated 1.47% return underperforming against its benchmark of 10.48% due to its benchmark of Kibor+2%. The Fund maintained the exposure in local equity market of around 37% during the period while exposure in cash stood at 44%. Majority of the Fund's equity exposure was concentrated in Commercial Banks (8%), Power Generation & Distribution (7%), and Oil & Gas Exploration Companies (6%) at the end of 9MFY18. The net assets of the fund were PKR 2,344mn at the end of 9MFY18.

	UAAF	Benchmark
9MFY18 Return:	1.47%	10.48%
Standard Deviation (12m Rolling):	7.60%	0.18%
Sharpe Ratio (12m Rolling):	(0.48)	37.20

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Equities	35%	37%	34%
T-bills	53%	45%	0%
PIBs	0%	0%	0%
TFC/ Sukuk	8%	8%	7%
Placements with banks	0%	0%	0%
Cash	4%	3%	44%
Others	1%	2%	7%
Spread Transaction	0%	5%	8%
Leverage	Nil	Nil	Nil

UAAF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAAF	5.29%	4.94%	2.41%	37.14%	-	81.67%
Benchmark	5.85%	8.27%	12.71%	37.43%	-	65.63%
Returns are on a	bsolute basis					

The Fund incurred a net loss of PKR 40.665 million for the Nine months period ended March 31, 2018 (including an unrealized gain of PKR 1.618 million on revaluation of investments) as compared to a net gain of PKR 322.633 million (including an unrealized gain of PKR 100.283 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 114.225 million (March 31, 2017: capital gain amounting to PKR 104.351 million) and dividend income amounting to PKR 40.032 million (March 31, 2017: PKR 27.079 million). As at March 31, 2018, net assets of the Fund were PKR 2,344.048 million representing the net asset value of PKR 136.76 per unit.

UBL Capital Protected Fund - III (UCPF-III)

UBL Capital Protected Fund III was launched on 26-Jan-17. The investment objective of the Fund is to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA-rated Bank, and remaining in equity market or any other SECP permitted investments to provide investors with better returns. The Fund has generated a return of 2.36% since inception. The net assets of the fund were PKR 417mn at the end of 9MFY18.

	UCPF-III	Benchmark
9MFY18 Return:	0.64%	1.90%
Standard Deviation (12m Rolling):	2.81%	2.32%
Sharpe Ratio (12m Rolling):	(1.45)	(1.61)

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Placements with banks	83%	83%	83%
Equities	10%	9%	9%
T-bills	0%	0%	0%
Spread Transactions	0%	0%	0%
Others	7%	7%	8%
Cash	0%	1%	0%
Leverage	Nil	Nil	Nil

UCPF-III vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UCPF-III	1.71%	2.14%	1.96%	-	-	2.36%
Benchmark	1.92%	2.26%	2.29%	-	-	2.48%

Returns are on absolute basis

The Fund managed to earn a net income of PKR 2.962 million for the period ended March 31, 2018 (including an unrealized loss of PKR 4.811 million on revaluation of investments) as compared to a net gain of PKR 7.213 million (including an unrealized loss of PKR 0.059 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 6.073 million (March 31, 2017: capital loss amounting to PKR .059 million) and dividend income amounting to PKR 1.122 million (March 31, 2017: PKR 0.217 million). As at March 31, 2018, net assets of the Fund were PKR 416.527 million representing the net asset value of PKR 100.8028 per unit.

UBL Active Principal Preservation Plan I (UAPPP-I)

UBL Financial Planning Fund is an open end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. During the period under review, the Fund generated a return of 1.10% FYTD. The Fund's Asset Size was PKR 173mn at the end of 9MFY18. The fund manager allocated 85% to Money market funds, 14% in Equity funds and 1% in Cash at the end of 9MFY18.

	UAPPP-I	Benchmark
9MFY18 Return:	1.10%	1.23%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
Equity Funds	0%	13%	14%
Money Market Funds	0%	84%	85%
Income Funds	0%	0%	0%
Others	0%	0%	0%
Cash	0%	3%	1%
Leverage	Nil	Nil	Nil

UAPPP-I vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-I	-	-	-	-	-	1.10%
Benchmark	-	-	-	-	-	1.23%

Returns are on absolute basis

The Fund managed to earn a net income of PKR 1.889 million during the period ended March 31, 2018 (including unrealized gain of PKR 1.882 million on revaluation of investments). The capital gain on sale of securities amounted to PKR 0.019 million. As at March 31, 2018, net assets of the Fund were PKR 173.372 million representing the net asset value of PKR 101.1004 per unit.

UBL Conservative Allocation Plan (UCONAP)

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. During the period under review, the Fund generated a return of 5.13% FY-YTD as against the benchmark return of 4.25%. The net assets of the fund were PKR 987 mn at the end of 9MFY18. The major Asset allocation was maintained with in its sub UBL Liquidity Plus Fund.

	UCONAP	Benchmark
9MFY18 Return:	5.13%	4.25%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a

Asset Allocation (% of Total Assets)	Jan'18	Feb'18	Mar'18
UBL Liquidity Plus Fund	65%	27%	100%
UBL Money Market Fund	35%	73%	0%
Others	0%	0%	0%
Cash	0%	0%	0%
Leverage	Nil	Nil	Nil

UCONAP vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UCONAP	5.35%	5.17%	-	-	-	5.13%
Benchmark	4.32%	4.26%	-	-	-	4.26%

Returns are annualized using the Morningstar Methodology

The Fund managed to earn a net income of PKR 22.177 million during the period ended March 31, 2018 (including unrealized gain of PKR 2.954 million on revaluation of investments). The capital gain on sale of securities amounted to PKR 20.815 million. Distributions made by the Fund during the nine month period amounted to Rs. 25.396 million. As at March 31, 2018, net assets of the Fund were PKR 986.799 million representing the net asset value of PKR 100.0146 per unit.

Future Outlook

We maintain a positive outlook on the local equity market in the short to medium-term. We believe remedial policy measures and reforms on the macroeconomic front will support economy on a sustained growth path. Furthermore, infrastructural development projects and timely execution of CPEC projects is expected to generate further interest in construction and allied sector. The local equity market currently trades at an earnings yield of ~10%, offering nearly ~400bps premium over T-bills. We believe fundamentals of the stock market are intact, growth in corporate earnings; revival of distressed units, ongoing expansion stories by different sectors and potential investments in new business opportunities should bode well for the equity market. Low yields on fixed income instruments and the positive outlook of the country's economy make it all the more important for investors to allocate a portion of their portfolios to equity.

Acknowledgements

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

FOR & ON BEHALF OF THE BOARD

Yasir Qadri CHIEF EXECUTIVE

Karachi, Dated: April 26, 2018

ULPF UBL Liquidity Plus Fund

INVESTMENT OBJECTIVE

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

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

UBL LIQUIDITY PLUS FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

		March 31, 2018	June 30, 2017
	Note	(Unaudited) (Rupees i	(Audited)
ASSETS	Note	(Kupees I	II 000)
Bank balances	4	10,436,958	4,179,845
Investments	5	-	-
Placements and term deposit receipts	-	975,000	-
Mark-up / interest receivable		51,041	21,443
Advance tax	6	1,968	1,944
Deposits, prepayments and other receivables		34,476	54,397
TOTAL ASSETS	-	11,499,443	4,257,629
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company		7,825	2,676
Payable to Central Depository Company of Pakistan Limited - Trustee		853	320
Payable to Securities and Exchange Commission of Pakistan		4,052	2,490
Accrued expenses and other liabilities	7	71,145	169,900
TOTAL LIABILITIES	_	83,875	175,386
NET ASSETS	=	11,415,568	4,082,243
UNIT HOLDERS FUND (AS PER STATEMENT ATTACHED)	=	11,415,568	4,082,243
CONTINGENCIES AND COMMITMENTS	8		
	-	(Number o	of Units)
NUMBER OF UNITS IN ISSUE	=	108,908,228	40,545,329
	-	(Rupe	ees)
NET ASSETS VALUE PER UNIT	=	104.8182	100.6834

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

SD CHIEF FINANCIAL OFFICER

UBL LIQUIDITY PLUS FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 201	18	Nine months	period ended	Quarter	Ended
	- Note	March 31, 2018 (Rupees	March 31, 2017	March 31, March 31 2018 2017 (Rupees in '000)	
	11000	(Indpose)		(
INCOME					
Financial income		347,259	160,671	161,743	45,091
Capital loss on sale of investments - net		(147)	(987)	(126)	(124)
Unrealised loss on revaluation of investments					
at fair value through profit or loss - net		-	-	-	(1)
Other income	_	-	47	-	1
Total income		347,112	159,731	161,617	44,967
EXPENSES					
Remuneration of UBL Fund Managers Limited - Management Company	Γ	29,329	20,654	12,122	4,496
Sales tax on Management Company's remuneration		3,813	2,685	1,576	585
Allocated expenses		4,558	2,516	2,472	715
Remuneration of Trustee		5,195	2,769	2,315	816
Annual fee of Securities and Exchange Commission of Pakistan		4,052	1,887	1,881	536
Bank charges		626	-	271	-
Auditors' remuneration		590	575	117	135
Brokerage and settlement expenses		398	198	158	46
Fees and subscription		220	250	72	79
Other expense		108	482	51	86
Total operating expenses	L	48,889	32,016	21,035	7,494
Operating income for the period	-	298,223	127,715	140,582	37,473
Element of loss and capital losses included in prices of					
units issued less those in units redeemed - net		-	(17,324)	-	11,372
Reversal of Provision for Workers' Welfare Fund			28,386		28,386
Provision for Sindh Workers' Welfare Fund	7.1	(5,853)	(4,716)	(2,759)	(4,716)
Net income for the period before taxation	-	292,370	134,061	137,823	72,515
Taxation	9	-	-	-	-
Net income for the period after taxation	=	292,370	134,061	137,823	72,515
Allocation of net income for the period					
Net income for the period		292,370	_	137,823	-
Income already paid on units redeemed		(119,049)	-	(51,185)	-
Net income for the period available for distribution	-	173,321		86,638	-
Accounting income for the period available for distribution:	_				
- Relating to capital gains	г	-	1		1
- Relating to capital gains - Excluding capital gains		173,321	-		
- Excluding capital gains	L	173,321		86,638 86,638	
Earnings per unit	11 =	175,521	-	00,038	-
Earnings per unit	11				

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

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

SD CHIEF FINANCIAL OFFICER

UBL LIQUIDITY PLUS FUND CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Nine months period ended		Quarter	ended
	March 31, March 31, 2018 2017		March 31, 2018	March 31, 2017
	(Rupees in	n '000)	(Rupees i	n '000)
Net income for the period and quarter end after taxation	292,370	134,061	137,823	72,515
Total comprehensive income for the period and quarter ended	292,370	134,061	137,823	72,515

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

For UBL Fund Managers Limited (Management Company)

SD

SD

SD

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UBL LIQUIDITY PLUS FUND

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the nine months and quarter ended 31 March 2018

	Nine months period ended March 31, 2018 Mar				
	Capital value	Undistributed	Unrealised (diminution) / appreciation on re- measurement of investments classified as 'available for sale' - net	Total	March 31, 2017 Total
Net assets at the beginning of the period	4,002,156	80,087	(Rupees in '000)	4,082,243	2,501,908
Inflow on issuance of 221,549,895 units (2017: 76,414,833 units)	-	-	-	-	7,811,270
 Capital value (at net asset value per unit at the beginning of the period) Element of income 	22,306,405	-	-	22,306,405	-
 Relating to other comprehensive income for the period Relating to net income for the period after taxation Total proceeds on issuance of units 	- 537,192 22,843,597	-	-	- 537,192 22,843,597	
- Outflow on redemption of 153,186,996 units (2017: 73,621,932 units)	-	-	-	-	(7,547,843)
 Capital value (at net asset value per unit at the beginning of the period) Amount paid out of element of income Relating to other comprehensive income for the period 	(15,423,393)	-	- -	(15,423,393)	-
- Relating to net income for the period after taxation Total payments on redemption of units	(260,200) (15,683,593)	(119,049) (119,049)		(379,249) (15,802,642)	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-		-	17,324
Total comprehensive income for the period Distribution during the period	-	292,370	-	292,370	134,061
Net loss for the period less distribution	11,162,160	292,370 253,408	•	292,370	2,916,720
Net assets at end of the period Refund / adjustment on units as element of income		- 233,408	<u> </u>	-	2,910,720
Undistributed income brought forward					
- Realised - Unrealised	-	80,087	-	80,087	75,020 (1,443)
Accounting income available for distribution		80,087		80,087	73,577
- Relating to capital gains - Excluding capital gains	-	173,321		173,321	- 86,638
	-	173,321	-	173,321	86,638
Net income for the period after taxation	-	-	-	-	-
Distribution during the period	-	-	-	-	-
Undistributed income carried forward		253,408	-	253,408	-
Undistributed income carried forward - Realised - Unrealised	-	253,408	-	253,408	160,215
		253,408	-	253,408	160,215
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the period				100.6834	100.5229
Net assets value per unit at end of the period				104.8182	105.3658

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

For UBL Fund Managers Limited (Management Company)

UBL LIQUIDITY PLUS FUND CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

March 31, 2018March 31, 2017CASH FLOWS FROM OPERATING ACTIVITIESNet income for the period before taxationAdjustments for: "mancial income "aprial loss on sale of investments - net Provision for Sindh Workers' Welfare Fund Element of loss and capital losses included in the prices of a units issued less those in units redeemed - net(347,259)(140,671)212222,370(34,061)(347,259)(160,671)14798725262627,22328292,370(160,671)1479879729,38212122,37022,37022,370234,37124252627,223282929292920202424,710727,22329202024,710721,7242021,72521,72622,847,72723,72623,7272424,72725,72725,7272627,7282829292024,727292024,72729292929202020 <t< th=""><th>FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018</th><th colspan="3">Nine months period ended</th></t<>	FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018	Nine months period ended		
(Rupees in '000)CASH FLOWS FROM OPERATING ACTIVITIESNet income for the period before taxation $292,370$ $134,061$ Adjustments for: "inancial income $(347,259)$ $(160,671)$ 2apital loss on sale of investments - net $(347,259)$ $(160,671)$ Provision for Sindh Workers' Welfare Fund $(347,259)$ $(160,671)$ Beener of loss and capital losses included in the prices $(347,107)$ $(166,030)$ of units issued less those in units redeemed - net $(347,107)$ $(166,030)$ Decrease/(Increase) in assets $(347,107)$ $(166,030)$ Net cash generated from operating activities $(347,107)$ $(166,030)$ Payable to UBL Fund Managers Limited - Management Company $5,149$ $(3,347)$ Payable to Securities and Exchange Commission of Pakistan $(126,503)$ $534,372$ Net cash generated from operating activities $(126,503)$ $534,372$ Yofit received on bank balances and investments $(126,503)$ $534,372$ Net cash generated from operating activities $(126,503)$ $534,372$ Yofit received on bank balances and investments $(126,503)$ $534,372$ Net cash generated from operating activities $7,040,955$ $22,843,596$ $7,811,270$ Net cash generated from inancing activities $7,040,955$ $263,427$ Net cash and cash equivalents at beginning of the period $4,179,845$ $1,975,376$ Cash and cash equivalents at end of the period $4,179,845$ $1,975,376$ Cash and cash equivalents at beginning of the pe				
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	CASH AND CASH EQUIVALENTS			
Bank balances 10,436,958 2,667,616				
Placements and term deposit receipts 975,000 300,000	Placements and term deposit receipts			
11,411,958 2,967,616		11,411,958	2,967,616	

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

For UBL Fund Managers Limited (Management Company)

SD

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

UBL LIQUIDITY PLUS FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Liquidity Plus Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end 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 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th Floor STSM Building Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is a money market scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended money market scheme in accordance with Circular 7 of 2009 issued by the SECP and it commenced its operations on June 21, 2009.
- 1.4 The principal activity of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS credit rating company has upgraded manager quality rating from AM2++ to AM1 (stable outlook) of the Management Company and assigned stability rating of AA(f) to the Fund as at December 29, 2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- **2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- **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, 2017, 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, 2017.
- **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, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2017, except as disclosed in paragraph 3.2.

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

3.2 'The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no SRO 756(I)/2017 dated August 3,2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher by Rs 157.753 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- **3.3** The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- **3.4** Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

			March 31, 2018 (Unaudited)	June 30, 2017 (Audited)		
		Note	(Rupees in '000)			
4	BANK BALANCES					
	Profit and loss saving accounts	4.1	6,626,958	4,179,841		
	Call Deposit Receipt	4.2	3,810,000	-		
	Current accounts		-	4		
			10,436,958	4,179,845		

4.1 Profit rates on these savings accounts range between 3.75% to 6.90% per annum (June 30, 2017: 3.75% to 6.2% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 2.644 million (June 30, 2017: Rs 157 million) on which return is earned at 4% (June 30, 2017: 4%) per annum.

4.2 Call Deposit Receipt having face value of Rs. 3,810 million carrying interest rate of 6.90% was acquired during the period.

5 INVESTMENTS

5.1 Government Securities - Designated at fair value through profit or loss'

6 ADVANCE TAX

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

7 ACCRUED EXPENSES AND OTHER LIABILITIES

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

As disclosed in note 14.2 to the annual financial statements for the year ended June 30, 2017, 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, 2017.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 9.495 million (June 30, 2017: Rs. 3.642 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. 0.087 (June 30, 2017: Re. 0.611).

Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 55.39 million (June 30, 2017: Rs. 55.39 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 55.39 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.51 (June 30, 2017: Re.1.3661).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

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 realized or unrealized is distributed to the unit holders in the form of cash. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than capital gains to the unit holders. The 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 in the form of cash 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 tax has been made in this condensed interim financial information.

10 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan the total expense ratio of the Fund is 0.76% as on March 31, 2018 and this includes 0.20% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

11 EARNINGS PER UNIT

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

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

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

	Management Company	Associated Companies	Trustee	Funds under I Common Management	Directors and Key Executives	Other Connected persons / related parties
			(Rupees i	n '000)	-	
Fransactions during the nine months						
and quarter ended March 31, 2018						
Profit on savings accounts	-	9,555	-	-	-	-
Bank charges	-	70	-	-	-	-
Units issued	1,030,299	12,500	-	2,461,076	12,763	2,328,849
Units redeemed	359,882	14,700	-	2,207,524	2,607	899,322
Purchase of securities	-		_		2,007	-
		4,495,025		226,916		-
Sale of securities	-	346,633	-	418,132	-	-
Remuneration*	33,142	-	5,195	-	-	-
Allocated expenses	4,558	-	-	-	-	-
Fransactions during the nine months						
ended March 31, 2017		14.550				
Profit on savings accounts	-	14,758	-	-	-	-
Bank charges	-	24	-	-	-	-
Units issued	89,000	1,168	-	-	19,578	-
Units redeemed	-	1,170	-	-	12,759,118	-
Purchase of securities	-	3,824,876	-	129,730	-	-
Sale of securities	-	-	-	1,656,345	-	-
Remuneration	23,339	-	2,769	-	-	-
Allocated expenses	2,516	-	-	-	-	-
CDS Expense	_	-	5	_	-	-
r				French and a	D:	Other
	Management Company	Associated Companies	Trustee	Funds under Common Managemen	Key	persons /
			(Rupe	es in '000)		
Balances held as at March 31, 2018	C 10C	204		2.50	4 1	15.0
Units held (in Units '000) Units held (in Rupees '000)	6,496 680,901	204 21,333	-	2,59 271,90		2 15,00 7 1,579,42
Bank balances	-	2,644	-			
Deposits	-	730,000	-	-	-	-
Remuneration payable	5,247	-	85	- 33	-	-
Others	106	-	-	-	-	-
Profit receivable Allocated expense payable	2,472	- 221	-	-	-	-
Balances held as at June 30, 2017 Units held (in Units '000)	_	1,190	_	_	,	4 9,9
	-	119,813	_	-	4,43	- ,-
Units held (in Rupees '000)		,	_	-	-	-
· · · · · · · · · · · · · · · · · · ·	-	156,665				
Units held (in Rupees '000) Bank balances Deposits	-	- 156,665	10		-	-
Units held (in Rupees '000) Bank balances Deposits Remuneration payable	- 2,048		10 32		-	-
Units held (in Rupees '000) Bank balances Deposits	-	-			- -	-

*This includes Sindh Sales Tax charged on the remuneration of the Management Company at the rate of 13% (June 30,2017:13%)

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair value Measurement), the Fund shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

 There were no financial instruments held by the fund which are measured at fair value as of March 31, 2018 and June 30, 2017.

 Carrying Amount

 Fair value

2017.	Carrying Amount				Fair value			
		As at Mar	rch 31, 2018		As at March 31, 2018			
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
				- Rupees in '000)			
Financial assets not measured at fair value*								
Bank balances	-	-	10,436,958	-	-	-	-	
Placement and term deposit receipts	-	-	975,000	-	-	-	-	
Deposits and other receivables	-	-	-	34,315	-	-	-	
Mark-up / interest receivable	-	-	-	51,041		-	-	
	-	-	11,411,958	85,356		-	-	
Financial liabilities not measured at fair value* Payable to UBL Fund Managers Limited								
Management Company	-	-	-	7,825	-	-	-	
Payable to Central Depository Company								
of Pakistan Limited - Trustee	-	-	-	853	-	-	-	
Accrued expenses and other liabilities		-		6,260				
	-	-	-	14,938		-	-	

		Carryin	g Amount	Fair value				
		As at Jui	ne 30, 2017		As at June 30, 2017			
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
				- Rupees in '000				
inancial assets not measured at fair value*								
Bank balances	-	-	4,179,845	-	-	-	-	
Placement and term deposit receipts	-	-	-	-	-	-	-	
Deposits and other receivables	-	-	54,158	-	-	-	-	
Mark-up / interest receivable	-	-	21,443	-	-	-	-	
-	-	-	4,255,446	-	-	-	-	
inancial liabilities not measured at fair value*								
Payable to UBL Fund Managers Limited								
Management Company	-	-	-	2,440	-	-	-	
Payable to Central Depository Company								
of Pakistan Limited Trustee				320	_			

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Bank balances	-	-	4,179,845	-	-	-	
Placement and term deposit receipts	-	-	-	-	-	-	
Deposits and other receivables	-	-	54,158	-	-	-	
Mark-up / interest receivable	-	-	21,443	-	-	-	
	-	-	4,255,446	-	-	-	

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Payable to UBL Fund Managers Limited							
Management Company	-	-	-	2,440	-	-	-
Payable to Central Depository Company							
of Pakistan Limited - Trustee	-	-	-	320	-	-	-
Accrued expenses and other liabilities	-	-	-	93,624		-	-
	-	-	-	96,384	-	-	-

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

Transfers during the period

During the nine months and quarter ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

14 **CORRESPONDING FIGURES**

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

15 **GENERAL**

- 15.1 This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- 15.2 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 26, 2018.

For UBL Fund Managers Limited (Management Company)

CHIEF EXECUTIVE OFFICER

SD **CHIEF FINANCIAL OFFICER**

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.

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited
	(for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	KPMG - Taseer Hadi & Co
Bankers	United Bank Limited Bank Alfalah Limited MCB- Global Faysal Bank Limited Samba Bank Allied Bank Limited Habib Bank Limited Sindh Bank Limited ZTBL Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan
Maria and Ca Dation	Meezan Bank Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	AA(f) (JCR-VIS)

Condensed Interim Statement of Assets and Liabilities

As at 31 March 2018

Annaka	Note	31 March 2018 (Un-audited) (Rupees	30 June 2017 (Audited) in '000)
Assets Bank balances	1	1 103 565	005 001
Investments	4 5	1,123,565	885,801
Term deposit receipts	6	100,000	-
Profits receivable	U	8,215	5,872
Deposit, prepayments and other receivables		2,585	2,122
Advance tax	7	1,053	509
Total assets		1,235,418	894,304
Liabilities Payable to the Management Company		1,330	1,310
Payable to Central Depository Company of Pakistan Limited - Trustee		210	1,510
Payable to Securities and Exchange Commission of Pakistan		599	507
Accrued expenses and other payables	8	13,170	16,085
Total liabilities		15,309	18,064
		,	
Net assets		1,220,109	876,240
Unit holders' fund (as per the statement attached)		1,220,109	876,240
Contingency and commitment	9		
Number of units in issue	-	(Number o <u>11,705,150</u> (Rup	8,721,753
Net asset value per unit		104.2369	100.4661

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

For UBL Fund Managers Limited (Management Company)

SD Chief Executive Officer SD Chief Financial Officer

Condensed Interim Income Statement (Unaudited)

For the nine months and quarter ended 31 March 2018

	Note	Nine months period ended 31 March		Quarter e 31 Mai	
		2018	2017	2018	2017
			(Rupees ir	ı '000)	
Income					
Financial income		51,892	31,295	24,725	8,076
Net capital income/(loss) on redemption and sale of investments		4	(801)	5	(40)
Other income		<u>31</u>	20.500	-	-
Total income		51,927	30,509	24,730	8,036
Expenses					
Remuneration of the Management Company		6,173	4,886	1,986	1,287
Sindh Sales tax on the Management Company's remuneration		802	635	258	167
Allocated Expenses		799	489	380	129
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,222	821	519	219
Annual fee of Securities and Exchange Commission of Pakistan		599	366	285	96
Bank charges		246	101	53	19
Fees and subscription		21	202	7	66
Auditors' remuneration		495	475	98	95
Legal and professional charges		83	105	42	50
Brokerage and settlement charges		27	37	7	7
Other expenses		184	22	54	1
Total operating expenses		10,651	8,139	3,689	2,136
Net operating income for the period		41,276	22,370	21,041	5,900
Net element of loss and capital losses included in prices of					
units issued less those in units redeemed		-	1,816	-	6,070
Reversal of Workers' Welfare Fund			4,782		4,782
Provision for Sindh Workers' Welfare Fund	8.1	(810)	(1,270)	(413)	(1,270)
Net income for the period before taxation		40,466	27,698	20,628	15,482
Taxation	10	-	-	-	-
Net income for the period after taxation		40,466	27,698	20,628	15,482
Allocation of net income for the period after taxation					
Net income for the period		40,466	-	20,628	-
Income already paid on units redeemed		(17,577)	-	(9,474)	-
		22,889	-	11,154	-
Accounting income available for distribution					
- Relating to capital gains					
- Excluding capital gains		22,889	-	11,154	-
		22,889		11,154	-

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

For UBL Fund Managers Limited (Management Company)

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months and quarter ended 31 March 2018

	Nine months period ended		Quarter	ended
	31 Ma	rch	31 Ma	irch
	2018	2017	2018	2017
		in '000)		
Net income for the period after taxation	40,466	27,698	20,628	15,482
Total comprehensive income for the period	40,466	27,698	20,628	15,482

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

For UBL Fund Managers Limited (Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the nine months and quarter ended 31 March 2018

	Nine month period ended				
		201	Unrealised		2017
	Capital value	Undistributed income	(diminution) / appreciation on re-measurement of investments classified as 'available for sale' - net	Total	Total
			Rupees in '000) -		
Net assets at the beginning of the period	869,767	6,473	-	876,240	1,298,800
Inflow on issuance of 29,816,417 units (2017: 12,727,848 units)					÷
- Capital value (at net asset value per unit at the beginning of the period) - Element of income	2,995,534	-	-	- 2,995,534	-
- Relating to other comprehensive income for the period	-	-	-	-	-
- Relating to net income for the period after taxation	63,855	-	-	63,855	-
Total proceeds on issuance of units	3,059,389	-	-	3,059,389	1,296,326
Outflow on redemption of 26,833,020 units (2017: 19,017,074 units)					-
- Capital value (at net asset value per unit at the		-	-	-	-
beginning of the period)	(2,695,810)			(2,695,810)	
- Amount paid out of element of income					
- Relating to other comprehensive income for the period	-	-	-		-
- Relating to net income for the period after taxation	(42,599)	(17,577)	-	(60,176) (2,755,986)	- (1.026.171)
Total payments on redemption of units	(2,738,409)	(17,577)	-	(2,/55,986)	(1,926,171)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	(1,816)
Total comprehensive income for the period	-	40,466	-	40,466	27,698
Distribution during the period	-	-	-	-	-
Net income for the period less distribution	-	40,466	-	40,466	27,698
Net assets at end of the period	1,190,747	29,362	-	1,220,109	694,836
Refund / adjustment on units as element of income	-	-	-	-	-
Undistributed income brought forward					
- Realised	-	6,473	-	6,473	6,068
- Unrealised	-	-	-	-	143
	-	6,473	-	6,473	6,211
Accounting income available for distribution - Relating to capital gains	-	~	-		
- Excluding capital gains	-	22,889		22,889	11,154
		22,889	-	22,889	11,154
Net income for the period after taxation	-		-	-	-
Distribution during the period	-	-	-	-	-
Undistributed income carried forward	-	29,362		29,362	17,365
Undistributed income carried forward					17.075
- Realised - Unrealised	-	29,362		29,362	17,365
- Unitalised	-	29,362		29,362	17,365
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the period				100.4661	100.4353
Net assets value per unit at end of the period				104.2369	104.6051

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

For UBL Fund Managers Limited (Management Company)

Condensed Interim Cash Flow Statement (Unaudited)

For the nine months and quarter ended 31 March 2018

	Nine months period ended	
	31 March	31 March
	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES	· •	
Net income for the period before taxation	40,466	27,698
I. I	,	
Adjustments for:		
Financial income	(51,892)	(31,295)
Element of loss and capital losses included in prices of units sold less those in units		
redeemed - net	-	(1,816)
Provision for indirect taxes and duties	-	(4,782)
Provision for Workers' Welfare Fund	-	1,270
Net capital (gain)/loss on redemption and sale of investments	(4)	801
	(51,896)	(35,822)
Working capital changes		
(Increase) / decrease in assets		
Investments	4	677,913
Deposits, prepayments and other receivables	(463)	31
Advance tax	(544)	-
	(1,003)	677,944
	(_,)	,.
(Decrease) / increase in liabilities		
Payable to the Management Company	20	(420)
Payable to Central Depository Company of Pakistan Limited - Trustee	48	(39)
Payable to Securities and Exchange Commision of Pakistan	92	(323)
Accrued expenses and other payables	(2,915)	377
Payable against purchase of investment	-	(210,620)
	(2,755)	(211,025)
Profits received during the period	49,549	64,989
Net cash generated from operating activities	34,361	523,784
CASH FLOWS FROM FINANCING ACTIVITIES	2 0 50 200	1.00 < 00 <
Receipts from issuance of units	3,059,389	1,296,326
Payments on redemption of units	(2,755,986)	(1,926,171)
Net cash generated from/(used in) financing activities	303,403	(629,845)
Net increase/(decrease) in cash and cash equivalents	337,764	(106,061)
Cash and cash equivalents at beginning of the period	885,801	809,430
	1,223,565	703,369
Cash and cash equivalents at end of the period	1,225,505	105,509
CASH AND CASH EQUIVALENTS		
Bank balances	1,123,565	653,369
Term deposit receipts	100,000	50,000
· · · · · · · · · · · · · · · · · · ·	1,223,565	703,369
	,,	

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

For UBL Fund Managers Limited (Management Company)

SD

UBL Money Market Fund Notes to the Condensed Interim Financial Information (Unaudited) For the nine months and quarter ended 31 March 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Money Market Fund (the Fund) was established under the Non-Banking Finance Companies (Establishm 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 10 August 2010 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 Compa Act, 2017) 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 ended mutual fund listed on Pakistan Stock Exchange Limited. Units are offered for publi subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them t the Fund at the option of the unit holder. The Fund was initially categorized as income scheme & effective fror May 2014 recategorized as Money Market Fund.

The principal activity of the Fund is to generate competitive returns within a low risk portfolio to provide a reg stream of income and easy liquidity to its investors by investing more than 50% of portfolio in short term Government securities.

Title of the assets of the Fund are held in the name of Central Depository Company Limited as a Trustee of the

The Management Company has been rated as AM1 from AM2++ on 29 December 2017 by JCR - VIS.

The Fund has been rated as AA(f) by JCR - VIS on 29 December 2017.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 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, 2017, 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, 2017.
- 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, 2018.

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 ESTIMA' 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 annual published audited financial statements of the Fund for the year ended June 30, 2017, except as disclosed in paragraph 3.2.

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

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 3 August 2017 has n certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating tc "element of income" and excludes the element of income from the expression "accounting income" as describe Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element income represents the difference between net assets value per unit on the issuance or redemption date, as the c may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, th revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maitain the same ex-dividend n asset value of all units outstanding on the accounting date, net element of income bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

ly, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the di acome and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting per pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the account (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating t redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no SRO 756(I)/2017 dated August 3,2017 Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher Rs 3.672 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

4.	BANK BALANCES	Note	31 March 2018 (Un-audited) (Rupees in	30 June 2017 (Audited) n '000)
	In PLS savings accounts In current account	4.1	1,123,483 82 1,123,565	885,702 99 885,801

4.1 Profit rates on PLS savings accounts range between 3.75% and 6.90% (June 2017 : 3.75% and 6.2%) per annum.

5. INVESTMENTS

4.

5.1 Government Securities - Designated at fair value through profit or loss

	Purchase vield range	Maturity upto	As at 01 July 2017	Purchased during the neriod (Number	Sold / matured during the of holdings)	As at 31 March 2018	Carrying value as at 31 March 2018	Market Value as at 31 March	Market Value as at 30 June 2017 (Rupees in '0	Percentage of total investment 00)	Percentage of net assets
easury Bills - 3 mon	r -	-	-	22,650	(22,650)	-	-	-	-	-	-

			March 2018	30 June 2017
6.	TERM DEPOSIT RECEIPTS	Note (Un-a	audited)	(Audited)
			(Rupees	in '000)
	Commercial banks	6.1	100,000	

6.1 It carries profit rate 6.9% per annum and will mature upto 20 April 2018.

7. 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 and funds are exempt under clause 47(B) of Income Tax Ordinance, 2001 from withholding of tax under section 150A and 151 of Income Tax Ordinance, 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 Income Tax Ordinance, 2001 from Commissioner Inland Revenue. The management is confident that the same shall be refunded.

8.	ACCRUED EXPENSES AND OTHER PAYABLES	Note	31 March 2018 (Un-audited) (Rupees i	30 June 2017 (Audited) n '000)
	Provision for indirect duties and taxes	8.2	9,499	9,499
	Provision for Sindh Worker's Welfare Fund	8.1	2,145	1,335
	Auditors' remuneration		440	384
	Brokerage payable		44	54
	Capital gains tax payable		439	1,004
	Withholding tax and zakat deducted at source		510	3,540
	Other payables		93	269
			13,170	16,085

8.1 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 13.2 to the annual financial statements for the year ended June 30, 2017, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 13.2 to the annual audited financial statements for the year ended June 30, 2017.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 2.145 million (June 30, 2017: Rs.1.335 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. 0.18 (June 30, 2017: Re. 0.15).

8.2 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 9.499 million (June 30, 2017: 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 14.2 to the annual audited financial statements for the year ended June 30, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 9.499 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.78 (June 30, 2017: Re.1.089).

9. CONTINGENCY AND COMMITMENT

There were no contingency and commitment outstanding as at March 31, 2018 and June 30, 2017.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the period as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the period, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause IIA of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial information.

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

12. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan the Total Expense Ratio of the Fund is 1.08% as on 31 March 2018 and this includes 0.22% representing Government Levy, Sindh Workers' Welfare Fund and SECP Fee.

13. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

	Management Company	Associated Companies	Trustee	Funds under common Management	Directors and Key Executives	Other connected persons / related parties
		(Transact	ion during the	period ended 31	l March 2018)	-
			(Rupees	s in '000)		
Profit on savings accounts		228				
Bank charges	-	55	-	-	-	-
Units issued	601,355	-	-	1,096,214	-	
Units redeemed	-	7,194	-	237,955	-	
Purchase of securities	_	7,174	-	251,755	-	
Sale of securities		247,595	-	1,404,789	-	
Remuneration*	6,975	247,575	1,222	1,404,707	_	
Reimbursement of expenses	799	-	1,222	-	-	-
Central Depository Company Expense	-	-	- 6		-	-
		(Ba	alances held as	at 31 March 20	18)	
		(Da	arances neiu as	at 51 March 20	10)	
Units held (in Units '000)	5,827	111	-	8,296	0.1	0.1
Units held (in Rupees '000)	607,401	11,608	-	864,733	9	11
Bank balances	-	1,167	-	-	-	-
Profit receivable on savings account	-	27	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	902	-	210	-	-	-
Sales load payable	10	-	-	-	-	-
Other payables	38					
Reimbursement of expenses payable	380	-	-	-	-	-
	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
		Transact	ion during the p	eriod ended 31 N	/arch 2017	•
Profit on savings accounts	-	2,802	-	-	-	-
Bank charges	-	40	-	-	-	-
Units issued	-	6,923	-	-	200	400,803
Units redeemed	-	-	-	-	201	201,045
Purchase of securities Sale of securities	-	358,380	-	324,272	-	-
Remuneration*	5,522	-	821	1,593,971	-	-
Reimbursement of expenses	489	-	021	-	-	-
Central Depository Company Expense	-	-	- 5	-	-	-
			As at June 30	2017 (Audited)		
			1 15 at June 30,	2017 (Audicu) -		
Units held (in Units '000)	-	181	-	-	0.1	3,908
Units held (in Rupees '000)	-	18,184	-	-	8,740	392,622
Bank balances	-	14,349	-	-	-	-
Remuneration payable*	1,077	-	162	-	-	-
Sales load and other payable	89	-	-	-	-	-
Sales load and other payable						
Payable against allocated expenses	144	-	-	-	-	-

* Remuneration for the period is inclusive of Sindh Sales Tax.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants 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 Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (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

<u>31 March 2018</u>			Ca	rrying amoun	t			Fair value			
	Note	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liablilities	Total	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					(R	upees in '000)-					
Investment in Government Securities		-		-		<u> </u>	-			-	
		-	-	-	-	-	-	-	-	-	
Financial assets not measured at fair value	15.1										
Bank balances		-	-	1,123,565	-	1,123,565	-	-	-	-	
Profits receivable		-	-	8,215	-	8,215	-	-	-	-	
Deposits, prepayments and other receivable	es			2,585	-	2,585	-	-	-	-	
				1,134,365	-	1,134,365	-		-		
Financial liabilities not measured at fair value	15.1										
Payable to the Management Company		-	-	-	1,330	1,330	-	-	-	-	
Payable to Central Depository Company of Pakistan Limited - Trustee					210	210	-	-	-	-	
Accrued expenses and other payables		-	-	-	574	574	-	-	-	-	
1.5.			-		2,114	2,114	-		-	-	
			â								
<u>30 June 2017</u>		Fair value	Ca Available for	rrying amount Laons and	Other	Total	Level 1	Level 2	value Level 3	Total	
		through profit and loss	sale	receivables	financial liablilities						
Financial assets measured at fair value					(Ru	pees in '000)					
Government securities		-	-	-	-	-	-	-	-	-	
		-	-	-		-	-	-	-	-	
Financial assets not measured at fair value	15.1										
Bank balances	10.1	-	-	885,801	-	885,801	-	-	-	-	
Profits receivable		-	-	5,872	-	5,872	-	-	-	-	
Deposits, prepayments and other receivable	es		-	2,122	-	2,122	-	-	-	-	
		-	-	893,795	-	893,795	-	-	-	-	
Financial liabilities not measured at fair value	15.1										
Payable to the Management Company Payable to Central Depository Company of		-	-	-	1,310	1,310	-	-	-	-	
Pakistan Limited - Trustee		-	-	-	162	162	-	-	-	-	
Payable against purchase of investments		-	-	-	-	-	-	-	-	-	
Accrued expenses and other payables			-		3,677 5,149	3,677 5,149	-		-		
		-	-	-	5,149	3,149	-	-	-	-	

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 reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15. GENERAL

- **15.1** This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- **15.2** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on <u>April 26, 2018</u>.

For UBL Fund Managers Limited (Management Company)

SD

Chief Executive Officer

SD Chief Financial Officer SD

Director

UGSF UBL Government Securities Fund

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

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	BDO Ebrahim & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited NIB Bank Limited Faysal Bank Limited Samba Bank Limited Sindh Bank Limited National Bank of Pakistan MCB Bank Limited Allied Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited JS Bank Limited Zarai Taraqiati Bank Limited Askari Bank Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	A+ (f) (JCR-VIS)

UBL GOVERNMENT SECURITIES FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2018

ASSETS	Note	March 31, 2018 (Unaudited) (Rupees	June 30, 2017 (Audited) in '000)
ASSETS		0.007.611	1 1 11 000
Bank balances	4	2,337,611	1,141,088
Term deposit receipts	5	-	-
Investments	6	56,120	2,309,209
Prepayments and other receivables		2,492	11,238
Mark up / interest receivable	_	4,864	8,709
Advance tax	7	5,122	1,508
TOTAL ASSETS		2,406,209	3,471,752
LIABILITIES	r		
Payable to UBL Fund Managers Limited - Management Company		3,112	4,691
Payable to Central Depository Company of Pakistan Limited - Trustee		244	341
Payable to Securities and Exchange Commission of Pakistan		1,656	7,926
Accrued expenses and other liabilities	8	70,331	119,612
TOTAL LIABILITIES	-	75,343	132,570
NET ASSETS	=	2,330,866	3,339,182
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	=	2,330,866	3,339,182
CONTINGENCIES AND COMMITMENTS	9	(Number	of Units)
	•		01 0 11163/
NUMBER OF UNITS IN ISSUE	=	21,356,913	31,622,643
	-	(Rup	ees)
NET ASSETS VALUE PER UNIT	=	109.1387	105.5946

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

SD

CHIEF FINANCIAL OFFICER

DIRECTOR

UBL GOVERNMENT SECURITIES FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018		Nine month period ended		Quarter ended		
	-	March 31, March 31,		March 31,	March 31,	
		2018	2017	2018	2017	
	Note	(Rupees i	n '000)	(Rupees i	n '000)	
INCOME						
Financial income		136,227	637,075	38,144	157,736	
Capital loss on sale of investments - net		(5,201)	(79,009)	(236)	(37,312)	
Unrealised (loss)/gain on revaluation of investments						
at fair value through profit or loss - net		(85)	(4,849)	8	23,157	
Other income	_	99	129	14	-	
Total income		131,040	553,346	37,930	143,581	
EXPENSES						
Remuneration of UBL Fund Managers Limited - Management Company		22,118	95,961	6,139	22,223	
Sales tax on Management Company's remuneration		2,875	12,475	798	2,889	
Allocated expenses		2,208	9,445	613	2,201	
Remuneration of Trustee		2,508	8,254	729	2,047	
Annual fee of Securities and Exchange Commission of Pakistan		1,656	7,084	460	1,651	
Bank charges		232	160	57	19	
Auditors' remuneration		346	371	70	83	
Brokerage and settlement expenses		363	2,298	101	833	
Amortization of preliminary expenses and floatation cost		-	62	-	-	
Legal and professional fees		83	1,164	42	50	
Other expenses		259	253	86	82	
Total operating expenses	Ŀ	32,648	137,527	9,095	32,078	
Operating income for the period	-	98,392	415,819	28,835	111,503	
Element of loss and capital losses included		, o, o, o	110,017	20,000	111,000	
in prices of units issued less those in units redeemed - net			(236,848)	-	(155,247)	
Provision for Sindh Workers' Welfare Fund		(1,931)	(15,321)	(565)	(15,321)	
Reversal for Worker's Welfare Fund		(1,751)	19,506	(505)	19,506	
Net income for the period before taxation		96,461	183,156	28,270	(39,559)	
Taxation	10	90,401	165,150	20,270	(39,339)	
Net income for the period after taxation	10 _	96,461	183,156	28,270	(39,559)	
Allocation of net income for the period						
Income already paid on units redeemed		(24,752)		(14,668)		
Net income for the period available for distribution	_	71,709	-	13,602		
	=		=			
Net income for the period available for distribution:						
Relating to capital gains		-		-		
Excluding capital gains	-	71,709 71,709	-	13,602 13,602		
Earnings per unit	11		=			

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

SD

DIRECTOR

CHIEF FINANCIAL OFFICER

UBL GOVERNMENT SECURITIES FUND CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Nine month period ended		Quarter ended		
	March 31,	March 31,	March 31,	March 31,	
	2018	2017	2018	2017	
	(Rupees	in '000)	(Rupees	in '000)	
Net income/(loss) for the period after taxation	96,461	183,156	28,270	(39,559)	
Other comprehensive income					
Items that may be reclassified subsequently to					
income statement	-	-	-	-	
Items that will not be reclassified subsequently to					
income statement	-	-	-	-	
Total comprehensive income/(loss) for the period	96,461	183,156	28,270	(39,559)	

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

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

SD

UBL GOVERNMENT SECURITIES FUND CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	2018				2017
	Capital value	Undistributed income	Unrealised (diminution) / appreciation on re- measurement of investments classified as 'available for sale' - net	Total	Total
Net assets at beginning of the period	3,132,466	206,716	(Rupees in '000)	3,339,182	13,976,144
Issue of 8,971,487 units (2017: 74,789,952 units) - Capital value of units	947,341	-	-	947,341	-
 Element of Income/(loss) during the period Due to surplus / (deficit) in available for sale securities Due to net income earned / (loss incurred) 	- 11,972	:	-	- 11,972	-
Total proceeds on issuance of units	959,313	-		959,313	7,972,131
Redemption of 19,237,217 units (2017: 156,761,723 units) - Capital value of units - Element of Income/(loss) during the period	(2,031,346)	-	-	(2,031,346)	-
Due to surplus / (deficit) in available for sale securities Due to net income earned / (loss incurred)	(7,992)	(24,752)	-	(32,744)	-
Total payments on redemption of units	(2,039,338)	(24,752)		(2,064,090)	(16,855,370)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-		-	236,848
Total comprehensive income for the period	-	96,461	-	96,461	183,156
Distribution during the period Net income for the period less distribution	-	96,461	-	96,461	183,156
Net assets at end of the period	2,052,441	278,425	-	2,330,866	5,512,909
Undistributed income brought forward					641.000
- Realised - Unrealised		201,669 5,047	-	201,669 5,047	641,988 84,126
Accounting income available for distribution		206,716		206,716	726,114
 Relating to capital gains Excluding capital gains 		- 71,709	-	- 71,709	-
		71,709	-	71,709	183,156
Distribution during the period		-	-	-	-
Undistributed income carried forward		278,425		278,425	909,270
Undistributed income carried forward - Realised		278,510		278,510	914,119
- Realised - Unrealised		(85)		(85)	(4,849)
		278,425	<u> </u>	278,425	909,270
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the period				105.5946	105.4801
Net assets value per unit at end of the period				109.1387	109.1049

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

For UBL Fund Managers Limited (Management Company)

UBL GOVERNMENT SECURITIES FUND CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

FOR THE MINE MONTHS ENDED MARCH 51, 2016	Nine month pe	eriod ended
	March 31, 2018	March 31, 2017
	(Rupees in	n '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	96,461	183,156
Adjustments for:		
Financial income	(136,227)	(637,075)
Unrealised loss on revaluation of investments		
at fair value through profit or loss - net	85	4,849
Loss on sale of investments - net	5,201	79,009
Element of loss and capital losses included in the prices		
of units issued less those in units redeemed - net	-	236,848
(Reversal) for Workers' Welfare Fund	-	(19,506)
Provision for Sindh Worker's Welfare Fund	1,931	15,321
Amortization of preliminary expenses and floatation costs	-	62
	(129,010)	(320,492)
	(32,549)	(137,336)
Decrease / (increase) in assets	·	
Investments - net	2,247,803	5,838,273
Advance tax	(3,614)	-
Prepayments and other receivables	8,746	63,335
	2,252,935	5,901,608
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(1,579)	(16,726)
Payable to Central Depository Company of Pakistan Limited - Trustee	(97)	(664)
Annual fee payable to Securities and Exchange Commission of Pakistan	(6,270)	(2,556)
Accrued expenses and other liabilities	(51,212)	(42,735)
	(59,158)	(62,681)
Cash flow generated from operations	2,161,228	5,701,591
Profit received on bank balances and investments	140,072	1,064,551
Net cash flow generated from operating activities	2,301,300	6,766,142
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	959,313	7,972,131
Payment against redemption of units	(2,064,090)	(16,855,370)
Net cash used in financing activities	(1,104,777)	(8,883,239)
Net increase / (decrease) in cash and cash equivalents	1,196,523	(2,117,097)
Cash and cash equivalents at beginning of the period	1,141,088	3,522,523
Cash and cash equivalents at end of the period	2,337,611	1,405,426
CASH AND CASH EQUIVALENTS		
Bank balances	2,337,611	1,405,426
	2,337,611	1,405,426
		. /

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

For UBL Fund Managers Limited

(Management Company)

CHIEF FINANCIAL OFFICER

SD

UBL GOVERNMENT SECURITIES FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Government Securities Fund (the 'Fund') was established under a Trust Deed executed between UBL Fund 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 May 19, 2011 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on July 27, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from July-7,2011
- 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, Beaumount Road, Civil Lines, Karachi.
- 1.3 The Fund is an income scheme listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The investment objective of the fund is to provide a competitive return with minimum risk, by investing primarily in Government Securities.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company Limited as a Trustee of the Fund.
- 1.6 JCR VIS Credit Rating Company has upgraded management quality rating from AM2++ (stable outlook) to AM1 to the management company as at December 29, 2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2017.

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, 2017, 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 statements for the nine months ended March 31, 2017.

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, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2017, except as disclosed in Note 3.5

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, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2017.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund. 3.5 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no SRO 756(I)/2017 dated August 3, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been lower by Rs 20.773 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

	Note	March 31 2018 (Unaudited) (Rupees i	June 30 2017 (Audited) n '000)
BANK BALANCES			
PLS saving accounts	4.1	2,337,611 2,337,611	1,141,088 1,141,088

4.1 Profit rates on these saving accounts range between 2.4% to 6.90% per annum (June 30, 2017: 3.75% to 6.6% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 4.126 million (June 30, 2017: Rs. 35.075 million).

5 TERM DEPOSIT RECEIPTS

Opening balance	-	150,000
Acquired during the period / year	285,000	150,000
Matured during the period / year	(285,000)	(300,000)
Closing balance	-	-

5.1 Term deposit receipts having face value of Rs. 285 million carrying interest at the rate of 6.5% were acquired and matured during the period.

6 INVESTMENTS

4

6.1 Government securities designated at fair value through profit or loss

Pakistan Investment Bonds		49,750	122,650
Market Treasury Bills		-	1,542,271
GoP Ijarah Sukuk		6,370	644,288
	6.2	56,120	2,309,209

6.2 Government securities designated at fair value through profit or loss

	At the beginning of the period	Acquired during the period	Sold / matured during the period	At the end of the period	Market value as at March 31, 2018	Market value as at June 30, 2017	Percentage of total investments	Percentage of net assets
Note		No. of hold	lings		(Rupees	in '000)	%	%
6.3								
	1,000	500	1,000	500	49,750	122,650	88.65%	2.13%
	1,000	500	1,000	500	49,750	122,650	88.65%	2.13%
6.4								
	15,600	164,800	180,400	-	-	1,542,271	0.00%	0.00%
	15,600	164,800	180,400	-	-	1,542,271	0.00%	0.00%
6.5								
	6,400	-	6,335	65	6,370	644,288	11.35%	0.27%
	6,400	-	6,335	65	6,370	644,288	11.35%	0.27%
	23,000	165,300	187,735	565	56,120	2,309,209	100%	2.41%
	6.3 6.4	beginning of the period Note	beginning of the period during the period Note No. of hold 6.3	beginning of the period during the period during the period Note No. of holdings 6.3 1,000 500 1,000 6.4 15,600 164,800 180,400 6.5 6,400 - 6,335	beginning of the period during the period during the period At the end of the period 6.3	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	beginning of the period during the period At the end of the period as at March 31, 2018 as at June 30, 2017 Note	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

- 6.3 These represented Pakistan Investment Bond (PIBs) having a face value of Rs. 50 million and carrying purchase yield of 8.0% per annum. These PIB will mature till 21-April-2021.
- 6.4 These MTBs have nominal value of Rs.100,000 each (June 30, 2017: Rs. 100,000).
- 6.5 As at March 31, 2018, Government of Pakistan Ijarah Sukuk (GOPIS) had a face value of Rs. 6.5 million (June 30, 2017: Rs. 640 million) and carried purchase yield of 5.24% per annum (June 30, 2017: 5.24% per annum).

7 ADVANCE TAX

The income of the Fund is exempt under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR) , through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" date May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate from CIR, various withholding agents have deducted advance tax under section 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

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, 2018 amounting to Rs. 52.558 million (June 30, 2017: Rs. 52.558). 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, 2017. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 2.26 (June 30, 2017: Re.1.667).

8.2 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 15.2 to the annual financial statements for the year ended June 30, 2017, 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, 2017.

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs.16.477 million (June 30, 2017: Rs. 14.546 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. 0.771 (June 30, 2017: Re. 0.4600).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed to the unit holders in the form of cash. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than capital gains to the unit holders. The 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. The Management Company intends to distribute in the form of cash 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 tax has been made in this condensed interim financial information.

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund is 1.18% as on March 31, 2018 and this includes 0.23% representing government levy, Worker's Welfare Fund and SECP fee.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Connected persons / related parties
			(Rupees	in '000)		
Transactions during the nine months ended Marh 31, 2018						
Profit on saving accounts	-	462	-	-	-	-
Bank charges	-	99	-	-	-	-
Units issued	-	-	-	-	4	50,094
Units redeemed	265,447	-	-	-	5	54,234
Purchase of securities	-	246,600	-	1,822,921	-	-
Remuneration*	24,993	-	2,508	-	-	-
Allocated expenses	2,208	-	-	-	-	-

Fransactions during the nine months						
ended March 31, 2017						
Profit on saving accounts	-	8,081	-	-	-	-
Bank charges	-	53	-	-	-	-
Units issued	20,000	56,280	-	-	755	-
Units redeemed	-	2,969,188	-	-	15,530	-
Purchase of securities	-	501,066	-	3,964,035	-	-
Sale of securities	-	-	-	434,026	-	-
Remuneration*	108,436	-	8,254	-	-	-
Allocated expenses	9,445	-	-	-	-	-
Balances held as at March 31, 2018						
Units held (in Units '000)	-	-	-	-	1	6,962
Value of Units held (in Rupees '000)	-	-	-	-	152	759,849
Bank balances	-	4,126	-	-	-	-
Remuneration payable	2,296	-	244	-	-	-
Allocated expenses payable	614	-	-	-	-	-
Sales load payable	42	133	-	-	-	-
Other payables	160	-	-	-	-	-
Balances held as at June 30,2017						
Units held (in Units '000)	2,459	-	-	-	1	3,990
Value of Units held (in Rupees '000)	259,641	-	-	-	102	421,276
Bank balances	35,075	-	-	-	-	-
Remuneration payable	3,648	-	341	-	-	-
Allocated expenses payable	219	-	-	-	-	-
Sales load payable	136	131	-	-	-	-
Other payables	688	-	-	-	-	-

* This includes Sindh Sales Tax charged on the remuneration of the Management Company at the rate of 13% (June 30, 2017: 13%)

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced. As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair value Measurement), the Fund shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

		Carrying Amount				Fair value		
		As at Marc	h 31, 2018		As	at March 31, 201	8	
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
				Rupees in	'000			
Financial assets measured at fair value								
Market Treasury Bills	-	-	-	-	-	-	-	
Pakistan Investment Bonds	49,750	-	-	-	-	49,750	-	
GoP Ijarah Sukuk	6,370	-	-	-	-	6,370	-	
Financial assets not measured at fair value								
Bank balances	-	-	2,337,611	-	-	-	-	
Mark up / interest receivable	-	-	4,864		-	-	-	
Other receivables	-	-	2,274	-	-	-	-	
	-	-	2,344,749	-	-	-	-	
	-	-	2,344,749	-	-	-	-	
Financial liabilities not measured at fair value*								
Payable to Management Company	-	-	-	2,831	-	-	-	
Payable to Trustee	-	-	-	244	-	-	-	
Accrued expenses and other liabilities	-	-	-	357	-	-	-	
L	-	-	-	3,432	-	-	-	

		Carrying	Amount		Fair value			
		As at June	30, 2017		A	As at June 30, 2017		
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
				Rupees in	'000			
Financial assets measured at fair value								
Pakistan Investment Bonds	122,650	-	-	-	-	122,650	-	
Market Treasury Bills	1,542,271	-	-	-	-	1,542,271	-	
Government of Pakistan Ijara Sukuk	644,288	-	-	-	-	644,288	-	
	2,309,209	-	-	-	-	2,309,209	-	
Financial assets not measured at fair value								
Bank balances	-	-	1,141,088	-	-	-	-	
Mark up / interest receivable	-	-	8,709		-	-	-	
Other receivables	-	-	11,174	-	-	-	-	
	-	-	1,160,971	-	-	-	-	
	2,309,209	-	1,160,971	-	-	2,309,209	-	
Financial liabilities not measured at fair value*								
Payable to Management Company	-	-	-	4,691	-	-	-	
Payable to Trustee	-	-	-	341	-	-	-	
Accrued expenses and other liabilities	-	-	-	3,051	-	-	-	
······································	-		-	8,083	-	-	-	

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

Transfers during the period

During the nine months ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

15 CORRESPONDING FIGURES

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

16 GENERAL

- 16.1 This condensed interim financial information is presented in Pakistan Rupees which is also the Fund's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- 16.2 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 26, 2018.

For UBL Fund Managers Limited (Management Company)

SD CHIEF EXECUTIVE OFFICER SD

SD

CHIEF FINANCIAL OFFICER

DIRECTOR

UIOF

UBL Income Opportunity Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited						
Trustee	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						
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)						
Auditors	Ernst & Young Ford Rhodes Sidat Hyder & Co.						
Bankers	United Bank Limited Bank Alfalah Limited Faysal Bank Limited Tameer MicroFinance Bank Allied Bank Limited Khushhali Bank Ltd. MCB Bank Limited JS Bank Limited Samba Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Limited National bank of Pakistan Limited						
Management Co.Rating	AM1 (JCR-VIS)						
Fund Rating	A- (f) (JCR-VIS)						

UBL INCOME OPPORTUNITY FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

• •	Note	March 31, 2018 (Un-audited) (Rupees ir	June 30, 2017 (Audited) n '000)
Assets Bank balances	4	400 694	144 616
Investments	4 5	409,681 71,537	144,616 31,197
Receivable from margin trading system	5	247,835	51,197
Accrued mark-up		3,759	1,402
Advances, deposits and other receivables		4,293	4,008
Advance tax	6	225	225
Preliminary expenses and floatation costs	Ũ	-	190
Total assets	-	737,330	181,638
Liabilities			
Payable to the Management Company	7	604	281
Remuneration payable to the Trustee		123	31
Payable to Securities and Exchange			
Commission of Pakistan (SECP)		131	167
Accrued expenses and other liabilities	8	2,769	3,793
Total liabilities		3,627	4,272
Net assets	-	733.703	177,366
Unit holders' funds (as per statement attached)	-	733.703	177,366
Contingencies and commitments	9		
		(Numb	er)
Number of units in issue	-	6,483,547	1,612,776
		(Rupee	es)
Net assets value per unit	-	113.1639	109.9753

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

For UBL Fund Managers Limited (Management Company)

SD

_____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, 2018

	-	Nine Month	ns ended	Quarter ended		
	-	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
	Note		(Rupees	in '000)		
Income Financial income		11,622	12,017	6,556	3,654	
Loss on redemption / sale of investments - net Unrealised (loss) on revaluation of		(23)	(471)	(8)	-	
investments classified as: 'designated at fair value through profit or loss' Other income		(285) 27	391 48	30 13	(24)	
Total income	-	11,341	11,985	6,591	3,637	
Expenses						
Remuneration to the Management Company	7.1	1,630	2,232	464	688	
Sindh Sales tax on management fee	7.2	212	290	60	89	
Remuneration to the Trustee Annual fee to SECP		335 131	340 133	186 73	105 41	
Auditors' remuneration		257	260	56	56	
Brokerage expenses		7	50	2	(1)	
Amortisation of preliminary expenses		190	193	61	64	
Listing fee		21	33 269	7	11 124	
Custody and settlement charges Bank charges and other expenses		554 245	209	224 85	91	
Total expenses	L	3,582	4,020	1,218	1,268	
Net income from operating activities	-	7,759	7,965	5,373	2,369	
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	3.2	-	(1,328)	-	(1,434)	
Reversal of Provision for Workers' Welfare Fund		-	635	-	635	
Provision for Sindh Workers' Welfare Fund (SWWF)		(153)	(364)	(106)	(364)	
Net income for the period						
before taxation	-	7,606	6,908	5,267	1,206	
Taxation	10	-	-	-	-	
Net income for the period after taxation	-	7.606	6,908	5,267	1,206	
Allocation of net income for the period						
Income already paid on units redeemed		(1,032)	-	(873)	-	
Accounting income available for distribution	-	6,574	6,908	4,394	1,206	
-Relating to capital gains	[-	-][-]	
-Excluding capital gains		6,574	6,908	4,394	-	
	-	6,574	6,908	4,394	1,206	
Earning per unit	12					

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

For UBL Fund Managers Limited (Management Company)

UBL INCOME OPPORTUNITY FUND CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Nine Mont	hs ended	Quarter	ended	
	March 31, 2018	March 31, 2017 (Rupees			
Net income for the period	7,606	6,908	5,267	1,206	
Other comprehensive income for the period	-	-	-	-	
Total comprehensive income for the period	7.606	6,908	5.267	1,206	

The annexed notes 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 INCOME OPPORTUNITY FUND CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

		Nine Months ended		
	Note	March 31, 2018	March 31, 2017	
CASH FLOWS FROM OPERATING ACTIVITIES	Note	(Rupees in	1 '000)	
Net income for the period		7,606	6,908	
Adjustments for:				
Financial income	Г	(11,622)	(12,017)	
Loss on redemption / sale of securities - net		23	471	
Unrealised loss/ (gain) on revaluation of investments classified as:				
'designated at fair value through profit or loss'		285	(391)	
Amortisation of preliminary expenses		190	193	
Reversal of Provision for Workers' Welfare Fund		-	(635)	
Provision for Sindh Workers' Welfare Fund (SWWF) Element of income and capital gains included		153	364	
in prices of units issued less those in units redeemed - net		-	1,328	
	_	(10,971)	(10,687)	
Net cash flows used in operations before working capital changes		(3,365)	(3,779)	
Decrease / (increase) in assets				
Investments		(40,648)	56,704	
Receivable from margin trading system		(247,835)	- (17)	
Advance tax Advances, deposits and other receivables		(285)	(17) (1,400)	
	L_	(288,768)	55,287	
Increase / (decrease) in liabilities				
Payable to the Management Company	Г	323	71	
Remuneration payable to the Trustee		92	9	
Payable to SECP		(36)	20	
Accrued expenses and other liabilities	L	<u>(1,177)</u> (798)	(830) (730)	
			. ,	
Mark-up / interest income received	-	9,265	12,757	
Net cash (used in) / generated from operating activities		(283,666)	63,535	
CASH FLOWS FROM FINANCING ACTIVITIES	_			
Receipts from issuance of units		859,373	197,846 (178,138)	
Payments against redemption of units Net cash generated from financing activities		<u>(310,642)</u> 548,731	19,708	
		0.0,00	10,100	
Net increase in cash and cash equivalent	_		00.040	
during the period Cash and cash equivalents at beginning of the period		265,065 144,616	83,243 91,512	
oush and oush equivalents at beginning of the period	_	144,010	51,512	
Cash and cash equivalents at end of the period	=	409.681	174.755	
CASH AND CASH EQUIVALENTS				
Bank balances	4	409,681	174,755	
	_	409.681	174.755	
	=	-100.001	117.100	

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

For UBL Fund Managers Limited (Management Company)

SD Chief Financial Officer

UBL INCOME OPPORTUNITY FUND CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

		М	Nine months period ender Tarch 31, 2018	d	March 31, 2017
	Capital value	Undistributed income	Unrealised (diminution) / appreciation on re- measurement of investments classified as 'available for sale' - net	Total	Total
Net assets at beginning of the period	167,032	10,334	(Rupees in '000) -	177,366	166,195
Inflow on issuance of 7,634,115 units (2017: 1,783,017 units)					197,846
- Capital value (at net asset value per unit at the beginning of the period)	839,564	-	-	839,564	-
Element of income Relating to other comprehensive income for the period Relating to net income for the period after taxation	- 19,809	-	:	- 19,809	-
Total proceeds on issuance of units Outflow on redemption of 2,763,343 units	859,373	-		859,373	-
(2017: 1,591,424 units)					(178,138)
 Capital value (at net asset value per unit at the beginning of the period) Amount paid out of element of income 	(303,899)	-	-	(303,899)	-
Relating to other comprehensive income for the period Relating to net income for the period after taxation Total payments on redemption of units	- (5,711) (309,610)	- (1,032) (1,032)	-	- (6,743) (310,642)	
Element of loss and capital losses included in prices of units issued less those in units redeemed - net					1,328
Total comprehensive income for the period	-	- 7,606	-	- 7,606	6,908
Distribution during the period Net income for the period less distribution	-	- 7,606	-	- 7,606	- 6,908
Net assets at end of the period	716,795	16,908		733,703	194,139
Refund / adjustment on units as element of income	-	-	-	-	-
Undistributed income brought forward - Realised		9,892		9,892	9,304
- Unrealised		442		442	727 10,031
Accounting income available for distribution - Relating to capital gains	-	-	-	-	-
- Excluding capital gains	-	6,574 6,574	-	6,574 6,574	6,908 6,908
Net income for the period after taxation	-	-	-	-	-
Distribution during the period	-	-	-	-	-
Undistributed income carried forward	-	16,908	-	16,908	16,939
Undistributed income carried forward - Realised	-	17,193		17,193	-
- Unrealised	-	(285) 16,908	-	(285) 16,908	-
			(Rupees)		
Net assets value per unit at beginning of the period			-	109.9753	109.7889

 Net assets value per unit at beginning of the period
 109.9753
 109.7889

 Net assets value per unit at end of the period
 113.1639
 113.8400

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

For UBL Fund Managers Limited (Management Company)

UBL INCOME OPPORTUNITY FUND NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

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 (NBFC Rules). The Fund commenced its operations from March 29, 2013.
- **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, Beaumount Road, Civil Lines, Karachi.
- **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.
- 1.4 The objective of UBL Income Opportunity Fund (UIOF) is to provide a competitive rate of return to its investors by investing in quality TFC's/Sukuks issued by Financial Sector Institutions, Government Securities, Bank Deposits, short term and long term money market instruments.
- 1.5 JCR VIS Credit Rating Company has upgraded management quality rating from AM2++ (stable outlook) to AM1 to the management company as at December 29, 2017.
- **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 PRESENTATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 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, 2017, 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, 2017.
- 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, 2018.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in 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, 2017, except as disclosed in paragraph 3.2.

3.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments 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 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan (SECP) through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised Regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income Statement' and 'Statement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised Regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining period of the net element of income / (losse) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no (S.R.O) no. 756(I)/2017 dated August 3, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs.13.067 million. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund'.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has
 contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be
 measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit
 or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash
 flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely
 payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other
 comprehensive income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses
 recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized
 by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition
 to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

١.	BANK BALANCES	Note	March 31, 2018 (Unaudited) (Rupees	June 30, 2017 (Audited) in '000)
	Saving accounts	4.1	409.681	144,616

4.1 Profit rates on these bank accounts range between 3.9% to 7.6% (June 30, 2017: 3.75% to 7.25%) per annum and these include balances of Rs.4.43 (June 30, 2017: Rs.1.87) million held with United Bank Limited (a related party).

5. INVESTMENTS

4.

Investments by category

Investment in debt securities	5.1	21,886	31,197
Government Securities - Market Treasury Bills	5.2	49,651	-
			-
		71.537	31,197

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

Name of Security	As at July 01, 2017 	Purchased during the period (Number o	Sold / matured during the period f certificates)	As at March 31, 2018	Carrying value as at March 31, 2018 (I	Market value as at March 31, 2018 Rupees in '000) -	Market value as at June 30, 2017	Percentage of total investments	Percentage of net assets
Commercial Banks Standard Chartered Bank Limited									
TFC - (June 29, 2012) Bank AL Habib Limited	1,200	1,400	(2,600)	-	-	-	6,015	0.00%	0.00%
TFC - (March 17, 2016)	2,000	-	-	2,000	10,147	9,992	10,151	45.65%	1.36%
Habib Bank Limited TFC - (February 19, 2016)	150	_	(30)	120	12.020	11.894	15.031	54.35%	1.62%
	150	_	(30)	120	22.167	<u>21.886</u>	<u>31.197</u>	<u> </u>	2.98%

5.1.1 The cost of investment in debt securities, designated at fair value through profit or loss, amount to Rs.22.17 million (June 30, 2017: Rs.30.76 million).

5.1.2 Significant terms and conditions of term finance certificates outstanding as at December 31 are as follows:

Name of securities	Remaining principal (Rupees in '000)	Mark-up rate (per annum)	Issue date	Maturity date
Bank AL Habib Limited - TFC - (March 17, 2016)	9,992	6M KIBOR + 0.75%	March 17, 2016	March 17, 2026
Habib Bank Limited - TFC - (February 19, 2016)	11,990	6M KIBOR + 0.5%	February 19, 2016	February 19, 2026

5.2 Government Securities - 'Designated at fair value through Profit of loss'

Name of Security	As at July 01, 2017 	Purchased during the period (Number	Sold / matured during the period of holdings)	As at March 31, 2018 	Market value as at March 31, 2018 (Market value as at June 30, 2017 Rupees in '000)	Amortized Cost	Percentage of net assets
Market Treasury Bills 3 Months	-	640	(140)	500	49.651		49,655	6.77%

5.2.' The Nominal value of the instrument is Rs. 100,000 each.

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 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. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

		Nete	(Un-audited) March 31, 2018	(Audited) June 30, 2017
		Note	(Rupees	ın '000)
7.	PAYABLE TO MANAGEMENT COMPANY			
	Remuneration payable to the Management Company	7.1	443	243
	Sales tax on management fee	7.2	58	32
	Sales load and other payable		103	6
			604	281

- **7.1** The Management Company has charged remuneration at the rate of 10% of gross earning with a floor of 0.25% of net assets & cap of 1.50% of net assets (June 30, 2017: 1.5% of average net assets). The remuneration is paid to the Management Company on monthly basis in arrears.
- **7.2** The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited) March 31, 2018 (Rupees i	(Audited) June 30, 2017 in '000)
Provision for indirect duties and taxes Provision for Sindh Workers' Welfare Fund (SWWF) Zakat payable Auditors' remuneration Withholding tax payable Tax payable on capital gain on redemption of units Legal expenses and Professional fees Brokerage payable	8.1 8.2	1,597 517 405 234 - 10 5 <u>1</u> 2,769	1,597 365 815 227 765 17 - 7 3,793

8.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 1.597 million (June 30, 2017: Rs. 1.597 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs.1.597 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.25 (June 30, 2017: Re.0.99).

8.2 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 14.2 to the annual financial statements for the year ended June 30, 2017, 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, 2017.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 0.517 million (June 30, 2017: Rs. 0.365 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. 0.08 (June 30, 2017: Re. 0.23).
9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

10 TAXATION

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

11. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.61% as on March 31, 2018 and this includes 0.23% representing government levy, worker's welfare fund and SECP fee.

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. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen 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 / contracted rates.

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the nine month period ended March 31, 2018 are as follows: Other

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
			(Rupee	es in '000)		
Transactions for the nine month						
period ended March 31, 2018 Profit on bank balances		196				
Bank charges	-	196	-	-	-	-
Units issued	- 168.078	5	-	-	- 22.005	399.208
Units redeemed	168,452	-	-	-	11,005	25,990
Central Depository Service expense	-	-	13	-	-	-
Remuneration	1,630	-	335	-	-	-
Sindh sales tax	212	-	-	-	-	-
Transactions for the nine month period ended March 31, 2017						
Profit on bank balances	-	4,469	-	-	-	-
Bank charges	-	6	-	-	-	-
Units issued	-	-	-	-	-	42,000
Units redeemed	-	-	-	-	-	10,000
Central Depository Service expense	-	-	5	-	-	-
Remuneration (including sales tax)	2,522	-	340	-	-	-
Balances as at March 31, 2018						
Units held (in units '000)	-	-	-	-	98	3,317
Units held (Rupees in '000)	-	-	-	-	11,090	375,365
Bank balances*	-	4,427	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	19	- 123	-	-	-
Remuneration including sindh sales tax	501	-	123	-	-	-
Sales load and other payable	103	-	-	-	-	-
Other receivable from management	60					
company						
* These carry profit at the rate ranging from 3.9% to 7.6% per annum						
Balances as at June 30, 2017						
Units held (in units '000)	-	-	-	-	-	999
Units held (Rupees in '000)	-	-	-	-	-	109,865
Bank balances*	-	1,870	-	-	-	-
Remuneration and other payable						
(including Sindh sales tax)	281	-	31	-	-	-
Profit receivable	-	7	-	-	-	-
Other receivables from						
management company	71	-	-	-	-	-
* These carry profit at the rate						

ranging from 4% to 7.5% per annum

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no affect on this condensed interim financial information.

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

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

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

		31 March 2018 (Un-audited)								
			C	arrying amour				Fair v	alue	
	Note	Designated fair value through profit or loss	Available for sale	Loans and receivables	Other financial assets and liabilities (Rupee	Total es in '000)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value Term Finance Certificates	14.1	21.886		<u> </u>		21.886		21.886		21.886
Financial assets not measured at fair value Cash and cash equivalents Advances, deposits and other receivable	14.2 es		-		409.681 4,293 413.974	409,681 4,293 413.974				
Financial liabilities not measured at fair value Pavable to the Management Company Remuneration pavable to the Trustee Accrued expenses and other liabilities	14.2	-		-	604 123 <u>655</u> 1.382	604 123 <u>655</u> 1.382				
			c	arrying amour		017 (Audited	d)	Fair v	alue	
		Designated fair value through profit or loss	C Available for sale	carrving amour Loans and receivables	Other financial assets and liabilities	Total	Level 1	Fair v	alue Level 3	Total
Financial assets measured at fair value Term Finance Certificates		fair value through profit or	Available	Loans and receivables	Other financial assets and	Total	Level 1			Total 31.197
measured at fair value		fair value through profit or loss 	Available	Loans and receivables	Other financial assets and liabilities	Total es in '000)	Level 1	Level 2		

During the period ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

Investments in term finance certificates, 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 rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

14.2 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.

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

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on <u>April 26, 2018</u>.

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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.

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Ernst & Young Ford Rhodes Sidat Hyder & Company,, Chartered Accountants
Bankers	United Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited JS Bank Limited Khushhali Bank Ltd. MCB Bank Limited Samba Bank Limited Silk Bank Limited Silk Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited The Bank of Punjab Zarai Taraqiati Bank Limited National Bank of Pakistan
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	A(f) (JCR-VIS)

UBL GROWTH AND INCOME FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

		(Un-audited) March 31, 2018	(Audited) June 30, 2017
Assets	Note	(Rupees	in '000)
Bank balances	4	878,486	2,891,184
Placements and term deposit receipts	5	-	260,000
Investments	6	532,941	1,867,615
Fair value of derivative asset	-	-	2,090
Advance tax	7	3,399	2,984
Receivable against settlement of spread transactions		-	98,942
Receivable against margin trading system		-	358,681
Profit receivable		14,353	26,822
Advances, deposits, prepayments and other receivables		40,658	263,147
Total assets		1,469,837	5,771,465
Liabilities			
Payable to the Management Company		3,222	8,381
Remuneration payable to the Trustee		222	484
Payable to Securities and Exchange Commission			0.407
of Pakistan (SECP)	0	2,146	3,187
Accrued and other liabilities	8	41,916	52,142
Total liabilities		47,506	64,194
Net assets		1,422,331	5,707,271
Unit holders' funds (as per the statement attached)		1,422,331	5,707,271
Contingencies and commitments	9		
		(Number o	f units)
Number of units in issue	;	16,253,061	67,229,227
		(Rupe	ees)
Net assets value per unit	:	87.5116	84.8927

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----SD--Chief Executive OfficerChief Financial OfficerDirector

UBL GROWTH AND INCOME FUND CONDENSED INTERIM INCOME STATEMENT FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

	Nine months p	period ended	Quarter ended		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Not Income	е	(Rupees	in '000)		
Financial income	182,052	180,746	37,549	74,227	
Income from equity securities (spread transactions)	-	-	-	-	
Net gain / (loss) on investments classified as					
'designated at fair value through profit or loss'	(4.942)	(10,100)	(1.694)	(12,204)	
 Net loss on sale and redemption of investments Net gain from spread transactions 	(4,843) 8,258	(18,180) 15,249	(1,684) 2	(12,204) 14,756	
Not gain nom oprode transactions	0,200	10,210	-	11,700	
- Net unrealised gain on revaluation of investments	846	10,033	880	13,695	
- Unrealised gain on derivatives	-	1,785	-	1,761	
	4,261	8,887	(802)	18,008	
Net capital gain / (loss) on sale and redemption of investments classified as 'available-for-sale'	(13,874)	129	(13,874)	30	
Other income	3,168	1,587	993	643	
Reversal of provision - net	5,833	10,384	1,944	2,122	
Total income	181,440	201,733	25,810	95,030	
_					
Expenses Remuneration of the Management Company	42,919	43,228	8,127	18,392	
Sales tax on management fee	5,579	5,620	1,056	2,391	
Expenses allocated by the Management Company	2,861	2,882	542	1,226	
Remuneration of the Trustee	3,461	3,484	757	1,410	
Annual fee to SECP	2,146	2,161	406	923	
Auditors' remuneration	437	456 379	89	88 50	
Legal and professional charges Brokerage expense	137 1,749	4,051	96 389	3.675	
Custody and settlement charges	1,932	1,007	30	893	
Bank charges and other expenses	444	370	114	117	
Total expenses	61,665	63,638	11,606	29,165	
	119,775	138,095	14,204	65,865	
Element of income and capital income included in					
prices of units issued less those in units redeemed - net	-	113,238	-	47,017	
Reversal of porvision for Workers' Welfare Fund	-	19,151	-	19,151	
Provision for Sindh Workers' Welfare Fund (SWWF)	(2,350)	(9,624)	(276)	(9,624)	
Net income for the period before taxation	117,425	260,860	13,928	122,409	
Taxation 10	-	-	-		
Net income for the period after taxation	117,425	260,860	13,928	122,409	
Allocation of not income for the period					
Allocation of net income for the period: Income already paid on units redeemed	(81,645)	-	(50,525)	-	
Accounting income available for distribution:	35,780	260,860	(36,597)	122,409	
Deleting to conital gains	[]r	ı		0.500	
- Relating to capital gains - Excluding capital gains	- 35,780	- 260,860	- (36,597)	2,582 119,827	
- Excluding capital gains	33,700	200,000	(30,397)	119,027	
	35,780	260,860	(36,597)	122,409	
			<u>· · · · ·</u> _	, , , , , , , , , , , , , , , , , , , ,	

Earnings per unit

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

For UBL Fund Managers Limited (Management Company)

UBL GROWTH AND INCOME FUND CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

	Nine months p	Nine months period ended		er ended	
	March 31,	March 31,	March 31,	March 31,	
	2018	2017	2018	2017	
No	e	(Rupees	in '000)		
Net income for the period after taxation	117,425	260,860	13,928	122,409	
Other comprehensive income:					
Other comprehensive (loss) / income					
for the period	(6,254)	20,851	14,643	55	
Deficit on revaluation of					
available-for-sale' investments transferred to income statement on disposal	-	(129)	-	(106)	
to moome statement on disposal	(6,254)	20,722	14,643	(51)	
Total comprehensive income					
for the period	111,171	281,582	28,571	122,358	

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

For UBL Fund Managers Limited (Management Company)

Chief Executive Officer

 --SD- --SD-

 Executive Officer
 Chief Financial Officer

--SD--Director

UBL GROWTH AND INCOME FUND CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UN-AUDITED)

Net income for the period before taxation117,425260,600Adjustments for: Financial income(182,052)(180,746)Net gain on investments classified as 'designated at fair value through profit or loss' 'nvestments classified as 'available-for-sale'(4,261)(8,887)Net capital loss / (gain) on sale and redemption of investments classified as 'available-for-sale'(13,3874(129)Reversal of provision - net-(113,238)(113,238)Reversal of provision for Workers' Welfare Fund-(113,238)(113,238)Provision for Sinch Workers' Welfare Fund-(113,238)(113,238)Decrease / (increase) in assets260,000(233,000)(173,440)Placements260,000(138,807)(173,440)Advance tax2,990-(1415)(145)Advance tax2,200,594(993,935)(146,655)Advances, deposits, prepayments and other receivables2,260,594(993,935)(Decrease) / increase in liabilities(10,228)(16,688)4,817Payable to the Management Company(5,159)6,721(32,911)Accrued and other liabilities(194,521173,887(10,228)Payable to the finabilities(194,521173,887(10,228)CASH FLOWS FROM FINANCING ACTIVITIES(4,396,111)3,778,702Receipts from issuance do units(1,593,467)(6,875,662)(3,096,960)Net cash queation from of units(2,911,184887,280Cash and cash equivalents at the beginning of the period2,2	CASH FLOWS FROM OPERATING ACTIVITIES	Note	March 31, 2018 (Rupees	March 31, 2017 in '000)
Financial income(182,052)(180,746)Net gain on investments classified as 'available-for-sale'(4,261)(8,887)Net capital loss / (gain) on sale and redemption of investments classified as 'available-for-sale'13,874(129)Reversal of provision or Workers' Welfare Fund-(119,151)Provision for Sindh Workers' Welfare Fund (SWWF)-9,624Element of income and capital income included in prices of units issued less those in units redeemed - net(113,238)(113,238)Decrease / (increase) in assets260,000(1318,807)(173,440)Placements and term deposit receipts(415)-(415)Advance tax(415)-(143,868)Advances, deposits, prepayments and other receivables358,681Advances, deposits, prepayments and other receivables(262)(322,911)(Decrease) / increase in liabilities(5,159)6,721Payable to the Management Company(5,159)(2,720)Remuneration payable to the Trustee(16,688)4,817Pinance income received194,521173,887Net cash generated from / (used in) operating activities(3,06,600)(3,096,960)CASH FLOWS FROM FINANCING ACTIVITIES(4,396,111)3,778,702Receipts from issuance of units(3,096,960)(3,096,960)Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	Net income for the period before taxation		117,425	260,860
Net gain on investments classified as 'designated at fair value through profit or loss' Net capital loss / (gain) on sale and redemption of investments classified as 'available-for-sale'(4,261)(8,887)Net capital loss / (gain) on sale and redemption of investments classified as 'available-for-sale'13,874(129)Reversal of provision - net Reversal of provision for Sindh Workers' Welfare Fund in prices of units issued less those in units redeemed - net-(113,238)Decrease / (increase) in assets(172,439)(322,911)Decrease / (increase) in assets260,000 	Adjustments for:			
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Net capital loss / (gain) on sale and redemption of investments classified as 'available-for-sale'13,874(129)Reversal of provision rot(10,384)(10,384)(10,384)Reversal of porvision for Workers' Welfare Fund-(19,151)Provision for Sindh Workers' Welfare Fund (SWWF)-9,624Element of income and capital income included in prices of units issued less those in units redeemed - net(113,238)(113,238)Decrease / (increase) in assets260,000(233,000)Placements and term deposit receipts Investments(1415)-Advance tax(415)Receivable against settlement of spread transactions98,942(448,635)Receivable against settlement of spread transactions98,942(138,860)Advances, deposits, prepayments and other receivables2,260,594(993,935)(Decrease) / increase in liabilities(22,300)-Payable to the Management Company(5,159) (2,051)6,721Remuneration payable to the Trustee(262)302Payable to SECP(10,226)(22,511)Accrued and other liabilities(19,521)173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES(4,396,111)3,778,702Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (used in) / generated from financing activities(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2	-		(1.001)	(0,007)
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Reversal of provision - net-(10,384)Reversal of porvision for Workers' Welfare Fund-(19,151)Provision for Sindh Workers' Welfare Fund (SWWF)-9,624Element of income and capital income included-(113,238)in prices of units issued less those in units redeemed - net-(113,238)Placements and term deposit receipts260,000(233,000)Investments260,000(173,440)Advance tax(415)-Fair value of derivative asset2,090-Receivable against settlement of spread transactions98,942(448,635)Receivable against settlement of spread transactions98,942(448,635)Receivable against margin trading system358,681-Advances, deposits, prepayments and other receivables222,489(138,860)(10,226)(262)302Payable to the Management Company(5,159)6,721Remuneration payable to the Trustee(10,226)(2,951)(10,226)(1,041)745Accrued and other liabilities(10,226)(2,951)Finance income received194,521173,887Net cash generated from / (used in) operating activities1,563,367(6,875,662)Payments against redemption of units(4,396,111)3,778,702Net (cash (used in) / generated from financing activities(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280			13.874	(129)
Provision for Sindh Workers' Welfare Fund (SWWF)-9,624Element of income and capital income included in prices of units issued less those in units redeemed - net-(113,238)Decrease / (increase) in assets(172,439)(322,911)Placements and term deposit receipts(172,439)(322,911)Placements and term deposit receipts(173,440)(415)Advance tax2,090-Fair value of derivative asset2,090-Receivable against settlement of spread transactions98,942(448,635)Advances, deposits, prepayments and other receivables2,260,594(993,935)(Decrease) / increase in liabilities2,260,594(993,935)Payable to the Management Company(5,159)6,721Remuneration payable to the Trustee(10,226)(2,951)Payable to SECP(10,226)(2,951)Accrued and other liabilities(194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES(5,599,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,881,184887,280	Reversal of provision - net		-	· · ·
Element of income and capital income included in prices of units issued less those in units redeemed - net. (113,238)Decrease / (increase) in assets(172,439)(322,911)Placements and term deposit receipts(172,439)(322,911)Investments260,000(173,440)Advance tax(415)(173,440)Fair value of derivative asset2,090.Receivable against settlement of spread transactions98,942(448,635)Receivable against settlement of spread transactions98,942(448,635)Advances, deposits, prepayments and other receivables222,489(138,860)Quercease) / increase in liabilities2,260,594(993,935)Payable to the Management Company(5,159)6,721Remuneration payable to the Trustee(262)302Payable to SECP(1,041)745Accrued and other liabilities(10,226)(2,951)Finance income received194,521173,887Net cash generated from / (used in) operating activities1,563,3676,875,662CASH FLOWS FROM FINANCING ACTIVITIES(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,881,184887,280	Reversal of porvision for Workers' Welfare Fund		-	(19,151)
in prices of units issued less those in units redeemed - net (113,238) (172,439) (322,911) Decrease / (increase) in assets Placements and term deposit receipts Investments Advance tax (415) Fair value of derivative asset 2,090 Cecrease / increase in cash and cash equivalents (5,000) (233,000) (1,73,440) (415) (173,440) (415) (173,440) (415) (173,440) (415) (173,440) (415) (173,440) (448,635) (2,090 - Receivable against settlement of spread transactions (415) (2,090 - Receivable against settlement of spread transactions (448,635) Receivable against margin trading system Advances, deposits, prepayments and other receivables (122,499 (138,860) 2,260,594 (993,935) (Decrease) / increase in liabilities Payable to the Management Company (5,159) (10,226) (1,041) 745 Accrued and other liabilities (10,226) (10,226) (10,226) (2,951) (16,688) 4,817 Finance income received 194,521 173,887 Net cash generated from / (used in) operating activities (4,396,111) 3,778,702 Net (decrease) / increase in cash and cash equivalents (2,012,698) 2,901,420 (2,991,184 (887,280)			-	9,624
Image: constraint of the second sec	•			(440.000)
Decrease / (increase) in assetsPlacements and term deposit receiptsPlacements and term deposit receiptsInvestmentsAdvance taxFair value of derivative assetReceivable against settlement of spread transactionsReceivable against settlement of spread transactionsReceivable against settlement of spread transactionsAdvances, deposits, prepayments and other receivables222,489(138,860)222,489(138,860)222,489(138,860)222,489(138,860)222,489(138,860)2,260,594(993,935)(Decrease) / increase in liabilitiesPayable to the Management CompanyRemuneration payable to the TrusteePayable to SECP(10,226)(10,226)(10,226)(10,226)(10,226)(10,226)(10,226)(10,227)(16,688)4,817Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIESReceipts from issuance of unitsPayments against redemption of units(14,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,891,184(887,280)	In prices of units issued less those in units redeemed - net		- (172,420)	
Placements and term deposit receipts260,000(233,000)Investments1,318,807(415)Advance tax2,090-Receivable against settlement of spread transactions98,942(448,635)Receivable against margin trading system358,681-Advances, deposits, prepayments and other receivables222,489(138,860)(Decrease) / increase in liabilities222,489(993,935)Payable to the Management Company(5,159)6,721Remuneration payable to the Trustee(262)302Payable to SECP(10,226)(2,951)Accrued and other liabilities(10,226)(2,951)Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES(4,396,111)3,778,702Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	Decrease / (increase) in assets		(172,439)	(322,911)
Investments1,318,807(173,440)Advance tax(415)Fair value of derivative asset2,090Receivable against settlement of spread transactions98,942Receivable against settlement of spread transactions98,942Advances, deposits, prepayments and other receivables222,489Advances, deposits, prepayments and other receivables222,489(138,860)2,260,594Payable to the Management Company(5,159)Remuneration payable to the Trustee(262)Payable to SECP(1,041)Accrued and other liabilities(10,226)Pinance income received194,521Net cash generated from / (used in) operating activities2,383,413Receipts from issuance of units1,563,367Payments against redemption of units(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,4202,891,184887,280			260,000	(233,000)
Fair value of derivative asset2,090Receivable against settlement of spread transactions98,942Receivable against margin trading system358,681Advances, deposits, prepayments and other receivables222,489(138,860)2,260,594(993,935)(993,935)(Decrease) / increase in liabilities(5,159)Payable to the Management Company(262)Remuneration payable to the Trustee(262)Payable to SECP(1,041)Accrued and other liabilities(10,226)Finance income received194,521Net cash generated from / (used in) operating activities2,383,413CASH FLOWS FROM FINANCING ACTIVITIESReceipts from issuance of units(5,959,478)Payments against redemption of units(5,959,478)Net cash (used in) / generated from financing activities(2,012,698)Net (decrease) / increase in cash and cash equivalents(2,012,698)Quital (decrease) / increase in cash and cash equivalents2,891,184887,280			1,318,807	
Receivable against settlement of spread transactions98,942(448,635)Receivable against margin trading system358,681-Advances, deposits, prepayments and other receivables222,489(138,860)Quercease) / increase in liabilities2,260,594(993,935)Payable to the Management Company(5,159)6,721Remuneration payable to the Trustee(262)302Payable to SECP(1,041)745Accrued and other liabilities(10,226)(2,951)Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	Advance tax		(415)	
Receivable against margin trading system358,681 222,489-Advances, deposits, prepayments and other receivables222,489(138,860)Quercease) / increase in liabilities2,260,594(993,935)Payable to the Management Company Remuneration payable to the Trustee(5,159)6,721Quercease) / increase in liabilities(262)302Payable to SECP Accrued and other liabilities(10,226)(2,951)Accrued and other liabilities(10,226)(2,951)Kencure income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period2,891,184887,280			,	-
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(Decrease) / increase in liabilitiesPayable to the Management CompanyRemuneration payable to the TrusteePayable to SECPAccrued and other liabilitiesAccrued and other liabilitiesFinance income received194,521Net cash generated from / (used in) operating activitiesCASH FLOWS FROM FINANCING ACTIVITIESReceipts from issuance of unitsPayments against redemption of unitsNet cash (used in) / generated from financing activities(1,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,4202,891,184887,280	5 5 5 ,			- (138.860)
(Decrease) / increase in liabilitiesPayable to the Management CompanyRemuneration payable to the TrusteePayable to SECPAccrued and other liabilitiesAccrued and other liabilities(10,226)(10,236)(10	Auvances, deposits, prepayments and other receivables		,	(, ,
Payable to the Management Company Remuneration payable to the Trustee(5,159) (262)6,721 302 (262)Payable to SECP Accrued and other liabilities(10,226) (10,226)(2,951) (2,951)Finance income received194,521 (16,688)173,887 (877,282)Net cash generated from / (used in) operating activities2,383,413 (877,282)(877,282)CASH FLOWS FROM FINANCING ACTIVITIES Receipts from issuance of units1,563,367 (5,959,478)6,875,662 (3,096,960)Net cash (used in) / generated from financing activities(4,396,111) (3,778,7023,778,702Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period2,901,420 (2,981,1842,901,420	(Decrease) / increase in liabilities		_,,	(000,000)
Payable to SECP(1,041)745Accrued and other liabilities(10,226)(2,951)(10,226)(10,226)(2,951)(16,688)4,817Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES1,563,3676,875,662Receipts from issuance of units(3,096,960)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280			(5,159)	6,721
Accrued and other liabilities(10,226)(2,951)(16,688)(16,688)4,817Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES2,383,413(877,282)Receipts from issuance of units1,563,3676,875,662Payments against redemption of units(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280			(262)	
(16,688)4,817Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES Receipts from issuance of units1,563,3676,875,662Payments against redemption of units(3,096,960)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period2,891,184887,280	,			-
Finance income received194,521173,887Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES Receipts from issuance of units1,563,3676,875,662Payments against redemption of units(3,096,960)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period2,891,184887,280	Accrued and other liabilities			i
Net cash generated from / (used in) operating activities2,383,413(877,282)CASH FLOWS FROM FINANCING ACTIVITIES Receipts from issuance of units1,563,3676,875,662Payments against redemption of units(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280			(16,688)	4,817
CASH FLOWS FROM FINANCING ACTIVITIESReceipts from issuance of units1,563,3676,875,662Payments against redemption of units(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280			194,521	
Receipts from issuance of units1,563,3676,875,662Payments against redemption of units(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	Net cash generated from / (used in) operating activities		2,383,413	(877,282)
Payments against redemption of units(5,959,478)(3,096,960)Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in) / generated from financing activities(4,396,111)3,778,702Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280	Receipts from issuance of units		1,563,367	6,875,662
Net (decrease) / increase in cash and cash equivalents(2,012,698)2,901,420Cash and cash equivalents at the beginning of the period2,891,184887,280				
Cash and cash equivalents at the beginning of the period 2,891,184 887,280	Net cash (used in) / generated from financing activities		(4,396,111)	3,778,702
Cash and cash equivalents at the beginning of the period 2,891,184 887,280	Net (decrease) / increase in cash and cash equivalents		(2,012,698)	2,901,420
Cash and cash equivalents at the end of the period4878,4863,788,700	· · · · ·			887,280
	Cash and cash equivalents at the end of the period	4	878,486	3,788,700

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 Financial Officer

UBL GROWTH AND INCOME FUND CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UN-AUDITED)

	31 March 2018				31 March 2017
	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'available-for- sale' investments	Total	Total
			(Rupees in '00	0)	
Net assets at beginning of the period	6,184,368	(477,097)		5,707,271	1,735,198
Inflow on issuance of 18,230,048 units					
(2017: 78,512,081 units)	-				
- Capital value (at net assets value per unit at the					
beginning of the period)	1,547,598	-	-	1,547,598	6,658,154
- Element of (loss) / income					
Relating to other comprehensive income for the period	(537)	-	-	(537)	-
Relating to net income for the period after taxation	16,306	-	-	16,306	217,508
Total proceeds on issuance of units	1,563,367	-	-	1,563,367	6,875,662
Outflow on redemption of 69,206,214 units					
(2017: 35,289,415 units)	-		1	1	
- Capital value (at net assets value per unit at the		-	-	-	-
beginning of the period)	(5,875,102)	-	-	(5,875,102)	2,992,691
- Amount paid out of element of income					
Relating to other comprehensive income for the period	6,949	-	-	6,949	-
Relating to net income for the period after taxation	-	(91,325)	-	(91,325)	(6,089,651)
Total payments on redemption of units	(5,868,153)	(91,325)	-	(5,959,478)	(3,096,960)
Element of loss and capital losses included in prices					
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	(113,238)
Total comprehensive income for the period	-	117,425	(6,254)	111,171	281,582
Distribution during the period		-	-	-	-
Net income / (loss) for the period less distribution	-	117,425	(6,254)	111,171	281,582
Net assets at end of the period	1,879,582	(450,997)	(6,254)	1,422,331	5,682,244
ret ussels at end of the period	1,017,002	(100,227)	(0,201)	1,122,001	0,002,211
Undistributed income brought forward					
- Realised	-	(491,263)	-	(491,263)	(485,217)
- Unrealised	-	14,166	-	14,166	4,130
	-	(477,097)	-	(477,097)	(481,087)
Accounting income available for distribution		(,)		(,)	(,)
- Relating to capital gains	-	-	-	-	-
- Excluding capital gains	-	35,780	-	35,780	260,860
	-	35,780	-	35,780	260,860
Undistributed income carried forward	-	(441,317)	-	(441,317)	(220,227)
Undistributed income carried forward					
- Realised	-	(442,163)	-	(442,163)	(232,045)
- Unrealised	-	846	(6,254)	(5,408)	11,818
	-	(441,317)	(6,254)	(447,571)	(220,227)
				(Rupees)-	
Net assets value per unit at beginning of the period				84.8927	84.8042
Net assets value per unit at end of the period				87.5116	89.2258

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 Financial Officer

UBL GROWTH AND INCOME FUND NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Growth and Income 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 21 December 2004 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 02 March 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, Beaumount 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 02 March 2006. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

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.

JCR - VIS Credit Rating Company has upgraded management quality rating to AM1 (stable outlook) from AM2++ (stable outlook) of the Management Company and the fund rating reaffirmed as A(f) as at December 29, 2017.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

- 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, 2017, 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, 2017.
- 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, 2018.

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 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, 2017, except as disclosed in paragraph 3.2.

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

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter dated August 3, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 68.57 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses
 recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration
 recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made
 at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

		(Un-audited)	(Audited)
BANK BALANCES	Note	31 March	30 June
		2018	2017
		(Rupees	in '000)
In current accounts	4.1	50	50
In saving accounts	4.2	878,436	2,891,134
		878,486	2,891,184

- 4.1 This represents balance with United Bank Limited, Holding Company of Management Company.
- 4.2 Profit rate on saving accounts ranges between 3.50% to 7.00% (June 30, 2017: 3.75% to 7.25%) per annum. These include a balance of Rs.4.72 (June 30, 2017: Rs.16.29) million and a balance of Rs.408.89 (June 30, 2017: Rs.152.92) million held with United Bank Limited and Khushhali Bank Limited respectively (related parties).

5. TERM DEPOSIT RECEIPT

Commercial b	anks
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4.

Opening balance	260,000	-
Acquired during the period	615,000	260,000
Matured during the period	(875,000)	-
	<u> </u>	260,000

6. INVESTMENTS

Designated at fair value through profit or loss

- Investments in debt securities			
Quoted debt securities	6.1	66,776	233,511
Unquoted debt securities	6.1	466,165	671,364
- Government securities	6.2	-	251,675
- Quoted equity securities (spread transactions)	6.3	-	470,160
	—	532,941	1,626,710
- Pre-IPO placements	6.4	-	-
	—	532,941	1,626,710
Available-for-sale			
- Investments in debt securities			
Quoted debt securities	6.5	-	-
Unquoted debt securities	6.5	-	-
- Preference shares	6.6	-	-
- Quoted equity security	6.7	-	45,658
- Commercial paper	6.8	-	195,247
			240,905

532,941

1,867,615

6.1 Designated at fair value through profit or loss - Investment in debt securities (term finance certificates and sukuk certificates of Rs.5,000 each, unless otherwise stated)

Name of Investee Company	Note	As at 01 July 2017	Purchased / acquired during the year	Sold / matured during the year	Written off during the year	As at 31 March 2018	Carrying value as at 31 March 2018	Market value as at 31 March 2018	Market value as at 30 June 2017	Percentage of total investment	Percentage of net assets
			(Nu	mber of certifica	tes)			(Rupees in '000)			
<u>Quoted</u>											
Textile composite											
Azgard Nine Limited - TFC (20-09-05)	6.1.1	1,000	-	-	-	1,000	-	-	-	-	-
						,					
Commercial banks											
MCB Bank Limited - TFC (20-06-14)		21,300	-	(10,000)	-	11,300	57,187	56,695	107,818	10.64%	3.99%
Bank Alfalah Limited - TFC (20-02-13)		10,100	-	(10,100)	-	-	-	-	51,859	0.00%	0.00%
Soneri Bank Limited - TFC (08-07-15)		13,000	-	(11,000)	-	2,000	10,280	10,081	66,843	1.89%	0.71%
							67,467	66,776	226,520	12.53%	4.70%
Fertilizer		890		(890)					4,474		
Engro Corporation Limited - Sukuk (10-07-14) 3 years		890	-	(890)	-	-	-	-	4,474	-	-
Power generation and distribution											
K-Electric Limited - TFC (13-08-12) 5 years		500	-	(500)	-	-	-	-	2,517	-	-
Total quoted securities							67,467	66,776	233,511	12.53%	4.70%
<u>Unquoted</u>											
Textile composite											
Azgard Nine Limited - PP (04-12-07)	6.1.1	7,000				7,000					
Azgaid Nine Linned - FF (04-12-07)	0.1.1	7,000	-	-	-	7,000	-	-	-	-	-
Household goods											
New Allied Electronics Industries Limited											
- TFC (15-05-07)	6.1.1	18,000	-	-	-	18,000	-	-	-	-	-
New Allied Electronics Industries Limited -											
Sukuk - (03-12-07)	6.1.1	10,000	-	-	-	10,000	-	-	-	-	-
							-	-	-	-	-

Name of Investee Company	Note As at 0	•	Purchased / acquired during the year	Sold / matured during the year	Written off during the year	As at 31 March 2018	Carrying value as at 31 March 2018	Market value as at 31 March 2018	Market value as at 30 June 2017	Percentage of total investment	Percentage of net assets
			(Nu	mber of certifica	tes)			(Rupees in '000)			
Commercial banks											
Bank Al-Habib Limited - TFC (17-03-16)		37,200	-	(37,200)	-	-	-	-	188,805	-	-
JS Bank Limited - TFC (14-12-16)		48,000	-	(39,000)	-	9,000	45,311	44,891	241,713	8.42%	3.16%
JS Bank Limited - TFC (29-12-17)		-	1,000	-	-	1,000	100,000	100,000	-	18.76%	7.03%
Standard Chartered Bank - TFC (29-06-12)		8,300	-	(8,300)	-	-	-	-	41,604	-	-
Habib Bank Limited - TFC (19-02-16)*		500	2,822	(2,750)	-	572	57,299	56,696	50,105	10.64%	3.99%
							202,610	201,587	522,227	37.82%	14.18%
Fertilizer											
Engro Fertilizer Limited - Sukuk (09-07-14)		3,600	-	-	-	3,600	9,765	9,568	14,880	1.80%	0.67%
Dawood Hercules Corporation - Sukuk (17-11-17)		-	890	(450)	-	440	44,000	44,225	-	8.30%	3.11%
							53,765	53,793	14,880	10.10%	3.78%
Inv. Banks / Inv. Cos. / Securities											
Jahangir Siddiqui and Company		-	30,000	-	-	30,000	150,000	152,482	-	28.61%	10.72%
Chemical											
Ghani Gases Limited - Sukuk (02-02-17)*		500	-	(407)	-	93	7,828	7,815	48,396	1.47%	0.55%
Electricity											
WAPDA - TFC (27-09-13)		20,000	-	-	-	20,000	50,425	50,488	64,832	9.47%	3.55%
Leasing companies											
Security Leasing Corporation Limited -	6.1.1	5 000				- 000					
Sukuk (19-09-07) – II	6.1.1	5,000	-	-	-	5,000	-	-	-	-	-
Cable and deteriord and de											
Cable and electrical goods		20		(20)					21.020		
TPL Trakker Limited - Sukuk (13-04-16) **		20	-	(20)	-	-	-	-	21,029	-	-
Total unquoted securities							161 629	166 1/5	671,364	07 479/	32.78%
i otar unquoted securities							464,628	466,165	071,304	87.47%	32.18%
							532,095	532,941	904,875	100.00%	37.48%
* The nominal value of these TFCs and Sukuks are Rs. 1	00 000 each						554,075	334,741		100.00 /6	37.70/0

* The nominal value of these TFCs and Sukuks are Rs. 100,000 each.

** The nominal value of these Sukuks are Rs. 1,000,000 each.

6.1.1 There is no change in the status of no-performing assets as discribed in the note 7.5.1 - 7.5.11 of the annual audited financial statements June 30, 2017 except for:

- Dewan Cement Limited (refer note 6.4)

- Agritech Limited (refer note 6.7)

6.2 Designated at fair value through profit or loss - Government securities (face value of Rs. 100,000 each)

	Name of security		Note	As at 01 July 2017	Purchased during the year (Number	Sold / matured during the year	As at 31 March 2018	Carrying value as at 31 March 2018	Market value as at 31 March 2018 (Rupees in '000)	Market value as at 30 June 2017	Percentage of total investment	Percentage of net assets
	Ijarah Sukuk			2,500	(1 \uiiibei -	(2,500)	-	-	(Rupees in '000) -	251,675	- -	-
6.3	Quoted equity securities (spread transactions)			,						,		
6.3.1	Quoted equity securities											
	Name of investee company	As at 1 July 2017	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at 31 March 2018	Cost / Carrying value as at 31 March 2018	Market value as at 31 March 2018	Appreciation / (Diminution) as at 31 March 2018	Market value as at 30 June 2017	Market value as percentage of net assets	Market value as percentage of total investments
			(Numl	per of shares) -				(Rupees in '00	0)			
	Unless stated otherwise, the holdings are in ordi	nary shares of Rs.	10 each.									
	Insurance Adamjee Insurance Company Limited	-	2,000		(2,000)	-	-	-	-	-	-	-
	Engineering Amreli Steels Limited Crescent Steel and Allied Products Limited International Steels Limited	80,000	2,000 1,000 3,135,500		(2,000) (1,000) (3,215,500)	- -	-			10,231		
	Cable and electrical goods								·	10,201		
	Pak Elektron Limited	719,000	3,131,000		(3,850,000)	-	-	-	-	79,320	-	-
	Fertilizer											
	Engro Fertilizers Limited	42,000	660,000		(702,000)	-	-	-	-	2,320	-	-
	Engro Corporation Limited	3,500	168,500		(172,000)	-	-	-	-	1,141	-	-
	Fatima Fertilizer Company Limited	-	67,000		(67,000)	-	-	-	-	-	-	-
	Fauji Fertilizer Bin Qasim Limited	23,500	513,000		(536,500)	-	-	-	-	1,007	-	-
	Fauji Fertilizer Company Limited	332,000	614,000		(946,000)	-				27,436		
								-		31,904		
	Technology and communication Pakistan Telecommunication Company Limited	-	407,000		(407,000)	-	-	-	-	-	-	-
	Power generation and distribution											
	K-Electric Limited*	1,383,000	7,076,500		(8,459,500)	-	-	-	-	9,543	-	-
	Hub Power Company Limited	16,000	107,500		(123,500)	-	-	-	-	1,879	-	-
	Kot Addu Power Company Limited	4,000	66,000		(70,000)	-				288		
							-	-		11,710	-	
	Cement											
	D.G. Khan Cement Company Limited	126,500	325,000	-	(451,500)	-	-	-	-	26,965	-	-
	Fauji Cement Company Limited	192,500	747,500	-	(940,000)	-	-	-	-	7,898	-	-
	Maple Leaf Cement Factory Limited	80,500	890,500	-	(971,000)	-	-	-	-	8,964	-	-
	Power Cement Limited	31,000	723,500	-	(754,500)	-	-	-		415		
							-			44,242		

Dewan Cement Limited Provision									6.4.1	77,778 (77,778)	83,611 (83,611)
-										2018 (Rupees	2017 in '000)
Pre-IPO placements									Note	(Un-audited) 31 March	(Audited) 30 June
* Par value of Rs. 3.5 each											
Total - 30 June 2017						472,090	470,160	(1,930)	18.85%	25.17%	0.79%
Total - 31 March 2018						<u> </u>	<u> </u>	-	470,160	<u> </u>	-
						<u> </u>	-	-	24,102	-	-
Gul Ahmed Textile Mills Limited	-	4,000	-	(4,000)	-	-	-	-	-	-	-
Nishat (Chunian) Limited Nishat Mills Limited	112,500 115,500	725,000 850,500	-	(837,500) (966,000)	-	-	-	-	5,774 18,328	-	-
Textile composite											
······································		_,		(_,)		-	-	-	62,607	-	-
Pakistan Petroleum Limited	443,000	2,000	-	(1,077,500) (2,000)	-	-	-	-	- 02,007	-	-
Oil and gas exploration companies Oil and Gas Development Company	445,000	632,500	_	(1,077,500)				_	62,607		
Engro Foods Limited	107,000	804,500	-	(911,500)	-	-	-	-	12,999	-	-
Food and personal care products											
Oil and gas marketing companies Pakistan State Oil Company Limited	238,500	699,000	-	(937,500)	-	-	-	-	92,383	-	-
						<u> </u>			20,703		-
National Bank of Pakistan	48,000	1,415,000	-	(1,463,000)	-			<u> </u>	2,832		-
MCB Bank Limited	-	1,000	-	(1,000)	-	-	-	-	-	-	-
Habib Bank Limited	-	1,000	-	(1,000)	-	-	-	-	-	-	-
Faysal Bank Limited	36,500	120,500	-	(157,000)	-	-	-	-	821	-	-
Bank of Punjab Limited	1,137,000	10,961,000	-	(12,098,000)	-	-	-	-	13,394	-	-
Askari Bank Limited Bank Alfalah Limited	111,500 35,000	4,484,000 423,500	-	(4,595,500) (458,500)	-	-	-	-	2,249 1,407	-	-
Commercial banks											
Refinery Attock Refinery Limited	209,000	1,850,500	-	(2,059,500)	-	-	-	-	79,959	-	-

6.4.1 This represents Pre-IPO disbursement to Dewan Cement Limited (the company) made on 14 January 2008, at a profit rate of 6 month KIBOR plus 2% per annum on the date of disbursement i.e. 12.04% per annum. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement. However, the company has not yet arranged the IPO. The Management Company decided to suspend mark-up on this investment from 29 October 2008 and has recorded full provision against this investment (including principal and interest) in accordance with the Circular No. 01 of 2009 (as amended by circular 33 of 2012), issued by SECP.

6.4

Till 31 March 2018, the company has paid Rs. 36.38 million including Rs. 5.83 million received during the year, accordingly provision of Rs. 27.22 million has been reversed including Rs. 5.83 million pertaining to current year.

6.5 Available-for-sale - Investment in debt securities

(Term Finance Certificates and sukuk certificates of Rs.5,000 each)

Name of Investee Company	Note	As at 01 July 2017	Purchased during the year	Sold / matured during the year	Written off during the year	As at 31 March 2018	Carrying value as at 31 March 2018	Market value as at 31 March 2018	Market value as at 30 June 2017	Percentage of total investment	Percentage of net assets
			(Num	ber of certific	ates)			(Rupees in '00	0)		
Quoted											
Textile composite Azgard Nine Limited - TFC (20-09-05) Azgard Nine Limited - TFC (17-05-10)	6.1.1 6.1.1	21,150 10,000	-	- -	-	21,150 10,000	-	-	-	-	-
Investment banks Trust Investment Bank Limited - TFC (04-07-08)	6.1.1	23,877	-	-	-	23,877	-		-		-
Total quoted securities									-	-	
Unquoted											
Household goods New Allied Electronics Industries - TFC (15-05-07)	6.1.1	13,000	-	-	-	13,000	-	-	-	-	-
Chemicals											
Agritech Limited - PP (14-01-08)	6.1.1	147,000	-	-	-	147,000	-	-	-	-	-
Agritech Limited - PP (30-11-07)	6.1.1	58,000	-	-	-	58,000	-	-	-	-	-
Agritech Limited - Sukuk (06-08-08)	6.1.1	3,800	-	-	-	3,800	-	-	-	-	-
Agritech Limited - Sukuk (01-07-11)	6.1.1	36,267	-	-	-	36,267	-	-	-	-	-
Textile composite							-	-	-	-	-
Azgard Nine Limited - PP (04-12-07)	6.1.1	33,000	-	-	-	33,000	-	-	-	-	-
Azgard Nine Limited - (28-06-12) - [Zero Coupo	6.1.1	20,476	-	-	-	20,476	-	-	-	-	-
Leasing companies							-	-	-	-	-
Security Leasing Corporation Limited - Sukuk (19-09-07) - II	6.1.1	15,000	-	-	-	15,000	_	_	_	-	_
Security Leasing Corporation Limited - PP (28-03-06)	6.1.1	19,000	_	-	-	19,000	-	-	-	-	_
,						,,			-	-	
Total unquoted securities							-	-	-	-	-
Total available for sale debt securities								<u> </u>			<u> </u>

6.6 Investment in preference shares

6.8

Name of security	Note	As at 01 July 2017	Purchased during the year	Sold during the year	As at 31 March 2018	Carrying value as at 31 March 2018	Carrying value as at 30 June 2017	Percentage of total investment	Percentage of net assets
			(Number	r of shares)		(Rupees	in '000)		
Quoted Azgard Nine Limited	6.6.1	200,000	_	_	200,000	-	-	-	-
						-	-	-	-

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

6.7 Quoted equity security (Ordinary shares having face value of Rs. 10 each)

Name of security	Note		Acquired / bonus shares received during the year (Number o	·	As at 31 March 2018	Market value As at 31 March 2018 (Rupees	Market value As at 30 June 2017 5 in '000)	Percentage of total investment	Percentage of net assets	Percentage of investee capital
Chemicals Agritech Limited		5,084,430	-	5,084,430	-		45,658			
Commercial paper									(Un-audited) 31 March 2018 (Rupees	(Audited) 30 June 2017 in '000)
JS Global Capital Limited Pak Electron Limited									-	97,289 97,958 195,247

6.9 Circular No. 16 dated 07 July 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified for the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in the annual accounts of the Fund. The table below gives the details of such non compliant investments.

	Name of non-compliant investment	Type of investment	Note	Value of investment before provision	Provision held / net impairment made	Value of investment after provision	% of net assets	% of gross assets	
					(Rupees	s in '000)			
	Azgard Nine Limited	Preference shares		850	(850)	-	-	-	
	Property - held for sale	Real estate		12,000	(12,000)	-	-	-	
6.10	Details of non-compliant investme	ents							
	Jahangir Siddiqui and Co. Ltd.	Term finance certificates	6.1	152,482	-	-	10.72%	10.37%	
	JS Bank Limited	Term finance certificates	6.1	144,891	-	-	10.19%	9.86%	
							Note	(Un-audited) 31 March 2018	(Audited) 30 June 2017
								(Rupees	in '000)
6.11	PLACEMENT								
	Leasing company - unsecured						6.11.1	49,430	49,430
	Provision for impairment							(49,430)	(49,430)
									-

6.11.1 This represents placement with a Leasing Company (the company). The Fund entered into a restructuring agreement with the company on June 29, 2012 whereby the outstanding amount was settled partly through transfer of 13 memberships of a club aggregating to Rs.23.050 million (subsequently disposed off) whereas the remaining amount would be paid in 368 weekly instalments of Rs.204,167 which commenced from February 01, 2012. As per the said agreement, no interest is payable on the outstanding balance by the company. The company defaulted on the weekly payment due on July 07, 2014. Accordingly, provision has been recorded against the remaining principal amount.

6.12 PROPERTY - HELD FOR SALE

Property - held for sale	6.12.1	12,000	12,000
Less : Provision for diminution in value of property		(12,000)	(12,000)

6.12.1 This represents property acquired in a partial settlement of a placement with a leasing company under the settlement agreement dated July 12, 2012. The Securities and Exchange Commission of Pakistan vide its letter no. SCD/AMCW/MF/JD-VS/UGIF/324/2011 has provided 'no objection' for this settlement transaction. The Fund was required to dispose of the property within one year of the acquisition which has been further extended till June 30, 2018 by SECP vide its letter no. SCD/AMCW/UBLFML/96/2017 dated October 10, 2017. However, as the management is facing difficulty in seeking buyer for the property at reasonable prices in present condition, it has recorded full provision against the carrying value of the property.

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 150, 150(A), 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. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

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

As disclosed in note 17.2 to the annual financial statements for the year ended June 30, 2017, 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 17.2 to the annual audited financial statements for the year ended June 30, 2017.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 9.45 million (June 30, 2017: Rs. 7.101 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. 0.58 (June 30, 2017: Re. 0.11).

8.2 **Provision for indirect taxes and duties**

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 24.23 million (June 30, 2017: Rs. 24.359). 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, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 24.359 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re.1.49 (June 30, 2017: Re.0.36).

9 CONTINGENCIES AND COMMITMENTS

9.1 **Contingency**

There were no contingencies as at March 31, 2018 and June 30, 2017.

9.2 **Commitments**

	Un-audited	Audited
Note	31 March	30 June
	2018	2017
	(Rupees	in '000)

Derivative future stock contracts

475,735

10. TAXATION

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

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

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.68% as on March 31, 2018 and this includes 0.27% representing government levy, worker's welfare fund and SECP fee.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- 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

				Ma	arch 31, 2018 (U	Jn-audited)			
			Carryi	ng amount	,		Fair	value	
		Designated at fair value through profit or loss	Available-for- sale	Other financial assets / financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note		(R	upees)			(Ruj	oees)	
Financial assets measured at fair value				•					
Equity securities		-	-	-	-	-	-	-	-
Debt securities	13.1	532,941	-	-	532,941	-	532,941	-	532,941
		532,941	-	-	532,941	-	532,941	-	532,941
Financial assets not measured at fair value	13.2								
Bank balances	15.2			878,486	878,486				
Other receivables		-	-	40,658	40,658				
Ould receivables			-	919.144	919.144				
				,					
Financial liabilities not measured at fair value	13.2								
Payable to the Management Company		-	-	3,222	3,222				
Remuneration payable to the Trustee		-	-	222	222				
Accrued and other liabilities		-	-	5,001	5,001				
		-	-	8,445	8,445				
					June 30, 2017 (Audited)			
			<i>c</i> ·		June 00, 201 7 ((Iuuiteu)	E.t.		
			Carryn	ng amount			Fair	value	
		Designated at	Carryn	ng amount			Fair	value	
		Designated at fair value	Carryn	ng amount Other financial			Fair	value	
		fair value	·	Other financial assets / financial			Fair	value	
		fair value through profit or loss	Available for sale	Other financial assets / financial liabilities	Total	Level 1	Level 2	Level 3	Total
		fair value through profit or loss	Available for sale	Other financial assets / financial				Level 3	
Financial assets measured at fair value		fair value through profit or loss	Available for sale (R	Other financial assets / financial liabilities			Level 2	Level 3	
Equity securities		fair value through profit or loss 470,160	Available for sale (R 45,658	Other financial assets / financial liabilities	515,818	515,818	Level 2 (Ruj	Level 3	515,818
Equity securities Debt securities		fair value through profit or loss 470,160 904,875	Available for sale (R	Other financial assets / financial liabilities	515,818 904,875	515,818	Level 2 (Ruj - 904,875	Level 3	515,818 904,875
Equity securities Debt securities Government securities		fair value through profit or loss 470,160 904,875 251,675	Available for sale (R 45,658	Other financial assets / financial liabilities upees)	515,818 904,875 251,675	515,818 - -	Level 2 (Ruj 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675
Equity securities Debt securities		fair value through profit or loss 470,160 904,875	Available for sale (R 45,658	Other financial assets / financial liabilities	515,818 904,875 251,675 2,090	515,818	Level 2 (Ruj - 904,875	Level 3	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675
Equity securities Debt securities Government securities Derivative asset		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers		fair value through profit or loss 470,160 904,875 251,675 2,090	Available for sale 45,658 - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers Other receivables		fair value through profit or loss 470,160 904,875 251,675 2,090 1,628,800	Available for sale 45,658 - - 45,658 - - - - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247 339,613	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers Other receivables Financial liabilities not measured at fair value		fair value through profit or loss 470,160 904,875 251,675 2,090 1,628,800	Available for sale 45,658 - - 45,658 - - - - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247 339,613 3,686,044	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers Other receivables Financial liabilities not measured at fair value Payable to the Management Company		fair value through profit or loss 470,160 904,875 251,675 2,090 1,628,800	Available for sale 45,658 - - 45,658 - - - - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247 339,613 3,686,044 8,381	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers Other receivables Financial liabilities not measured at fair value Payable to the Management Company Remuneration payable to the Trustee		fair value through profit or loss 470,160 904,875 251,675 2,090 1,628,800	Available for sale 45,658 - - 45,658 - - - - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247 339,613 3,686,044 8,381 484	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090
Equity securities Debt securities Government securities Derivative asset Financial assets not measured at fair value Bank balances Placements and term deposit receipt Commercial papers Other receivables Financial liabilities not measured at fair value Payable to the Management Company		fair value through profit or loss 470,160 904,875 251,675 2,090 1,628,800	Available for sale 45,658 - - 45,658 - - - - -	Other financial assets / financial liabilities upees)	515,818 904,875 251,675 2,090 1,674,458 2,891,184 260,000 195,247 339,613 3,686,044 8,381	 515,818 - - 2,090	Level 2 (Rug 904,875 251,675	Level 3 Dees)	515,818 904,875 251,675 2,090

During the period ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

Investments in term finance and sukuk certificates, 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 rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

13.2 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.

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, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.
- 14.2 Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.
- 14.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 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 as at March 31, 2018 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
			(Rupe	es in '000)		
Transactions for the period						
ended March 31, 2018 (Un-audited)						
Profit on bank balances	-	19,388	-	-	-	-
Units issued	50,000	-	-	-	1	447,658
Units redeemed	264,853	485,830	-	-	6,383	1,200,471
Bank charges	-	23	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	226,916	-	-
Remuneration	42,919	-	3,461	-	-	-
Sales tax on management fee	5,579	-	-	-	-	-
Expenses allocated by	,					
the Management Company	2,861	-	-	-	-	-
Central Depository Service charges	-	-	539	-	-	-
Transactions for the period						
ended March 31, 2017 (Un-audited)						
Profit on Bank balances	-	15,814	-	-	-	-
Bank charges	-	25	-	-	-	-
Units issued	118,000	769,440	-	-	20,281	-
Units redeemed	-	667,565	-	-	10,070	-
Purchase of securities	-	498,962	-	1,031,137	-	-
Sale of securities	-	258,681	-	514,536	-	-
Remuneration	43,228	-	3,484	-	-	93
Sales tax on management fee	5,620	-	-	-	-	-
Expenses allocated by						
the Management Company	2,882	-	-	-	-	-
Central Depository Service charges	-	-	10	-	-	-

	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, 2018 (Un-audited)										
Units held (units in '000)	-	-	-	-	1	2,297				
Units held (Rupees in '000)	-	-	-	-	88	201,014				
Bank balances *	-	413,605	-	-	-	-				
Deposits	-	-	100	-	-	-				
Profit receivable - bank balances	-	2,496	-	-	-	-				
Remuneration payable	2,480	-	222	-	-	-				
Expenses allocated by										
the Management Company	542	-	-	-	-	-				
Sales load and other payable	200	-	-	-	-	-				

* These carry profit ranging between 3.75% to 7% per annum.

* These carry pront ranging between 5.75% to 79	⁶ per annum.								
	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties			
			(Rupees in 000's)						
Balances held as at June 30, 2017 (Audited)									
Units held (number of units in '000)	2,475	13,215	-	-	76	7,597			
Units held (Rupees in '000)	210,131	1,121,850	-	-	6,427	644,936			
Bank balances *	-	169,204	-	-	-	-			
Deposits	-	-	100	-	-	-			
Profit receivable - bank balances	-	1,123	-	-	-	-			
Remuneration payable	7,296	-	484	-	-	-			
Expenses allocated by									
the Management Company	902	-	-	-	-	-			
Sales load and other payable	183	-	-	-	-	-			

15. GENERAL

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 26, 2018 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

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.

Management Company	UBL Fund Managers Limited					
Trustee	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					
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)					
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants					
Bankers	United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Limited National Bank of Pakistan					
Management Co.Rating	AM1 (JCR-VIS)					

Condensed Interim Statement of Assets and Liabilities

As at 31 March 2018

	Note	31 March 2018 (Unaudited) (Rupees i	30 June 2017 (Audited) in '000)	
Assets				
Bank balances	4	1,120,788	1,364,025	
Term deposit receipt	5	-	250,000	
Investments	6	1,255,625	1,028,541	
Fair value of derivative asset		3,241	-	
Receivable against sale of equity shares		139,736	-	
Profit and dividend receivable		11,502	11,198	
Deposits, prepayments and other receivables		36,627	15,946	
Advance tax	7	1,073	1,202	
Preliminary expenses and floatation costs		79	229	
Total assets		2,568,671	2,671,141	
Liabilities Payable to the Management Company Payable to Central Depository Company of Pakistan Limited - Trustee Payable to Securities and Exchange Commission of Pakistan Payable against purchse of equity shares Accrued expenses and other payables Total liabilities Net assets	8	4,836 312 1,658 187,721 30,096 224,623 2,344,048	6,825 350 2,283 - 26,763 36,221 2,634,920	
Unit holders' fund (as per the statement attached)		2,344,048	2,634,920	
Contingency and commitment	9	-	-	
		(Number)		
Number of units in issue		17,140,377	19,550,460	
		(Rup	ees)	
Net assets value per unit		136.7559	134.7753	

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

For UBL Fund Managers Limited (Management Company)

Condensed Interim Income Statement (Unaudited)

For the nine months period and quarter ended 31 March 2018

	Note	Nine months pe		Quarter ended 31 March	
		31 Mar 2018	2017	2018	2017
			(Rupees ir		
Income Financial income		67.844	72.059	18,975	23.043
Net capital (loss) / gain on sale of investments		(114,225)	104,351	(3,529)	49,407
Dividend income		40,032	27,079	11,887	5,685
Net unrealised gain / (loss) on revaluation of investments		10,002	21,017	11,007	2,002
classified as 'at fair value through profit or loss'	6.6	1,618	100,283	51,889	(4,743)
Other income		205	25	8	-
Total (loss) / income		(4,526)	303,797	79,230	73,392
Expenses					
Remuneration to the Management Company		17,449	17,083	5,116	6,315
Sindh Sales Tax on the Management Company's remuneration		2,268	2,221	665	798
Allocation of expenses relating to the Fund		1,745	1,708	512	613
Allocation of Selling and Marketing Expenses		6,980	325	2,046	325
Remuneration of the Central Depository Company					
of Pakistan Limited - Trustee		2,820	2,779	857	972
Annual fee to Securities and Exchange					
Commission of Pakistan		1,658	1,623	486	583
Auditors' remuneration		438	418	84	81
Brokerage expenses		1,608	3,811	580	1,352
Amortisation of preliminary expenses and floatation costs		150	148	49	49
Bank chares and other expenses Total expenses		1,023 36,139	1,360 31,476	<u>192</u> 10,587	240 11,328
1 otal expenses		30,133	51,470	10,387	11,528
Net element of (loss) / income and capital (losses) / gain					
included in prices of units issued less those in units redeemed		-	54,809	-	58,491
*					
Reversal of porvision for Worker's Welfare Fund		-	5,947	-	5,947
Provision for Sindh Worker's Welfare Fund		-	(10,444)	-	(10,444)
Net (loss) / income for the period before taxation		(40,665)	322,633	68,643	116,058
···· (·····) / ·························		(,,	- ,		
Taxation	10	-	-	-	-
Net (loss) / income for the period after taxation		(40,665)	322,633	68,643	116,058
Allocation of net (loss) / income for the period after taxation					
Net (loss) / income for the period		(10 665)	322,633	68,643	116,058
		(40,665)	522,055	00,043	110,058
- Income already paid on units redeemed		-	-	-	-
		(40,665)	322,633	68,643	116,058
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
			-		-

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

For UBL Fund Managers Limited (Management Company)

--SD--Chief Financial Officer --SD--Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period and quarter ended 31 March 2018

	Nine months po 31 Mai		Quarter o 31 Mai	
	2018	2018 n '000)	2017	
Net (loss) / income for the period after taxation	(40,665)	322,633	68,643	116,058
Other comprehensive income for the period:				
Items that are or may be reclassified subsequently to income statement				
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	29,042	-	28,843	
Total comprehensive (loss) / income for the period	(11,623)	322,633	97,486	116,058

The annexed notes 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

Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2018

	Nine months po 31 Mai	
	2018	2017
	(Rupees in	n '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	(40,665)	322,633
Adjustments for:		
Financial income	(67,844)	(72,059)
Net capital (loss) / gain on sale of investment	114,225	(104,351)
Dividend income	(40,032)	(27,079)
Net unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'	(1,618)	(100,283)
Amortisation of preliminary expenses and floatation costs	(1,018)	(100,283)
Reversal of porvision for worker's Welfare Fund	150	(5,947)
Provision for Sindh Worker's Welfare Fund		(3,947)
Net element of (loss) / income and capital (losses) / gain included in	_	10,444
prices of units issued less those in units redeemed	_	(54,809)
prices of units issued less those in units redeemed	4,881	(353,936)
Net cash flows used in operations before working capital changes	(35,784)	(31,303)
Working capital changes		
(Increase) / decrease in assets		
Investments	(310,649)	413,362
Term deposit receipt	250,000	-
Advance tax	129	-
Fair value of derivative asset	(3,241)	-
Receivable against sale of equity shares	(139,736)	-
Deposits, prepayments and other receivables	(20,681)	(16,685)
	(224,178)	396,677
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,989)	1,123
Payable to Central Depository Company of Pakistan Limited - Trustee	(38)	69
Payable to Securities and Exchange Commission of Pakistan	(625)	6
Payable against purchse of equity shares	187,721	-
Accrued expenses and other payables	3,333	8,205 9,403
	100,402	9,405
Profits and dividend received	107,572	120,968
Net cash flows generated from / (used in) operating activities	36,012	495,745
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	1,281,808	1,946,644
Payments on redemption of units	(1,561,057)	(1,319,574)
Net cash flows (used in) / generated from financing activities	(279,249)	627,070
Cash and cash equivalents at beginning of the period	1,364,025	573,858
Cash and cash equivalents at end of the period	1,120,788	1,696,673
CASH AND CASH EQUIVALENTS		
Bank Balances	1,120,788	1,696,673
	1,120,700	2,070,075

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

For UBL Fund Managers Limited (Management Company)

--SD--Director

Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited)

For the nine months period ended 31 March 2018

For the nine months period ended 31 March 2018			31 March 2017		
	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'available-for- sale' investments	Total	Total
			(Rupees in '000)	
Net assets at beginning of the period	2,164,205	470,715	-	2,634,920	1,826,109
Inflow on issuance of 9,570,075 units (2017: 14,620,729 units)					
 Capital value (at net asset value per unit at the beginning of the period) Element of income / (loss) 	1,289,811	-	-	1,289,811	1,814,286
Relating to other comprehensive Income for the period	6,414			6,414	-
Relating to net loss for the the period after taxation	(14,417)	-	-	(14,417)	132,358
Total proceeds on issuance of units	1,281,808	-		1,281,808	1,946,644
Outflow on redemption of 11,980,158 units (2017: 10,008,985 units) - Capital value (at net asset value per unit at the beginning of the period)	(1,614,631)	-	-	(1,614,631)	1,242,015
 Amount paid out of element of income Relating to other comprehensive Income for the period 	(1,466)			(1,466)	_
Relating to net loss for the the period after taxation	55,040	-	-	55,040	(2,561,589)
Total payments on redemption of units	(1,561,057)	-	-	(1,561,057)	(1,319,574)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-			-	(54,809)
Total comprehensive income for the period	-	(40,665)	29,042	(11,623)	322,633
Distribution during the period	-	- (10,002)			-
	-	(40,665)	29,042	(11,623)	322,633
Net assets at end of the period	1,884,956	430,050	29,042	2,344,048	2,721,003
Undistributed income brought forward					
- Realised	-	409,093	-	409,093	166,973
- Unrealised	-	61,622	-	61,622	94,793
۸	-	470,715	-	470,715	261,766
Accounting income available for distribution - Relating to capital gains	_	-	-	_	
- Excluding capital gains	-	-	-	-	-
	-	-	-	-	-
Net (loss) / income for the period after taxation	-	(40,665)	29,042	(11,623)	322,633
Distribution during the period	-	-	-	-	-
Undistributed income carried forward	-	430,050	29,042	459,092	584,399
Undistributed income carried forward					
- Realised	-	428,432	-	428,432	484,116
- Unrealised	-	1,618	29,042	30,660	100,283
	-	430,050	29,042	459,092	584,399
				(]	Rupees)
Net assets value per unit at beginning of the period				134.7753	124.0900
Net assets value per unit at end of the period				136.7559	140.7800
real for the first of the period				2001007	11011000

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

For UBL Fund Managers Limited (Management Company)

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months period and quarter ended 31 March 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Asset Allocation 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 29 May 2013 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 20 August 2013.

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, Beaumount 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 (IPO) on 19 August 2013. 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 earn competitive return by investing in various asset classes/instruments based on the market outlook.

JCR - VIS Credit Rating Company has upgraded management quality rating from AM2++ (stable outlook) to AM1 to the management company as at December 29, 2017.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

- 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, 2017, 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, 2017.
- 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, 2018.

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 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 annual published audited financial statements of the Fund for the year ended June 30, 2017, except as disclosed in paragraph in note 3.3.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of all units outstanding on the accounting date, net element of income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Distribution Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

- 3.4 As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its lette dated 3 August 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.
- 3.5 Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 45.37 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.
- 3.6 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 3.7 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option

A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option.

- All other debt instruments must be measured at FVTPL.

4

All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

			31 March	30 June
		Note	2018	2017
			(Unaudited)	(Audited)
			(Rupees in	ι '000)
4	DANIZ DATANGEG			
4	BANK BALANCES			

4.1 Profit rate on these bank accounts ranges from 3.50% to 6.90% (30 June 2017: 4.0% to 6.6%) per annum.

5 TERM DEPOSIT RECEIPT

	Commercial bank			250,000
6	INVESTMENTS			
	Designated at fair value through profit or loss			
	- Investment in Govt. securities	6.1	-	-
	- Investment in debt securities	6.2	171,603	6,483
	- Quoted equity securities	6.3	371,918	1,022,058
			543,521	1,028,541
	Available-for-sale			
	- Quoted equity securities	6.4	495,396	-
	Spread Transactions			
	- Quoted equity securities	6.5	216,708	-
			1,255,625	-

6.1 Government securities - designated at fair value through profit or loss

	Yield	Maturity up to	As at 01 July 2017	Purchased during the year	Sold / matured during the year	As at 31 March 2018	Cost / carrying value as at 31 March 2018	Market value as at 31 March 2018	Percentage of total investments	Percentage of net assets
				(Number of	f Holdings)			(Rug	pees in '000)	
Treasury Bills - 3 months	-	-	-	72,090	(72,090)	-	-	-	-	-
Treasury Bills - 6 months	-	-	-	1,030	(1,030)	-				
								-		

6.2 Investment in debt securities - Designated at fair value through profit or loss

tet value as at 30 June 2017	Percentage of total investments	Percentage of net assets
(Rupees in '000)		
6,483	0.40%	0.22%
-	1.12%	0.60%
-	12.14%	6.51%
6,483	13.66%	7.33%
	June 2017 6,483 - -	June 2017 investments 6,483 0.40% - 1.12% - 12.14%

* The cost of these investments is Rs. 169.043 million (30 June 2017: Rs. 6.429 million).

* Significant terms and conditions of term finance certificates outstanding as at 31 March 2018 are as follows:

Name of securities	Remaining principal (Rupees in '000)	Mark-up rate (per annum)	Issue date	Maturity date
WAPDA TFC (27-9-13)	2,500	6 Months KIBOR +1%	27-Sep-13	27-Sep-21
Dawood Hercules Corporation Limited (17th Nov 2017)	100,000	3 Months KIBOR +1%	17-Nov-17	16-Nov-22
Jahangir Siddiqui and Company (18th July 2017)	5,000	6 Months KIBOR +1.4%	18-Jul-17	18-Jul-22
Quoted equity securities - Designated at fair value through profit or loss 6.3

Name of the investee company												Paid up capital of
	Note	As at 01 July 2017	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at 31 March 2018	Cost / carrying value	Market value	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	investee company (with face value of investment)
				(Number of share	s)			- (Rupees in '000)			(%)	
Unless stated otherwise, the holdings are in ordinary shares	of Rs. 10 e	ach.										
OIL AND GAS EXPLORATION COMPANIES												
Mari Petroleum Company Limited		45,730	-	-	(45,730)	-	-	-	-	-	-	-
Oil and Gas Development Company Limited		194,200	49,400		(26,400)	217,200	30,759	37,810	7,051	3.01%	1.61%	0.01%
Pak Oil Fields Limited		-	9,500		(9,500)	-	-		-	-	-	-
Pakistan Petroleum Limited		211,400	1,600	-	(55,500)	157,500	23,348 54,107	33,522 71,332	10,174 17,225	2.67% 5.68%	1.43% 3.04%	0.01%
OIL & GAS MARKETING COMPANIES								,				
Pakistan State Oil Company Limited	6.3.2	77,600	15,000	17,020	(62,500)	47,120	15,550	15,149	(401)	1.21%	0.65%	0.01%
POWER GENERATION & DISTRIBUTION												
Hub Power Company Limited		270,300	135,000) -	(182,500)	222,800	25,627	22,391	(3,236)	1.78%	0.96%	0.02%
K-Electric Limited *		1,300,000	-	-	(1,300,000)	-				0.00%	=	
							25,627	22,391	(3,236)	1.78%	0.96%	0.02%
CHEMICALS												
ICI Pakistan Limited		25,700	-	-	(4,650)	21,050	23,040	17,921	(5,119)	1.43%	0.76%	0.02%
Engro Polymer & Chemicals Limited		788,000	84,000	-	(535,000)	337,000	12,218	12,014	(204)	0.96%	0.51%	0.05%
							35,258	29,935	(5,323)	2.39%	1.27%	0.07%
FERTILIZER					(70, 100)	100,400	24.020	22.076	(0.52)			
Engro Corporation Limited	6.3.1	143,800 650,000	44,000 120,000		(78,400) (227,000)	109,400	34,838 30,153	33,876 37,516	(962) 7,363	2.70% 2.99%	1.45% 1.60%	0.02% 0.04%
Engro Fertilizers Limited	0.3.1	650,000	120,000	-	(227,000)	543,000	64,991	71,392	6,401	5.69%	3.05%	0.04%
							01,077	.1,0,2				010070
CEMENT		12 000			(22.000)	20.000	6.050	2.007	(2210)	0.000	0.1.00	0.020
Attock Cement Pakistan Limited		42,000 112,000	-	-	(22,000)	20,000 162,000	6,053 26,818	3,807 20,785	(2,246) (6,033)	0.30% 1.66%	0.16% 0.89%	0.02% 0.09%
Cherat Cement Company Limited Kohat Cement Company Limited		-	50,000 79,000		-	79,000	16,435	20,785	(3,756)	1.00%	0.89%	0.05%
Pioneer Cement Limited		-	52,400		(52,400)				(3,750)	-	0.54%	-
D.G Khan Cement Company Limited	6.3.1	174,900	-	-	(160,900)	14,000	2,984	2,284	(700)	0.18%	0.10%	0.00%
Lucky Cement Limited		58,200	15,000	-	(73,200)	-			-	-	-	
							52,290	39,555	(12,735)	3.15%	1.69%	0.16%
AUTOMOBILE PARTS & ACCESSORIES												
Indus Motor Company Limited		7,000	-	-	(7,000)	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited		31,600	-	-	(31,600)	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited		31,850	-	-	(31,850)	-	-	-	-	-	-	-
Thal Limited		48,300	-	-	(10,750) (47,600)	37,550	22,756	19,363	(3,393)	1.54%	0.83%	0.09%
Agriauto Industries Limited		47,600	-	-	(47,600)	-	22,756	19,363	(3,393)	1.54%	0.83%	0.09%
									(0,010)			
INVESTMENT BANKS/INVESTMENT COMPANIES/ SECURITIES COMPANIES												
Pakistan Stock Exchange Limited		524,833	-	-	(524,000)	833	21	22	1	0.00%	0.00%	0.00%
Arif Habib Limited		246,500	-	-	(246,500)	-			-	-	-	-
							21	22	1	0.00%	0.00%	0.00%
COMMERCIAL BANKS Habib Bank Limited		101,300	73,000		(171,700)	2,600	648	552	(96)	0.04%	0.02%	0.00%
Allied Bank Limited		495,000		-	(57,000)	438,000	39,254	43,130	3,876	3.43%	1.84%	0.00%
Bank Alfalah Limited		150,000	150,000) -	(140,000)	160,000	6,468	8,453	1,985	0.67%	0.36%	0.01%
Faysal Bank Limited	6.3.2	628,500	-	150	(627,500)	1,150	23	30	7	0.00%	0.00%	0.00%
MCB Bank Limited		188,200	-	-	(188,200)	-	-	-	-	-	-	-
United Bank Limited**	6.3.1	183,400	96,300) -	(150,600)	129,100	28,721	26,968	(1,753)	2.15%	1.15%	0.01%
							75,114	79,133	4,019	6.29%	3.37%	0.06%

TEXTILE												
Nishat Mills Limited		286,000	-	-	(285,400)	600	95	95	-	0.01%	0.00%	0.00%
Gul Ahmed Textile Mills Limited		432,000	400	-	(432,400)	-	-	-	-	-	-	-
Nishat Chunian Limited		270,000	59,500	-	(329,500)		-	-	-	-	-	-
						_	95	95		0.01%	0.00%	-
ENGINEERING												
Amreli Steels Limited		111,500	18,600	-	(130,000)	100	12	9	(3)	0.00%	0.00%	0.00%
Mughal Iron & Steel Industries		123,000		-	(123,000)		-	_	-	-	-	-
Ittefaq Iron Industries Limited		365,896	152,000	-	(290,000)	227,896	7,153	5,098	(2,055)	0.41%	0.22%	0.17%
Aisha Steel Limited		488,900	-	-	(488,000)	900	18	18	-	-	-	-
							7,183	5,125	(2,058)	0.41%	0.22%	0.17%
							· · · · ·	· · · · ·			·	
FOOD & PERSONAL CARE PRODUCT												
Al Shaheer Corporation Limited		243,500	-	-	(243,500)	-	-	-	-	-	-	-
GLASS & CERAMICS												
Tariq Glass Industries Limited		218,000	-	-	(90,200)	127,800	14,155	13,783	(372)	1.10%	0.59%	0.17%
CABLE AND ELECTRICAL GOODS												
Pak Elektron Limited		205,000	-	-	(205,000)		-	-	-	-	-	-
INSURANCE												
Adamjee Insurance Company Limited		294,500	-	-	(294,500)		-	-				-
PHARMACEAUTICALS												
The Searl Company Limited	6.3.2	28,435	-	4,187	(26,000)	6,622	2,825	2,328	(497)	0.19%	0.10%	0.00%
Highnoon Laboratories Limited		42,952	-	-	(38,000)	4,952	3,101	2,315	(786)	0.18%	0.10%	0.02%
						_	5,926	4,643	(1,283)	0.37%	0.20%	0.02%
Total equity securities designated at fair value throug	yh profit or loss as at	31 March 2018				-	373,073	371,918	(1,155)	29.62%	15.86%	0.85%
	, F 1 1000 uo ut					=	2.0,070		(1,100)			510070
Total equity securities designated at fair value through p	rofit or loss as at 30 J	une 2017				_	960,489	1,022,058	61,569	98.98%	38.79%	
1								,,	. ,			

* Par value of Rs.3.5 each

** This represents investment held in a related party.

- 6.3.1 The above equity securities include shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 35.25 million (June 2017: Rs. 33.092 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.
- 6.3.2 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 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. However, the management of the Fund jointly with other asset management companies and Mutual Fund 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 not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company has withheld the shares equivalent to 5 % of bonus announcement and not deposited in CDC account of department of Income Tax. However, the Fund has included the withheld bonus shares in the portfolio on the basis of the aforementioned stay order.

6.4 Quoted equity securities - Designated at available-for-sale

Name of the investee company

Name of the investee company	Note	As at 01 July 2017	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at 31 March 2018	Cost / carrying value	Market value	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	Paid up capital of investee company (with face value of investment)
				(Number of share	es)			- (Rupees in '000)			(%)	
Unless stated otherwise, the holdings are in ordinary sha	ares of Rs. 10 e	ach.										
CEMENT												
Cherat Cement Company Limited		-	118,000	-	-	118,000	14,940	15,139	199	1.21%	0.65%	0.07%
Kohat Cement Company Limited		-	134,400		-	134,400	19,841	21,570	1,729	1.72%	0.92%	0.09%
Lucky Cement Limited		-	1,500		(1,500)	-	-	-	-	0.00%	-	-
D.G. Khan Cement Company Limited	6.3.1	-	17,500		-	17,500	2,631	2,852	221	0.23%	0.12%	0.00%
Pioneer Cement Limited		-	104,000		(65,000)	39,000	3,579	2,732	(847)	0.22%	0.12%	0.02%
Fauji Cement Company Limited		-	15,000	-	-	15,000	462 41,453	439 42,732	(23)	0.03%	0.02%	0.00%
CHEMICALS												
Engro Polymer & Chemicals Limited		-	200,000	-	-	200,000	5,979	7,130	1,151	0.57%	0.30%	0.03%
FERTILIZER												
Engro Fertilizers Limited	6.3.1	-	376,500		-	376,500	24,665	26,012	1,347	2.07%	1.11%	0.03%
Engro Corporation Limited		-	97,800	-	(10,000)	87,800	26,747	27,187	440	2.17%	1.16%	0.02%
							51,412	53,199	1,787	4.24%	2.27%	0.05%
ENGINEERING												
Amreli Steels Limited		-	98,000	-	(5,500)	92,500	8,601	8,513	(88)	0.68%	0.36%	0.03%
AUTOMOBILE PARTS & ACCESSORIES												
Honda Atlas Cars (Pakistan) Limited		-	2,400	-	(2,400)	-	-				-	-
OIL AND GAS EXPLORATION COMPANIES			2 400			2 100	5.044	5 004	(222)	0.40%	0.010	0.000
Mari Petroleum Company Limited Pakistan Petroleum Limited		-	3,400		-	3,400	5,366	5,034	(332)	0.40%	0.21%	0.00%
Pak Oil Fields Limited		-	20,000 143,600		(48,550)	20,000 95,050	4,027 53,575	4,257 61,836	230 8,261	0.34% 4.92%	0.18% 2.64%	0.00% 0.04%
rak On Ficius Linnieu		-	145,000	-	(48,550)	95,050	62,968	71,127	8,201	4.92% 5.66%	3.03%	0.04%
OIL AND GAS MARKETING COMPANIES												
Pakistan State Oils Limited		-	48,200	-	(2,000)	46,200	14,221	14,853	632	1.18%	0.63%	0.01%
INSURANCE												
Adamjee Insurance Company Limited		-	423,500	-	-	423,500	23,900	24,563	663	1.96%	1.05%	0.12%
COMMERCIAL BANKS			245.000		(120.200)	215 500	20 7 60	15 5 61	5 000	2.510	1.05%	0.01%
Habib Bank Limited		-	345,000		(129,300)	215,700	39,768	45,761	5,993	3.64%	1.95%	0.01%
Bank Alfalah Limited			475,000		-	475,000	21,714	25,094	3,380	2.00%	1.07%	0.03%
Allied Bank Limited	622		208,500		- (120,000)	208,500	19,311	20,531	1,220	1.64%	0.88%	0.02%
Faysak Bank Limited MCB Bank Limited	6.3.2	-	120,000 30,000		(120,000) (30,000)	18,000	403	475	72	0.04% 0.00%	0.02%	0.00%
United Bank Limited**	6.3.1	-	139,800		(5,000)	134,800	25,958	28,158	2,200	2.24%	1.20%	0.01%
United Bank Limited	0.5.1	-	159,800	-	(3,000)	134,800	107,154	120,019	12,200	9.56%	5.12%	0.01%
POWER GENERATION & DISTRIBUTION												
Pakgen Power Limited		-	446,000	-	-	446,000	9,114	9,491	377	0.76%	0.40%	0.12%
Lalpir Power Limited		-	563,000	-	-	563,000	11,788	11,958	170	0.95%	0.51%	0.15%
Saif Power Limited		-	3,356,500	-	-	3,356,500	96,036	97,339	1,303	7.75%	4.15%	0.87%
Hub Power Company Limited		-	343,000	-	-	343,000	33,728	34,472	744	2.75%	1.47%	0.03%
							150,666	153,260	2,594	12.21%	6.53%	1.17%
Total equity securities designated at available-for-sale a	s on 31 March	2018					466,354	495,396	29,042	39.45%	21.13%	1.70%
Total equity securities designated at available for sale as or	n 30 June 2017						-	-		-	-	-
** This represents investment held in a related party.												

** This represents investment held in a related party.

6.5 Quoted equity securities (spread transactions)

6.5.1 Quoted equity securities

Name of the investee company

Name of the investee company	Note As at 01 July 2017	Purchased during the period	Bonus / Right issue during the period	Sold during the A period	As at 31 March 2018	Cost / carrying value	Market value	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											
Oil and Gas Development Company Limited	-	71,000	-	(71,000)	-	-				-	-
OIL & GAS MARKETING COMPANIES											
Sui Norther Gas Pipelines Company Limited	-	300,000	-	(200,000)	100,000	11,276	11,283	7	0.90%	0.48%	0.02%
FERTILIZER											
Engro Fertilizers Limited	-	400,000	-	(400,000)	-	-	·	·	<u> </u>		-
CEMENT											
Cherat Cement Company Limited	-	376,500	-	(163,000)	213,500	14,913	14,477	(436)	1.15%	0.62%	0.12%
Maple Leaf Cement Factory Limited	-	295,000	-	-	295,000	21,388	20,865	(523)	1.66%	0.89%	0.05%
Pioneer Cement Limited		300,000	-	-	300,000	21,195	21,021	(174)	1.67%	0.90%	0.13%
D.G Khan Cement Company Limited	-	74,500	-	-	74,500	12,155	12,146	(9)	0.97%	0.52%	0.02%
						69,651	68,509	(1,142)	5.45%	2.93%	0.32%
TEXTILE											
Nishat Mills Limited	-	300,000	=	(150,000)	150,000	23,723	23,777	54	1.89%	1.01%	0.04%
Nishat Chunian Limited	-	1,990,000	-	(990,000)	1,000,000	50,772	51,510	738	4.10%	2.20%	0.42%
						74,495	75,287	792	5.99%	3.21%	0.46%
ENGINEERING											
Aisha Steel Limited	-	750,000	-	(500,000)	250,000	5,100	5,058	(42)	0.40%	0.22%	0.03%
REFINERY											
Attock Refinery Limited	-	12,000	-	(12,000)	-	-	-	-		-	-
CABLE AND ELECTRICAL GOODS											
Pak Elektron Limited	-	1,418,500	-	(167,000)	1,251,500	59,214	56,571	(2,643)	4.51%	2.41%	0.25%
Total equity securities sperad transactions as at 31 March 2018	8					219,736	216,708	(3,028)	17.25%	9.25%	1.08%
Total equity securities designated at fair value through profit or los	ss as at 30 June 2017										

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

	Nine months period ended				
	31 March	31 March			
Unrealized gain on value of investments	2018	2017			
classified as 'at fair value through profit or loss'	(Unaudited)				
	(Rupees)	in '000)			
Market value of investments	763,470	1,036,478			
Less: Carrying value of investments	(761,852)	(936,195)			
	1,618	100,283			
	classified as 'at fair value through profit or loss' Market value of investments	Unrealized gain on value of investments 31 March Classified as 'at fair value through profit or loss' 2018 Market value of investments			

7 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 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" 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 150 and 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

8.1 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 16.1 to the annual financial statements for the year ended June 30, 2017, 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, 2017.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 10.804 million (June 30, 2017: Rs. 10.804 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. 0.63 (June 30. 2017: Re. 0.55).

8.2 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 6.272 million (June 30, 2017: Rs. 6.272). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 16.2 to the annual audited financial statements for the year ended June 30, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 6.272 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.37 (June 30, 2017: Re.0.32).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingency

There were no contingencies and commitments outstanding as at 31 March 2018 and June 30, 2017.

9.2 Commitments	Note	31 March 2018 (Rupees i	30 June 2017 n '000)
Derivative future stock contracts	9.2.1	223,083	

9.2.1 This represents investment in future contracts with settlement date of 02 May 2018

10. TAXATION

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

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

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.56% as on March 31, 2018 and this includes 0.18% representing government levy, worker's welfare fund and SECP fee.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

- 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).

On-balance sheet financial instruments

		Carrying amount				Fair value				
	Note	Fair value through profit or loss	Available- for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<u>31 March 2018</u>										
Financial assets measured at fair value Investments in debt securities Quoted equity security		171,603 588,626 760,229	<u> </u>	-	-	171,603 <u>1,084,022</u> 1,255,625	<u>1,084,022</u> 1,084,022	171,603 - 171,603	-	171,603 <u>1,084,022</u> 1,255,625
		700,229	475,570			1,235,025	1,004,022	171,005		1,235,025
Financial assets not measured at fair value Bank balances	13.1			1,120,788		1,120,788				
Profit and dividend receivable		-	-	1,120,788		1,120,788		-	-	
Deposits, prepayments and other receivables		-	-	36,627	-	36,627	-	-	-	
			-	1,168,917	-	1,168,917	-	-	-	-
Financial liabilities not measured at fair value	13.2									
Payable to the Management Company		-	-	-	4,836	4,836	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	312	312	-	-	-	-
Payable to Securities and Exchange							-	-	-	-
Commission of Pakistan		-	-	-	1,658 199,623	1,658 199,623	-	-	-	-
Accrued expenses and other payables			-	-	206,429	206,429		-	-	-
					,	,				
			C	arrying amount	t			Fair v	alue	
		Fair value through profit or loss	Available- for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<u>30 June 2017</u>										
Financial assets measured at fair value Investments in debt securities		6,483	-	-	-	6,483	-	6,483	-	6,483
Quoted equity security		1,022,058	-	-	-	1,022,058	1,022,058	-	-	1,022,058
		1,028,541	-	-	-	1,028,541	1,022,058	6,483	-	1,028,541
Financial assets not measured at fair value										
Bank balances		-	-	1,364,025	-	1,364,025	-	-	-	-
Dividend receivable Profits receivable		-	-	1,478 9,720	-	1,478 9,720	-	-	-	-
Deposits, prepayments & other receivables		-	-	15,946	-	15,946	-	-	-	-
		-	-	1,391,169	-	1,391,169	-	-	-	-
Financial liabilities not measured at fair value										
Payable to the Management Company		-			6,825	6,825	-	-	-	-
Payable to Central Depository Company					2.50	250				
of Pakistan Limited - Trustee Payable to Securities and Exchange		-			350	350	-	-	-	-
of Pakistan Limited - Trustee		-			2,283 8,983	2,283 8,983	-	-	-	-

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. 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, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.
- 14.2 Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.

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

- 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 as at March 31, 2018 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
			(Rupees i	n '000)		
		(For the	e nine months perio	od ended 31 March	2018)	
Transactions during the period						
Profit on saving accounts	-	212	-	-	-	-
Bank charges	-	17	-	-	-	-
Units issued	-	-	-	-	500	-
Units redeemed	-	801,196	-	-	-	-
Purchase of securities	-	292,523	-	-	-	-
Sale of securities	-	31,743	-	-	-	-
Dividend received	-	2,387	-	-	-	-
Selling and marketing expense	6,980	-	-	-	-	-
Remuneration	17,449	-	2,820	-	-	-
Settlement charges	-	-	105	-	-	-
Sales tax on management fee	2,268	-	-	-	-	-
Allocated expenses	1,745	-	-	-	-	-
Balances held			(As at 31 Ma	rch 2018)		
Units held (Number of units in '000)		-	-	-	48	-
Units held (Amount in '000)	-	-	-	-	6,564	-
Bank balances *	-	3,071	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable **	2,161	-	312	-	-	-
Sales load and other payable	117	149	-	-	-	-
Selling and marketing expense payable	2,046	-		-	-	-
Allocated expenses	512	-	-	-	-	-
Profit receivable	-	20	-	-	-	-
Settlement charges payable	-	-	-	-	-	-
Investments	-	-	-	-	-	-

* These carry profit rate of 4% per annum.

** This balance is inclusive of Sindh Sales Tax payable

		(For the ni	ne months period	ended 31 March 2017)	
Transactions during the period						
Units issued	-	265,000	-	-	311,000	-
Units redeemed	56,259	-	-	-	110	-
Profit on savings accounts	-	1,231	-	-	-	-
Bank charges	-	12	-	-	-	-
Purchase of securities	-	541,151	-	-	-	-
Sale of securities	-	36,852	-	1,441,492	-	-
Dividend received	-	1,906	-	-	-	-
Remuneration	17,083	-	2,779	-	-	-
Selling and Marketing Expenses	325	-	-	-	-	-
Settlement Expenses	-	-	133	-	-	
Sales tax on management fee	2,221	-	-	-	-	-
Allocated expenses	1,708	-	-	-	-	-
			- (As at 30 June 20	17 Audited)		
Balances held						
Units held (Number of units in '000)	-	6,185	-	-	114	-
Units held (Amount in '000)	-	833,585	-	-	15,378	-
Bank balances *	-	16,630	-	-	-	-
Remuneration payable **	2,569	-	350	-	-	-
Sales load and other payable	681	184	-	-	-	-
Selling & Marketing Expense Payable	3,105	-	-	-	-	-
Allocated expenses	470	-	-	-	-	-
Profit receivable	-	59	-	-	-	-

43,194

-

-

(Easthe size months period and ad 21 Marsh 2017)

* These carry profit rate of 4% per annum.

Settlement charges payable

Investments

** This balance is inclusive of Sindh Sales Tax payable

15. GENERAL

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 26, 2018 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited (Management Company)

--SD--

Chief Executive Officer

--SD--

--SD--

Director

Chief Financial Officer

USF UBL Stock Advantage Fund

INVESTMENT OBJECTIVE

USF is an open-end equity fund, investing primarly in equities listed on the PSX. The Fund seeks to maximize total returns and outperform it's benchmark by investing in a combination of securities offering long-term capital gains and dividend yield potential.

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Deloitte Yousuf Adil & Co., Chartered Accountants
Bankers	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited National Bank Limited Samba Bank Limited Silk Bank Limited Sindh Bank Limited The Bank of Punjab United Bank Limited
Management Co.Rating	AM1 (JCR-VIS)

UBL STOCK ADVANTAGE FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	(Un-audited) March 31, 2018 (Rupees i	(Audited) June 30, 2017 in '000)
ASSETS			
Bank balances Investments Dividend and profit receivable Receivable against sale of investments Security deposits, prepayments and other receivables Advance tax	4 5 6	1,110,372 6,186,124 56,551 21,116 5,965 2,838	1,025,087 6,994,684 15,250 - 10,578 2,799
Total assets		7,382,966	8,048,398
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company Payable to Central Depository Company of Pakistan Limited - Trustee Payable to Securities and Exchange Commission of Pakistan Payable against purchase of investments Accrued expenses and other liabilities	7	22,265 762 4,844 - 101,224	27,435 830 6,176 3,943 138,091
Total liabilities		129,095	176,475
Net Assets		7,253,871	7,871,923
Unit Holders' Fund (As Per Statement Attached)		7,253,871	7,871,923
CONTINGENCIES AND COMMITMENTS	8		
		(Number o	of units)
Number of Units in Issue		97,895,260	103,258,930
		(Rupe	ees)
Net Asset Value Per Unit		74.10	76.23
Face Value per Unit		100	100

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 Financial Officer

UBL STOCK ADVANTAGE FUND CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018

		Nine months p	period ended	Quarter ended		
	-	March 31,	March 31,	March 31,	March 31,	
		2018	2017	2018	2017	
	Note	(Rupees	in '000)	(Rupees i	n '000)	
INCOME						
Profit on bank deposits		38,946	17,787	12,013	7,411	
(Loss) / gain on sale of securities - net		(388,964)	697,934	(119,406)	391,100	
Dividend income		229,003	166,133	60,220	59,924	
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value						
through profit or loss - net	5.1	(246,358)	852,247	621,298	(31,904)	
	-	(367,373)	1,734,101	574,125	426,531	
EXPENSES				·		
	r		,	ı r		
Remuneration of UBL Fund Managers Limited - Management Company		101,972	89,420	33,376	37,802	
Sindh sales tax on remuneration of Management Company		13,256	11,625	4,339	4,915	
Allocated expenses		5,099	4,471	1,669	1,890	
Selling and marketing expenses		20,395	929	6,676	-	
Remuneration of Central Depository Company of Pakistan Limited - Trustee		6,610	5,901	2,165	2,415	
Annual fee - Securities and Exchange Commission of Pakistan		4,844	4,247	1,586	1,795	
Listing and rating fee		21	40	7	14	
Auditors' remuneration		378 7,923	386 42,580	80	89 10,822	
Brokerage and settlement charges Legal and professional charges		240	42,380	2,266 43	50	
Printing expense		21	22	4	-	
Bank and other charges	l	159	112	39	38	
Total expenses	-	160,918	160,217	52,250	59,830	
Net operating (loss) / income for the period		(528,291)	1,573,884	521,875	366,701	
Element of income / (loss) and capital gains / (losses) included						
in prices of units issued less those in units redeemed - net	3.6	-	215,736	-	(18,054)	
Reversal of provison for Workers' Welfare Fund	7.1	-	35,341	-	35,341	
Provison for Sindh Workers' Welfare Fund	7.1	-	(48,738)	-	(48,738)	
Net (loss) / income for the period before taxation		(528,291)	1,776,223	521,875	335,250	
Taxation	9	-	-	-	-	
Net (loss) / income for the period after taxation	-	(528,291)	1,776,223	521,875	335,250	
Allocation of net income for the period						
- Income already paid on units redeemed		-	-	-	-	
Accounting income for the period available for distribution :						
- Relating to capital gains		-	-	-	-	
- Excluding capital gains				-	-	
	-				-	
			-		-	
Earnings per unit	10					

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 Financial Officer

UBL STOCK ADVANTAGE FUND CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018

	Nine months period ended			Quarter ended		
		March 31,	March 31,	March 31,	March 31,	
		2018	2017	2018	2017	
	Note	(Rupees	in '000)	(Rupees	s in '000)	
Net (loss) / income for the period after taxation		(528,291)	1,776,223	264,236	1,104,771	
Other comprehensive income:						
Items that may be reclassified subsequently to income statement						
- Unrealized gain on re-measurement of investments classified as available for sale - net	5.2	247,580	-	226,032	-	
Total comprehensive (loss) / income for the period	:	(280,711)	1,776,223	490,268	1,104,771	

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 UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

			e months period en arch 31.	ded	March 04
			2018		March 31, 2017
			(Rupees in '000)		-
	Capital Value	Undistributed income	Unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' - net	Total	Total
Net assets at beginning of the period	5,734,370	2,137,553	-	7,871,923	3,672,235
Inflow on issuance of 68,076,642 units (2017: 86,158,200 units)					6,215,111
- capital value (at Net assets value per unit at the beginning of the period)	5,189,482	-	-	5,189,482	-
 Element of Income / (loss) relating to other comprehensive income for the period relating to net loss for the period after taxation 	40,945 (390,410)	-	-	40,945 (390,410)	-
Total proceed on issuance of units	4,840,017	-	-	4,840,017	-
Outflow on redemption of 73,440,312 units (2017: 52,538,323 units)					(3,888,719)
 capital value (at Net assets value per unit at the beginning of the period) Element of (loss) / income 	(5,598,355)	-	-	(5,598,355)	-
relating to other comprehensive income for the period relating to net income for the period after taxation	(41,523) 462,520	-	-	(41,523) 462,520	-
Total payments on redemption of units	(5,177,358)	-	-	(5,177,358)	-
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net	-	-	-	-	(215,736)
Total comprehensive income for the period Distribution during the period	-	(528,291)	247,580	(280,711)	1,776,223
Net income / (loss) for the period less distribution	-	(528,291)	247,580	(280,711)	1,776,223
Net assets at end of the period	5,397,029	1,609,262	247,580	7,253,871	7,559,114
Refund / adjustment on units as element of income					
Undistributed income brought forward comprising of: - Realised	_	1,656,899	_	1,656,899	424,178
- Unrealised		480,654		480,654	324,200
Accounting income available for distribution	-	2,137,553	-	2,137,553	748,378
- Relating to capital gains	-	-	-	-	-
- Excluding capital gains	<u> </u>	-	-	-	-
Net (loss) / income for the period after taxation	-	(528,291)	247,580	(280,711)	1,776,223
Distribution during the period	-	-	-	-	-
Undistributed income carried forward - net	<u> </u>	1,609,262	247,580	1,856,842	2,524,601
Undistributed income carried forward comprising of: - Realised	-	1,855,620	-	1,855,620	1,672,354
- Unrealised	<u> </u>	(246,358) 1,609,262	<u>247,580</u> 247,580	1,222 1,856,842	852,247
	L		(Rupees)		
Net assets value per unit at beginning of the period			76.23		62.78
Net assets value per unit at end of the period		7	74.10		85.07

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

For UBL Fund Managers Limited (Management Company)

SD Chief Financial Officer

UBL STOCK ADVANTAGE FUND CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

		Nine months p	eriod ended
		March 31, 2018	March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES	Note	(Rupees i	n '000)
Net (loss) / income for the period before taxation		(528,291)	1,776,223
Adjustments for non-cash charges and other items:			
Profit on bank deposits Loss / (gain) on sale of securities - net Dividend income	5.1	(38,946) 388,964 (229,003)	(17,787) (697,934) (166,133)
Unrealised gain / (loss) on re-measurement of			
investments classified as financial assets at fair value through profit or loss - net	5.2	246,358	(852,247)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	2.0		(245 720)
Reveral of provision for Workers' Welfare Fund	3.6 7.1		(215,736) (35,341)
Provision for Sindh Workers' Welfare Fund	7.1	_	48,738
		367,373	(1,936,440)
		(160,918)	(160,217)
Decrease / (increase) in assets			(4.007.040)
Investments Receivable against sale of investments		420,818 (21,116)	(1,907,840) -
Security deposits, prepayments and other receivables		4,613	285
Advance tax		(39) 404,276	(1.007.226)
Decrease in liabilities		404,276	(1,907,336)
Payable to UBL Fund Managers Limited - Management Company		(5,170)	12,837
Payable to Central Depository Company of Pakistan Limited - Trustee		(68)	401 699
Payable to Securities and Exchange Commission of Pakistan Payable against purchase of investments		(1,332) (3,943)	(171,927)
Accrued expenses and other liabilities		(36,867)	446
		(47,380)	(157,544)
Cash generated generated from / (used in) operations		195,978	(2,225,097)
Profit received on bank deposits Dividend received		37,555 189,093	15,987 125,481
Net cash generated from / (used in) operating activities		422,626	(2,083,629)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units Net payments on redemption of units		4,838,689 (5,176,030)	6,215,111 (3,888,719)
Net cash (used in) / generated from financing activities		(337,341)	2,326,392
Net decrease in cash and cash equivalents during the period		85,285	242,763
Cash and cash equivalents at the beginning of the period		1,025,087	417,923
Cash and cash equivalents at the end of the period		1,110,372	660,686

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

For UBL Fund Managers Limited (Management Company)

UBL STOCK ADVANTAGE FUND NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

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 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 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 Fund mainly makes investments in a diversified portfolio of shares of listed companies and treasury bills not exceeding 90 days maturity. Under circular 07 dated March 6, 2009 issued by the SECP, the Fund has been categorised by the Management Company as an Equity Fund.

The investment objective of the fund is to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.

JCR-VIS Credit Rating Company Limited has upgraded management quality rating to AM1 (stable outlook) from AM2++ (stable outlook) of the Management Company as on December 29, 2017.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 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, 2017, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended March 31, 2018.
- **2.1.3** 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, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- **3.1** The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2017, except as disclosed in paragraph 3.6.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- **3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- **3.4** The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2017.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund.

3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. The amended regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining period was recognised in the Income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as allowed by the SECP vide their email to MUFAP dated February 08, 2018. Accordingly, the corresponding figures have not been restated.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 72.381 million. However, the change in accounting policy does not have any impact on the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has also resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements. However, Management Company believes that the requirement to disclose allocation of Net income for the year in the income statement showing separately the 'income already paid on units redeemed' and accounting income available for distribution' is not applicable in the period / year when the Fund has incurred loss, accordingly, such allocation has not been disclosed in the Income Statement.

		Note	(Unaudited) March 31, 2018 Rupees	(Audited) June 30, 2017 in '000
4.	BANK BALANCES		·	
	 Profit and loss sharing accounts Current account 	4.1	1,110,255 117	1,013,831 11,256
			1,110,372	1,025,087

4.1 Profit rates on these profit and loss sharing accounts range between 3.50% to 6.90% per annum (June 30, 2017: 3.75% to 6.6% per annum).

		Note	(Unaudited) March 31, 2018 Rupees i	(Audited) June 30, 2017 i n '000
5.	INVESTMENTS Equity Securities			
	- At fair value through profit or loss - Held for trading - Available for sale	5.1 5.2	3,567,407 2,618,717	6,994,684 -
			6,186,124	6,994,684

5.1 Equity securities - Held-for-trading

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

Name of Security	Note	As at July 1, 2017	Purchased / bonus received during the period (Number of	Sold during the period shares)	As at March 31, 2018	Total carrying value as at March 31, 2018	Total market value as at March 31, 2018 (Rupees '000)	Unrealized (loss) / gain	Market value of investment as a percentage of net assets	Market value of investment as a percentage of total investment ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	Investment as a percentage of investees' paid up capital
Quoted investments											
AUTOMOBILE ASSEMBLER Pak Suzuki Motor Company Limited		244,450		240,050	4,400	3,434	2,102	(1,332)	0.03	0.03	C
Indus Motor Company Limited		42,820	-	42,820	-	-	-,	-	-		
Aillat Tractors Limited		48,650	-	6,000	42,650	58,620	54,693	(3,927)	0.75	0.88	(
Ionda Atlas Cars (Pakistan) Limited		184,050	20,200	-	204,250	172,794 234,848	97,493 154,288	(75,301) (80,560)	1.34 2.13	1.58	(
UTOMOBILE PARTS & ACCESSORIES					-						
griautos Industries Limited * 'hal Limited *		76,600 458,000	-	76,600 188,700	- 269,300	- 163,204	- 138,865	- (24,339)	- 1.91	- 2.24	(
nai Linneu		400,000		100,700	200,000	163,204	138,865	(24,339)	1.91	2.24	,
EMENT											
herat Cement Company Limited .G.Khan Cement Co. Limited		1,060,600 881,700	- 50,000	193,500 920,300	867,100 11,400	155,020 2,388	111,249 1,859	(43,771) (529)	1.53 0.03	1.80 0.03	
ucky Cement Company Limited	5.3	390,800	65,000	157,200	298,600	243,098	205,921	(37,177)	2.84	3.33	
auji Cement Co. Limited		704,500	-	704,500		-	-	-	-		
ohat Cement Company Limited ioneer Cement Limited		- 243,900	826,900	- 236,200	826,900 7,700	169,044 1,001	132,710 539	(36,334) (462)	1.83 0.01	2.15 0.01	
		240,000		200,200		570,551	452,278	(118,273)	6.23	11.95	
HEMICALS					-						
ngro Polymer & Chemicals Limited CI Pakistan Limited		3,364,000	395,500	1,276,000	2,483,500	89,823 159,968	88,537 124,428	(1,286)	1.22 1.72	1.43 2.01	(
n r ansláll Lillileu		179,750	-	33,600	146,150	159,968 249,791	124,428 212,965	(35,540) (36,826)	2.94	3.44	(
OMMERICAL BANKS					-	_10,101	212,000	(00,020)	2.04	0.44	
abib Bank Limited		982,500	327,500	676,400	633,600	162,643	134,418	(28,225)	1.85	2.17	
ank Alfalah Limited Ilied Bank Limited		2,469,000 1,859,400	696,000	1,240,000 100,000	1,925,000 1,759,400	77,608 157,677	101,698 173,248	24,090 15,571	1.40 2.39	1.64 2.80	
aysal Bank Limited	5.4	4,691,000	1,221,400	2,715,000	3,197,400	62,788	84,347	21,559	1.16	1.36	
ICB Bank Limited		1,396,600	75,000	1,470,700	900	189	198	9	0.00	0.00	
nited Bank Limited		1,319,300	591,800	1,192,300	718,800	160,713	150,150	(10,563)	2.07	2.43	
NGINEERING					-	621,618	644,059	22,441	0.00	10.41	
ternational Steels		597,500	60,000	235,000	422,500	53,981	48,972	(5,009)	0.68	0.79	
lughal Iron And Steel Industries Limited		914,500	-	912,000	2,500	202	184	(18)	0.00	0.00	
isha Steel Mills Limited lefaq Iron Industries Limited		2,103,900	- 566,000	1,055,000 100,000	1,048,900 466,000	21,336 14,113	21,294 10,424	(42) (3,689)	0.29	0.34 0.17	
ternational Industries Limited		264,600	22,300	172,800	114,100	41,768	32,450	(9,318)	0.45	0.52	
mreli Steels Limited		16,500	-		16,500	2,029	1,518	(511)	0.02	0.02	
ERTILIZER					-	133,429	114,842	(18,587)	0.02	0.02	
ngro Corporation		1,089,600	49,400	302,700	836,300	271,698	258,960	(12,738)	3.57	4.19	(
auji Fertilizer Company Limited		700	-	-	700	58	66	8	0.00	0.00	
ngro Fertilizer Limited	5.3	4,506,500	100,000	2,655,000	1,951,500	107,694	134,829	27,135	1.86	2.18	
OOD & PERSONAL CARE PRODUCTS					-	379,450	393,855	14,405	5.43	14.32	
I-Shaheer Corporation Limited	5.4	1,892,225	-		1,892,225	75,897	57,940	(17,957)	0.80	0.94	
					_	75,897	57,940	(17,957)	0.80	0.94	
ISURANCE damjee Insurance Company Limited		1,702,500	115,000	1,817,500				-			
		1,702,000	110,000	1,017,000	-	-	-		-		
IL & GAS EXPLORATION COMPANIES											
iil & Gas Development Co. Limited ak Petroleum Limited		1,415,200 1,388,500	170,000	368,300 646,900	1,216,900 741,600	172,356 109,861	211,838 157,842	39,482 47,981	2.92 2.18	3.42 2.55	
ak Oilfields Limited		114,900	- 18,500	129,000	4,400	2,009	2,862	47,961 853	0.04	2.55	
ari Petroleum Company Limited		216,990	1,200	7,480	210,710	331,856	311,970	(19,886)	4.30	5.04	
					-	616,082	684,512	68,430	9.44	11.07	
IL & GAS MARKETING COMPANIES akistan State Oils Limited	5.4	617,700	115,240	442,500	290,440	94,336	93,374	(962)	1.29	1.51	
tock Petroleum Limited		181,150	-	85,950	95,200	59,636	54,697	(4,939)	0.75	0.88	
ii Northern Gas Pipelines Co. Ltd		1,031,500	-	693,900	337,600	50,275	38,051	(12,224)	0.52	0.62	
APER & BOARD					-	204,247	186,122	(18,125)	2.57	3.01	
ackages Limited		245,550		245,550							
herat Packaging Limited		545	-	-	545	130	93	(37)	0.00	0.00	
entury Paper & Board Mills Limited		825,500	49,700	-	875,200	85,248	62,017	(23,231)	0.85	1.00	
HARMACEUTICALS					-	85,378	62,110	(23,268)	0.86	1.00	
ne Searle Company Limited	5.4	254,623	29,005	237,400	46,228	17,723	16,254	(1,469)	0.22	0.26	
					_	17,723	16,254	(1,469)	0.22	16.56	
OWER GENERATION & DISTRIBUTION	5.3	2 410 200	200.000	700 000	1 000 200	223,440	101 995	(31 555)	2.65	3 10	
th Power Company Limited	0.0	2,410,200	200,000	700,900	1,909,300	223,440 223,440	191,885 191,885	(31,555) (31,555)	2.65 2.65	3.10 3.10	
ub Power Company Limited					-						
ub Power Company Limited ECHNOLOGY & COMMUNICATION		4 070 500	-	150,000	926,500	70,266	89,518	19,252	1.23	1.45	
		1,076,500			_	70,266	89,518	19,252	1.23	1.45	
CHNOLOGY & COMMUNICATION Instems Limited		1,076,500									
CHNOLOGY & COMMUNICATION stems Limited		2,191,900		1,137,000	1,054,900	167,392	167,613	221	2.31	2.71	
ECHNOLOGY & COMMUNICATION stems Limited EXTILE COMPOSITE shat Mills Limited vhinoor Textile Mills Limited	5.4	2,191,900 4,275			1,054,900 4,275	167,392 449	167,613 301	221 (148)	2.31 0.00	2.71 0.00	
ECHNOLOGY & COMMUNICATION stems Limited EXTILE COMPOSITE shat Mils Limited hiltoror Textile Mills Limited al Ahmed Textile Mills Limited	5.4	2,191,900 4,275 1,208,935	-	- 1,208,935							
ECHNOLOGY & COMMUNICATION stems Limited EXTILE COMPOSITE shat Mills Limited vhinoor Textile Mills Limited	5.4	2,191,900 4,275				449 - -	301 - -	(148) - -	0.00 - -	0.00 - -	
ECHNOLOGY & COMMUNICATION stems Limited EXTILE COMPOSITE shat Mils Limited hiltoror Textile Mills Limited al Ahmed Textile Mills Limited	5.4	2,191,900 4,275 1,208,935	-	- 1,208,935		449			0.00		
CHNOLOGY & COMMUNICATION stems Limited XTILE COMPOSITE hard Mills Limited I Ahmed Textile Mills Limited	5.4	2,191,900 4,275 1,208,935	-	- 1,208,935		449 - -	301 - -	(148) - -	0.00 - -	0.00 - -	

*All shares have nominal face value of Rs.10 each except for the shares of Agriautos Industries Limited & Thal limited both have a face value of Rs. 5 each.

5.2 Equity securities - Available for sale

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

Name of Security		As at July 1, 2017	Purchased/ bonus received during the period	Sold during the period	As at March 31, 2018	Total carrying value as at March 31, 2018	Total market value as at March 31, 2018	Unrealized gain / (loss)	Market value of investment as a percentage of net assets	Market value of investment as a percentage of total investment	Investment as a percentage o investees' paid up capita
	Note		(Number o	f shares)		-	(Rupees '000)			······ % ·····	
uoted investments											
JTOMOBILE ASSEMBLER											
onda Atlas Cars (Pakistan) Limited Ilat Tractors Limited		-	43,300 5,980		43,300 5,980	23,501 7,946	20,668 7,669	(2,833) (277)	0.28	0.33 0.12	
			0,000		5,500	31,447	28,337	(3,110)	0.39	0.46	
JTOMOBILE PARTS & ACCESSORIES					-						
al Limited *		-	29,500		29,500	14,926 14,926	15,212 15,212	286 286	0.21	0.25	
EMENT					-	14,320	13,212	200	0.21	0.20	
tock Cement Company Limited		-	275,000	70,400	204,600	41,328	38,948	(2,380)	0.54	0.63	
nerat Cement Company Limited		-	497,600	-	497,600	60,298	63,842	3,544	0.88	1.03	
G.Khan Cement Co. Limited ruji Cement Co. Limited		-	39,200 75,000	-	39,200 75,000	5,626 2,319	6,394 2,194	768 (125)	0.09	0.10	
hat Cement Company Limited			617,900		617,900	88,289	99,167	10,878	1.37	1.60	
cky Cement Company Limited	5.3		43,350		43,350	24,416	29,895	5,479	0.41	0.48	
oneer Cement Limited		-	179,500	170,000	9,500	905	665	(240)	0.01	0.01	
					-	223,181	241,105	17,924	3.32	3.90	
IEMICALS											
igro Polymer & Chemicals Limited			1,250,000		1,250,000	38,900	44,563	5,663	0.61	0.72	
I Pakistan Limited		-	400		400	317	341	24	0.00	0.01	
					-	39,217	44,904	5,687	0.62	0.73	
DMMERICAL BANKS ied Bank Limited		-	964,500		964,500	89,051	94,974	5,923	1.31	1.54	
bib Bank Limited		-	1,305,500		1,305,500	230,360	276,962	46,602	3.82	4.48	
nk Alfalah Limited		-	4,262,500		4,262,500	177,075	225,188	48,112	3.10	3.64	
ited Bank Limited			845,300	-	845,300	159,521	176,575	17,054	2.43	2.85	
ysal Bank Limited	5.4	-	2,250,550	-	2,250,550	47,349	59,370	12,021	0.82	0.96	
GINEERING					-	703,356	833,069	129,712	11.48	13.47	
ha Steel Mills Limited			250,000		250,000	4,961	5,075	114	0.07	0.08	
reli Steels Limited			1,026,100	-	1,026,100	96,075	94,432	(1,643)	1.30	1.53	
efaq Iron Industries Limited		-	600,000	-	600,000	16,643	13,422	(3,221)	0.19	0.22	
ernational Steels		-	251,300	-	251,300	25,027	29,128	4,101	0.40	0.47	
RTILIZER					-	142,706	142,057	(649)	1.96	2.30	
gro Corporation			501,200	11,400	489,800	145,236	151,667	6,431	2.09	2.45	
gro Fertilizer Limited	5.3	-	775,000	-	775,000	50,801	53,545	2,744	0.74	0.87	
					-	196,037	205,212	9,175	2.83	3.32	
OD & PERSONAL CARE PRODUCTS Shaheer Corporation Limited	5.4		3,500		3,500	98	107	9	0.00	0.00	
	0.4		0,000		-	98	107	9	0.00	0.00	
URANCE					-						
amjee Insurance Company Limited		-	3,226,000	-	3,226,000	180,736	187,108	6,372	2.58	3.02	
					-	180,736	187,108	6,372	2.58	3.02	
& GAS EXPLORATION COMPANIES & Gas Development Co. Limited			422,300		422,300	67,171	73,514	6,343	1.01	1.19	
Petroleum Limited		-	672,300		672,300	133,016	143,092	10,076	1.97	2.31	
k Oilfields Limited		-	546,250	192,200	354,050	195,637	230,331	34,694	3.18	3.72	
ri Petroleum Company Limited		-	16,040	-	16,040	23,858	23,748	(110)	0.33	0.38	
& GAS MARKETING COMPANIES					-	419,682	470,685	51,003	6.49	7.61	
Northern Gas Pipelines Co. Ltd			100,000		100,000	8,326	11,271	2,945	0.16	0.18	
kistan State Oils Limited	5.4	-	289,500		289,500	86,045	93,071	7,026	1.28	1.50	
					-	94,371	104,342	9,971	1.44	1.69	
PER & BOARD			70		70				0.00	0.00	
erat Packaging Limited ntury Paper & Board Mills Limited			73 38,500		73 38,500	9 2,460	12 2,728	3 268	0.00	0.00	
,			00,000			2,469	2,740	200	0.04	0.04	
WER GENERATION & DISTRIBUTION					-	u			u		
Power Company Limited	5.3	-	1,714,500	-	1,714,500	164,750	172,306	7,556	2.38	2.79	
lectric Limited * pir Power Limited		-	11,394,500 1,463,000	1,092,000	10,302,500 1,463,000	65,157 30,584	72,221 31,074	7,064 490	1.00 0.43	1.17 0.50	
igen Power Limited			1,751,000		1,751,000	35,802	37,261	490 1,459	0.43	0.60	
					-	296,293	312,862	16,569	4.31	5.06	
CHNOLOGY & COMMUNICATION					-						
stems Limited		-	279,500	-	279,500	22,933	27,005	4,072	0.37	0.44	
KTILE COMPOSITE					-	22,933	27,005	4,072	0.37	0.44	
hat Mills Limited			25,000		25,000	3,684	3,972	288	0.05	0.06	
			.,			3,684	3,972	288	0.05	0.06	
					-						
tal March 31, 2018					=	2,371,136	2,618,717	247,580			

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

- **5.3** The above equity securities include 1.654 million shares (June 30, 2017: 1,654 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs.1.3679 million (June 30, 2017: Rs. 122.509 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 where by 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 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 aforesaid amendment, withheld shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 17.02 million (June 30, 2017: Rs. 17.6 million) at year end. Such shares have not been deposited by the investee companies in CDC account of income tax department. The Fund has included in its investments the withheld shares and recorded them at fair market value at period end.

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 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" 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 150 and 151 of the Income Tax Ordinance, 2001. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

7.1 Provision for Workers' Welfare Fund (WWF) & Sindh Wokers' Welfare Fund (SWWF)

As disclosed in note 13.2 to the annual financial statements for the year ended June 30, 2017, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 13.2 to the annual audited financial statements for the year ended June 30, 2017.

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 49.389 million (June 30, 2017: Rs. 49.389 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. 0.505 (June 30, 2017: Re. 0.478).

7.2 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at March 31, 2018 amounting to Rs. 45.195 million (June 30, 2017: Rs. 45.195 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 13.1to the annual audited financial statements for the year ended June 30, 2017. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 34.9 million. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.356 (June 30, 2017: Rs. .456).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

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 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 recognized in this condensed interim financial information.

10. EARNINGS PER UNIT

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

11. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 2.37% as on March 31, 2018 and this includes 0.28% representing government levy, Workers' Welfare Fund and SECP fee

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	March 31, 2018				
		Fair	Value		
	Level 1	Level 2	Level 3	Total	
		(Rupees	s in '000)		
Financial assets measured at fair value					
Equity securities	6,186,124	-	-	6,186,124	
	6,186,124	-	-	6,186,124	
		June 3	0, 2017		
		Fair '	√alue		
	Level 1	Level 2	Level 3	Total	
		(Rupee	s in '000)		
Financial assets measured at fair value					
Equity securities	6,994,684	-	-	6,994,684	
	6,994,684	-	-	6,994,684	

- **12.1** 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.
- **12.2** There were no transfers between various levels of fair value hierarchy during the period.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- **13.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.
- **13.2** Transactions with connected persons are in the normal course of business, at agreed / contracted rates.
- **13.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, the NBFC regulations and the Trust Deed respectively.
- **13.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- **13.5** Details of transactions with related parties / connected persons and balances held with them including transactions and balances involving related parties at the Nine month period end March 31, 2018 are as follows:

	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives***	person	connected s / related arties
		1	Nine Month	s Ended March	31, 2018		
			(F	Rupees in '000) -			
Transactions during the period							
Profit on bank deposits	-	2,986	-	-	-		-
Bank charges	-	52	-	-	-		-
Value of units issued	815,646	5,300	-	-	29,827	-	432,654
Value of units redeemed	785,762	-	-	-	27,905	-	375,986
Purchase of securities	-	276,711	-	-	-		-
Sale of securities	-	239,876	-	-	-		-
Dividend received	-	15,810	-	-	-		-
Remuneration (including sales tax)	115,228	-	6,610	-	-		-
Allocation of expenses	5,099	-	-	-	-		-
CDS expenses	-	-	480	-	-		-
Selling and marketing expense	13,719	-	-	-	-		-

	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives***	Other connected persons / related parties
			Nine Month	ns Ended March 3	31, 2017	
			(F	Rupees in '000) -		
Transactions during the period						
Profit on bank deposits	-	2,642	-	-	-	-
Bank charges	-	66	-	-	-	-
Value of units issued	-	424,388	-	-	27,270	-
Value of units redeemed	-	421,816	-	-	8,222	-
Purchase of securities	-	455,730	-	-	-	-
Sale of securities	-	308,682	-	-	-	-
Dividend received	-	16,330	-	-	-	-
Remuneration expense						
(including sales tax)	101,045	-	5,901	-	-	-
Allocation of expenses	4,471	-	-	-	-	-
Selling and markeing expense	929	-	-	-	-	-
CDS expenses	-	-	1,112	-	-	-

	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives***	Other connected persons / related parties
	ъ		As a	t March 31, 2018		
Balances held						
Units held	3,701	72	-	-	425	21,461
			(R	upees in '000) -		
	074 057	5 000			04 504	4 500 000
Units held	274,257	5,328	-	-	31,501	1,590,238
Bank balances Deposits	-	106,003 -	- 100	-	-	-
Investments	-	- 326,725	-	-	-	-
Remuneration payable	- 13,309	520,725	- 762	_		-
Profit receivable	-	354	-	-	-	-
Sales load and conversion						
charges payable	595	23	-	-	-	-
Allocated expenses payable	1,669	-	-	-	-	-
Selling and marketing	,					
expense payable	6,675	-	-	-	-	-
Other Payable	17	-	-	-	-	-
		-				
	Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives***	Other connected persons / related parties
	L		Δς :	at lune 30, 2017		
			,	(01.110 111 0000)		
Balances held						
Units held	3,162	3,012	-	-	367	-
			/6			
			(٢	(upees in 000) -		
Units held	241,355	229,906	-	-	28,013	-
Bank balances	-	145,798	-	-	,	-
Deposits	-	-	100	-	-	-
Investments	-	310,722		-	-	-
Remuneration payable	14,736	-	830	-	-	-
Profit receivable	-	786	-	-	-	-
Sales load and conversion						
charges payable	2,268	296	-	-	-	-
Allocated expenses payable	1,383	-	-	-	-	-
Selling and marketing						
expenses payable						
expenses payable	9,049	-	-	-	-	-

* 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 month 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 month 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.

14. Committed Credit Lines

The Securities and Exchange Commission of Pakistan vide Direction No. 2 of 2017 dated January 13, 2017, had directed all Asset Management Companies to arrange committed credit lines from bank / DFIs for the equity funds and funds equivalent to 10% of its net assets and to review it at least on quarterly basis against net assets of the funds. Accordingly, the Fund has obtained committed credit lines of PKR 725 million which represents 9.99% of net asset of the Fund as at March 31, 2018 at a rate of 3 months KIBOR plus 0.45%. However, the Securities and Exchange Commission of Pakistan vide Direction No. 37 of 2017 dated December 29, 2017 has withdrawn the requirement for asset management to arrange committed credit lines.

15. GENERAL

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

16. DATE OF AUTHORISATION FOR ISSUE

16.1 This condensed interim financial information was authorised for issue on **April 26, 2018** by the Board of Directors of the Management Company.

For UBL Fund Managers Limited (Management Company)

SD Chief Executive Officer SD Chief Financial Officer SD Director

UCPF-III

UBL Capital Protected Fund - III

INVESTMENT OBJECTIVE

The Investment Objective of UBL Capital Protected Fund - III (UCPF-III) is to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA- rated Bank and remaining in equity market or any other SECP permitted investments to provide investors with better returns.

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited
	(for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	BDO Ebrahim & Co. Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited National Bank of Pakistan
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	MFR-2Star (JCRVIS) - 3 Yr Average

UBL CAPITAL PROTECTED FUND - III CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

		(Un-audited) March 31, 2018	(Audited) June 30, 2017
	Note	(Rupees in '000	
ASSETS			
Balances with banks	4	628	1,692
Investments	5	39,254	60,038
Term deposit certificates	6	346,411	356,949
Markup / interest receivable		26,687	9,818
Advance income tax	7	329	276
Dividend receivable		217	66
Preliminary expenses and floatation costs		1,358	1,923
Deposits, prepayments, and other receivables		2,821	2,820
TOTAL ASSETS		417,705	433,582
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	Г	421	5,228
Payable to the Central Depository Company of Pakistan Limited - Trustee		52	52
Payable to the Securities and Exchange Commission of Pakistan		237	136
Accrued expenses and other liabilities	8	470	961
TOTAL LIABILITIES	_	1,180	6,377
NET ASSETS	_	416,525	427,205
Unit Holders' Fund (As Per Statement Attached)	-	416,525	427,205
CONTINGENCIES AND COMMITMENTS	9		
		(Number of	units)
Number of Units in Issue	=	4,132,098	4,265,190
		(Rupees	5)
Net Asset Value Per Unit	=	100.8023	100.1608
The annexed notes 1 to 16 form an integral part of these financial statement	S.		

FOR UBL FUND MANAGERS LIMITED

(Management Company)

--SD--

--SD--

--SD--

Chief Executive Officer

Chief Financial Officer

Director

UBL CAPITAL PROTECTED FUND - III CONDENSED INTERIM INCOME STATEMENT (UN - AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2018

		For the Nine Month Period ended March 31, 2018	Quarter ended March 31, 2018	For the period from January 26 to March 31, 2017
	Note	·	(Rupees in '000)	
INCOME				
Profit on saving accounts with banks		17,563	5,652	4,734
Dividend income		1,122	217	220
Net realised (loss) / gain on sale of investments		(6,073)	(59)	-
Unrealised (loss) / gain on suce of investments		(0,010)	-	
classified as financial assets at fair value through profit or loss - net		(4,811)	2,852	(1,969)
Other income		312	258	(1,000)
TOTAL (LOSS) / INCOME		8,113	8,920	2,986
EXPENSES				
Remuneration of UBL Fund Managers Limited - Management Company		2,370	778	563
Sindh sales tax on remuneration of the Management Company		308	101	73
Remuneration of the Central Depository Company of Pakistan Limited - Truste	ee	464	152	110
Annual fee - Securities and Exchange Commission of Pakistan		237	78	56
Auditors' remuneration		247	42	67
Brokerage and settlement charges		318	128	96
Allocated expenses		316	104	75
Listing and supervisory fees		21	7	18
Bank and other charges		168	32	217
Legal and professional charges		83	42	-
Amortization of preliminary expenses and floatation costs		559	183	-
		5,091	1,647	1,275
Net income from operating activities		3,022	7,273	1,711
Element of income / loss and capital gains / losses				
included in prices of units issued less those in units				
redeemed - net		-	-	0.04
Provision for Sindh Workers' Welfare Fund	8.1	(60)	(60)	(34)
Net income for the period before taxation		2,962	7,213	1,677
Taxation	10			-
Net income for the period after taxation		2,962	7,213	1,677
Allocation of net (loss) / income for the period				
Income already paid on units redeemed		-	-	-
Net income for the period available for distribution		2,962	7,213	1,677
Accounting income available for distribution				
Relating to capital gains		-	-	-
Excluding capital gains		2,962	7,213	1,677
		2,962	7,213	1,677
Earnings per unit	11			_

The annexed notes 1 to 16 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED

(Management Company)

--SD--

UBL CAPITAL PROTECTED FUND - III CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2018

	For the Nine Month Period ended March 31, 2018	Quarter ended March 31, 2018 -(Rupees in '000)	For the period from January 26 to March 31, 2017
Net income for the period after taxation	2,962	7,213	1,677
Other comprehensive income	2,962	7,213	1,677
Unrealised loss on revaluation of investments classified as 'available for sale' - net	(334)	(91)	-
Total comprehensive income	2,628	7,122	1,677

The annexed notes 1 to 16 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 CAPITAL PROTECTED FUND - III CONDENSED INTERIM CASH FLOW STATEMENT (UN - AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2018

FOR THE NINE MONTH FERIOD ENDED MARCH 31, 2016	For the Nine Month Period ended March 31, 2018 (Rupees in	For the period from January 26 to March 31, 2017 '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	2,962	1,677
Adjustments for non-cash charges and other items:		
Profit on saving accounts with banks Dividend income	(17,563) (1,122)	(4,734) (220)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held for trading - net Capital loss on sale of investment- net	4,811 6,073	1,969
Amortization of preliminary expenses and floatation costs	565	-
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net	-	(0.04)
	(7,236)	(2,985)
Decrease / (Increase) in assets		
Investments - net Term deposit receipts Advanced Income Tax	9,566 10,538 (52)	(419,278)
Security deposits, advances and other receivables	(53) (1) 20,050	(263) (5,809) (425,350)
(Increase) / Decrease in liabilities		
Payable to UBL Fund Managers Limited - Management Company Payable to Central Depository Company of Pakistan Limited - Trustee Payable to the Securities and Exchange Commission of Pakistan	(4,807) - 101	6,615 53 56
Accrued expenses and other liabilities	(491) (5,197)	1,941 8,665
Profit received on bank balances and term deposit receipts	694	-
Dividend received Net cash used in from operating activities	971 12,244	500 (417,493)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units Payments against redemption of units	580 (13,888)	424,689 (4,003)
Net cash generated from financing activities Net increase in cash and cash equivalents during the period Cash and cash equivalents at the beginning of the period	(13,308) (1,064) 1,692	420,686 3,193 -
Cash and cash equivalents at the end of the period	628	3,193

The annexed notes 1 to 16 form an integral part of these financial statements.

FOR UBL FUND MANAGERS LIMITED

(Management Company)

UBL CAPITAL PROTECTED FUND - III CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31,2018

		31 March 2017				
	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'available-for- sale' investments	Total	Total	
Net assets at beginning of the period	426,517	688	(Rupees in '000) 	427,205		
Inflow on issuance of 5,810 units (2017: 4,246,885 units) - Capital value (at net asset value per unit at the					[]	
beginning of the period) - Element of loss	582	-	-	582	424,689	
Relating to other comprehensive income for the period Relating to net income for the period after taxation Total proceeds on issuance of units	- (2) 580	-		- (2) 580	424,689	
Outflow on redemption of 138,902 units (2017: 40,028 units)						
 Capital value (at net asset value per unit at the beginning of the period) Amount paid out of element of income 	(13,913)			(13,913)	(4,003)	
Relating to other comprehensive income for the period Relating to net income for the period after taxation	5 20	-	-	5 20	-	
Total payments on redemption of units	(13,888)	-	-	(13,888)	(4,003)	
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-		-	-	
Total comprehensive income for the period Distribution during the period	-	2,962 -	(334) -	2,628 -	1,677 -	
Net assets at end of the period	413,209	2,962	(334)	2,628	422,363	
-			· · ·			
Undistributed income brought forward - Realised - Unrealised	-	1,443 (755)	-	1,443 (755)	-	
Accounting income available for distribution		688	-	688		
- Relating to capital gains	-	-	-	-	-	
- Excluding capital gains	-	2,962 2,962	-	2,962 2,962	1,677 1,677	
Undistributed income carried forward	-	3,650	-	3,650	1,677	
Undistributed income carried forward						
- Realised - Unrealised	-	8,461 (4,811)	(334)	8,461 (5,145)	3,646 (1,969)	
		3,650	(334)	3,316	1,677	
	(Rupees)					
Net assets value per unit at beginning of the period			=	100.1608		
Net assets value per unit at end of the period			=	100.8023	100.4000	

The annexed notes 1 to 16 form an integral part of these financial statements.

For UBL Fund Managers Limited (Management Company)

--SD--Chief Financial Officer

UBL CAPITAL PROTECTED FUND - III NOTES TO THE FINANCIAL STATEMENTS- (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Capital Protected Fund III (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated October 21, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on January 26, 2017 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules
- 1.3 The Fund is a capital protected scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended capital protected scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to protect the principal investment of investors upon maturity by placing the significant portion of trust property as TDR with a minimum AA- rated bank, and remaining in equity market or any other SECP permitted investments to provide investor with better return.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company Limited has assigned Management Quality rating of 'AM2++ to AM1 (stable outlook)' to the Management Company as at December 29, 2017.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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 audited financial statements of the Fund for the year ended June 30, 2017.

- 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, 2017. Since the Fund was launched on January 26, 2017 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 is from period January 26, to March 31, 2017.
- 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, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

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 audited financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed as disclosed in note 3.5 to this condensed interim financial information in conformity with the approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and

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, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2017.

Certain amendments to the approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after 34 July 1, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial informationxcept for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive income), unless the asset is designated at FVTPL under the fair value option
- · All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss.
- The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the Non-Banking 3.5 Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (Amount distributable to unit holders) of the NBFC Regulations. As per the notification, Element of Income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter dated 23 August 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been lower by Rs 0.0267 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

			(UN - AUDITED) March 31, 2018		(AUDITED) June 30, 2017)00)	
		Note	(Rupees i	n '000)		
4	BANK BALANCES					
	Savings accounts		4.1	628	1,692	
			—	628	1,692	
4.1	Profit rates on these savings accounts range between 3.75% to 5.3% per annum.					
5	INVESTMENTS					
	At fair value through profit or loss -					
	held for trading		5.1	33,897	60,038	
	Available for sale - equity shares		5.3	5,357	-	
				39,254	60,038	

5.1 At fair value through profit or loss - held for trading

		Number of	of shares		Balance	e as at March			
Name of investee company	As at July 1, 2017	Purchased / bonus received during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Appreciation / (diminution) as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
		Number o	of shares		(Rupees in '00	0)	•	
INSURANCE	45 000		45 000						
Adamjee Insurance Company Limited	15,000	-	15,000	-	-	-	-	-	-
CEMENT -	15,000	-	15,000	-	-	-	-	-	-
CEMENT Cherat Cement Company Limited	35,000		1,500	33,500	5,989	4,298	(1 601)	1.03%	10.95%
Lucky Cement Limited	35,000 9,100	-	3,300	5,800	5,989 4,850	4,298	(1,691) (850)	0.96%	10.95%
	44,100		4,800	39,300	10,839	4,000 8,298	· · · ·	1.99%	21.14%
FERTILIZER	-++,100	-	4,000	33,300	10,039	0,290	(2,041)	1.3370	21.14/
Engro Fertilizer Limited	25,000	-	-	25,000	1,381	1,727	346	0.41%	4.40%
	25,000	-	-	25,000	1,381	1,727	346		4.40%
PHARMACEUTICALS 5.2	20,000			20,000	1,001	1,121	010	0.11/0	1.107
Highnoon Laboratories Limited	5,264	-	4,400	864	541	404	(137)	0.10%	1.03%
The Searle Company Limited	3,560	712	3,300	972	415	342	(73)	0.08%	0.87%
	8,824	712	7,700	1,836	956	746	()	0.18%	1.90%
POWER GENERATION & DISTRIBUTION			•				\$ 7		
The Hub Power Company Limited	15,000	-	8,600	6,400	752	643	(109)	0.15%	1.64%
	15,000	-	8,600	6,400	752	643	(109)	0.15%	1.64%
CHEMICALS									
ICI Pakistan Limited	5,500	-	2,900	2,600	2,846	2,214	(632)	0.53%	5.64%
_	5,500	-	2,900	2,600	2,846	2,214	(632)	0.53%	5.64%
ENGINEERING						-			
International Steels Limited	26,500	-	2,600	23,900	3,057	2,770	(287)	0.67%	7.06%
_	26,500	-	2,600	23,900	3,057	2,770	(287)	0.67%	7.06%
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	4,500	-	-	4,500	7,090	6,663	(427)	1.60%	16.97%
	4,500	-	-	4,500	7,090	6,663	(427)	1.60%	16.97%
TEXTILE COMPOSITE	00.000		5 000	00.000	F 000	F 070	-	4.000/	40.000
Nishat Mills Limited	38,800	-	5,000	33,800	5,363	5,370	7		13.68%
	38,800	-	5,000	33,800	5,363	5,370	1	1.29%	13.68%
AUTOMOBILE ASSEMBLER	10,000		10.000						
Pak Suzuki Motor Company Limited	10,000	-	10,000	-	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES		-	10,000	-	-	-	-	-	
Thal Limited	10,600	_	-	10,600	6,424	5,466	(958)	1.31%	13.92%
	10,600			10,000	6.424	5,466	(/	1.31%	13.92%
Total	203,824	712	56,600	147,936	38,708	33,897	(4,811)	8.14%	
=	200,024	/12	00,000	141,000	00,700	00,001	(4,011)	0.1470	00.007
Total - Juno 30, 2017				-	CO 702	CO 020	(766)	-	

Total - June 30, 2017

60,793 60,038 (755)

5.3 At fair value through profit or loss - available for sale

at / 1, 17	bonus received	Sold during the	As at March 31.	value as at	volue ee et	1	1 1	
17			maron 31,		value as at	/ (diminution) as at March		as a percentage of total value
	during the	period	2018	March 31, 2018	March 31, 2018	31, 2018	of net assets	of Investment
	Number o	of shares		(!	Rupees in '000))		
					1,692			
-	8,000	3,000	5,000	777	1,061	284	0.25%	2.70%
-	8,000	3,000	5,000	777	1,061	284	0.25%	2.70%
-	9,000	-	9,000	4,913	4,296	(618)	1.03%	10.94%
-	9,000	-	9,000	4,913	4,296	(618)	1.03%	10.94%
	17,000	3,000	14,000	5,690	5,357	(334)	1.29%	13.65%
		- 8,000 - 8,000 - 9,000 - 9,000	- 8,000 3,000 - 8,000 3,000 - 9,000 - - 9,000 -	- 8,000 3,000 5,000 - 8,000 3,000 5,000 - 9,000 - 9,000 - 9,000 - 9,000 - 9,000 - 9,000	- 8,000 3,000 5,000 777 - 8,000 3,000 5,000 777 - 9,000 - 9,000 4,913 - 9,000 - 9,000 4,913	- 8,000 3,000 5,000 777 1,061 - 8,000 3,000 5,000 777 1,061 - 8,000 3,000 5,000 777 1,061 - 9,000 - 9,000 4,913 4,296 - 9,000 - 9,000 4,913 4,296	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

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5.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable 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 of 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. The investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 0.3538 million at period end. Such shares have not been deposited by the investee companies in CDC account of Income Tax department. The Fund has included in its investment the shares withheld and recorded them at fair market value at period end.

6 TERM DEPOSIT RECEIPTS

Opening balance		356,949	-
Acquired during the period		-	356,949
Disposed during the period		(10,538)	-
Closing balance	6.1	346,411	356,949

6.1 Profit rates on TDR range is 6.60% per annum with maturity up to January 26, 2020.

7 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2018.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

8.1 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 14.1 to the annual financial statements for the year ended June 30, 2017, 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 14.1 to the annual audited financial statements for the year ended June 30, 2017.

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at March 31, 2018 amounting to Rs. 0.0586 (June 30, 2017: Rs. 0.144 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. 0.0142 (June 30, 2017: Re. 0.034).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed to the unit holders in the form of cash. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than capital gains to the unit holders. The 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. The Management Company intends to distribute in the form of cash at least 90% of the income as reduced by capital gain whether realized or unrealized arened by the end of this year to the unit holders. Accordingly, no provision for current and deferred tax has been made in this condensed interim financial information.
11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.22 % for the nine months year ended March 31, 2018 and this includes 0.16% representing government levy, Sindh Workers Welfare Fund and SECP fee.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of Management Company. Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons /
Transactions during the nine months						
ended March 31, 2018						
Profit on savings accounts and TDRs	-	17,506	-	-	-	-
Bank charges	-	4	-	-	-	-
Bonus units issued						
Remuneration*	2,678	-	464	-	-	-
Allocated expenses	316	-	-	-	-	-
CDS expense	-	-	6	-	-	-
Balances held as at March 31, 2018						
Units held (in Units '000)		1,706	-	-	-	1,003
Units held (in Rupees '000)		171,973	-	-	-	101,071
Bank balances	-	-	-	-	-	-
Term deposit receipts	-	346,411	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	300	-	52	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable on savings accounts and TDRs	-	26,684	-	-	-	-
Allocated expenses payable	104	-	-	-	-	-
Transactions during the period						
from January 26, 2017 to 31 March 2017						
Profit on savings accounts and TDRs	-	505	-	-	-	-
Bank charges	-	4	-	-	-	-
Units issued	-	176,000	-	-	-	100,004
Remuneration*	636	-	110	-	-	-
Allocated expenses	-	-	-			
Balances held as at June 30, 2017						
Units held (in Units '000)	-	1,787	-	-	-	1,003
Units held (in Rupees '000)	-	178,987	-	-	-	100,461
Bank balances	-	487	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable	298	-	52	-	-	-
Other payables	4,857	-	-	-	-	-
Profit receivable	-	2	-	-	-	-
Profit receivable on Term deposit receipts	-	9,810	-	-	-	-
Allocated expenses payable	72	-	-	-	-	-

* This includes Sindh Sales Tax charged on the remuneration of the Management Company at the rate of 13% (June 30, 2017: 13%)

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair value measurements), the Fund shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 3: Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs)

	Carrying Amount					Fair value	
	'	As at Marc	h 31, 2018		' As at March 31, 2018		
	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3
				Rupees in '00	0		
Financial assets measured at fair value							
Investments	33,897	5,357	-	-	39,254	-	-
Financial assets not measured at fair value*							
Term deposit receipts	-	-	346,411	-	-	-	-
Bank balances	-	-	628	-	-	-	-
Mark-up / interest receivable	-	-	26,687	-	-	-	-
Dividend receivable	-	-	217	-	-	-	-
Deposits	-	-	2,600	-	-	-	-
	-	-	376,543	-	-	-	-
Financial liabilities not measured at fair valu Payable to UBL Fund Managers Limited	e*						
Management Company	-	-	-	421	-	-	-
Payable to Central Depository Company	-	-	-		-	-	-
of Pakistan Limited - Trustee	-	-	-	52	-	-	-
Accrued expenses and other liabilities	-	-	-	160	-	-	-
•	-	-	-	633	-	-	-

		Carrying	Amount	Fair value			
		As at June	e 30, 2017		As at	June 30, 2017 -	
	Fair value through profit and loss	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	60,038	-	-		60,038	0	0
Financial liabilities not measured at fair valu	ıe*						
Term deposit receipts			356,949				
Bank balances	-	-	1,692	-	-	-	-
Mark-up / interest receivable	-	-	9,818	-	-	-	-
Dividend receivable	-	-	66	-	-	-	-
Deposits and prepayments	-	-	2,600	-	-	-	-
	-	-	371,125	-	-	-	-
Financial liabilities not measured at fair valu	ıe*						
Payable to UBL Fund Managers Limited				5 229	-	-	-
Management Company Payable to Central Depository Company	-	-	-	5,228	-	-	-
of Pakistan Limited - Trustee				52	-	-	-
Accrued expenses and other liabilities	-	-	-	52 273	-	-	-
Accrucit expenses and other flabilities				5,553			-

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

Transfers during the period

During the nine months period ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on April 26, 2018.

16 GENERAL

These figures has been rounded off to the nearest thousand rupees unless otherwise stated.

For UBL Fund Managers Limited (Management Company)

--SD--Chief Executive Officer --SD--

Chief Financial Officer

--SD--Director

UCONAP

UBL Conservation Allocation Plan

INVESTMENT OBJECTIVE

UBL Financial Planning Fund is an open-end Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor.

Management Company	UBL Fund Managers Limited
Trustee	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
Distribution Company	United Bank Limited
	(for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Ernst & Young Ford Rhodes
Bankers	United Bank Limited Zariah Taraqiati Bank Limited Sindh Bank Limited Allied Bank Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	Not yet Rated

UBL FINANCIAL PLANNING FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT MARCH 31, 2018

NoteMarch 31, 2018 Rupees in '000March 31, 2018 Rupees in '000ASSETS Bank balances44441,662Investments5987,892172,858Preliminary expenses and floatation costs61580Other receivables61580TOTAL ASSETS989,250174,600LIABILITIES Payable to the Management Company Remuneration payable to the Central Depository Company of Payable to Securities and Exchange Commission of Pakistan (SECP) Accrued expenses and other liabilities TOTAL LIABILITIES TOTAL LIABILITIES1090Nett ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372NUMBER OF UNITS IN ISSUE9,866,5481,714,845NUMBER OF UNITS IN ISSUE9,866,5481,714,845NET ASSETS VALUE PER UNIT100,0146101,1004			UBL Conservative Allocation Plan UCONAP	UBL Active Principal Preservation Plan-I UAPPP-I
Bank balances 4 444 1,662 Investments 5 987,892 172,858 Preliminary expenses and floatation costs 899 - Other receivables 6 15 80 TOTAL ASSETS 989,250 174,600 LIABILITIES Payable to the Management Company 7 1,032 139 Remuneration payable to the Central Depository Company of 8 90 16 Payable to Securities and Exchange Commission of Pakistan (SECP) 9 330 155 Accrued expenses and other liabilities 10 999 1,058 TOTAL LIABILITIES 2,451 1,228 NET ASSETS 986,799 173,372 UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 NUMBER OF UNITS IN ISSUE 9,866,548 1,714,845		Note		
Bank balances44441,662Investments5987,892172,858Preliminary expenses and floatation costs899-Other receivables61580TOTAL ASSETS989,250174,600LIABILITIESPayable to the Management Company71,032Payable to the Central Depository Company of89016Payable to Securities and Exchange Commission of Pakistan (SECP)9330155Accrued expenses and other liabilities1099991,058TOTAL LIABILITIES2,4511,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11	ASSETS			
Investments5987,892172,858Preliminary expenses and floatation costs61580Other receivables61580TOTAL ASSETS989,250174,600LIABILITIESPayable to the Management Company Pakistan Limited - Trustee71,032139Payable to Securities and Exchange Commission of Pakistan (SECP) Accrued expenses and other liabilities916Payable to Securities and Exchange Commission of Pakistan (SECP) 9933015NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11		4	444	1.662
Preliminary expenses and floatation costs899-Other receivables61580TOTAL ASSETS989,250174,600LIABILITIESPayable to the Management Company Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee71,032139Payable to Securities and Exchange Commission of Pakistan (SECP) Accrued expenses and other liabilities89016TOTAL LIABILITIES1099991,0581,058TOTAL LIABILITIES2,4511,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11				,
TOTAL ASSETS989,250174,600LIABILITIES Payable to the Management Company Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee Payable to Securities and Exchange Commission of Pakistan (SECP) Accrued expenses and other liabilities TOTAL LIABILITIES71,032139NET ASSETS986,79916UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11				-
LIABILITIESPayable to the Management Company Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee71,032139Payable to Securities and Exchange Commission of Pakistan (SECP) Accrued expenses and other liabilities89016TOTAL LIABILITIES109991,058TOTAL LIABILITIES109991,058TOTAL LIABILITIES986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS1111NUMBER OF UNITS IN ISSUE9,866,5481,714,845	Other receivables	6	15	80
Payable to the Management Company Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee71,032139Payable to Securities and Exchange Commission of Pakistan (SECP)89016Payable to Securities and other liabilities9015Accrued expenses and other liabilities109991,058TOTAL LIABILITIES2,4511,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11(Number of Units)NUMBER OF UNITS IN ISSUE9,866,5481,714,845	TOTAL ASSETS		989,250	174,600
Payable to the Management Company Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee71,032139Payable to Securities and Exchange Commission of Pakistan (SECP)89016Payable to Securities and other liabilities9015Accrued expenses and other liabilities109991,058TOTAL LIABILITIES2,4511,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11(Number of Units)NUMBER OF UNITS IN ISSUE9,866,5481,714,845				
Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee89016Payable to Securities and Exchange Commission of Pakistan (SECP)933015Accrued expenses and other liabilities109991,058TOTAL LIABILITIES2,4511,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11(Number of Units)NUMBER OF UNITS IN ISSUE9,866,5481,714,845		7	1.022	120
Pakistan Limited - Trustee89016Payable to Securities and Exchange Commission of Pakistan (SECP)933015Accrued expenses and other liabilities109991,058TOTAL LIABILITIES109991,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS11986,799173,372NUMBER OF UNITS IN ISSUE9,866,5481,714,845		/	1,032	139
Payable to Securities and Exchange Commission of Pakistan (SECP)933015Accrued expenses and other liabilities109991,058TOTAL LIABILITIES109991,228NET ASSETS986,799173,372UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)986,799173,372CONTINGENCIES AND COMMITMENTS1111NUMBER OF UNITS IN ISSUE9,866,5481,714,845		0	00	16
Accrued expenses and other liabilities 10 999 1,058 TOTAL LIABILITIES 2,451 1,228 NET ASSETS 986,799 173,372 UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 CONTINGENCIES AND COMMITMENTS 11 (Number of Units)				
TOTAL LIABILITIES 2,451 1,228 NET ASSETS 986,799 173,372 UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 CONTINGENCIES AND COMMITMENTS 11				-
NET ASSETS 986,799 173,372 UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 CONTINGENCIES AND COMMITMENTS 11 (Number of Units) NUMBER OF UNITS IN ISSUE 9,866,548 1,714,845 (Rupees)		10		
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) 986,799 173,372 CONTINGENCIES AND COMMITMENTS 11 NUMBER OF UNITS IN ISSUE 9,866,548 1,714,845 (Rupees)				
CONTINGENCIES AND COMMITMENTS 11 NUMBER OF UNITS IN ISSUE 9,866,548 9,866,548 1,714,845 (Rupees)	NET ASSETS		986,799	173,372
CONTINGENCIES AND COMMITMENTS 11 NUMBER OF UNITS IN ISSUE 9,866,548 9,866,548 1,714,845 (Rupees)				150.050
NUMBER OF UNITS IN ISSUE 9,866,548 1,714,845	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		986,799	173,372
NUMBER OF UNITS IN ISSUE 9,866,548 1,714,845	CONTINGENCIES AND COMMITMENTS	11		
(Rupees)			(Number	of Units)
	NUMBER OF UNITS IN ISSUE		9,866,548	1,714,845
NET ASSETS VALUE PER UNIT 100.0146 101.1004			(Ruj	pees)
	NET ASSETS VALUE PER UNIT		100.0146	101.1004

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

For UBL Fund Managers Limited (Management Company)

SD CHIEF FINANCIAL OFFICER SD

UBL FINANCIAL PLANNING FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Note	For the period from September 28, 2017 to March 31, 2018 UCONAP	For the period from February 21, 2018 to March 31, 2018 UAPPP-I (Rupees in '000)	Total	For quarter ended March 31, 2018 UCONAP Rupees in '000
INCOME					
Profit on profit and loss saving accounts		23	80	103	12
Unrealised gain on re-measurement of investments					
classified as 'at fair value through profit or loss - held for trading'	5	2,954	1,882	4,836	(1,644)
Gain on sale of investments - net		20,815	19	20,834	14,852
Other income		-	22	22	
Total income		23,792	2,003	25,795	13,220
EXPENSES					
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	426	17	443	228
Sales tax on Trustee fee	8.2	64	3	67	38
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	9	330	15	345	180
Auditors' remuneration		184	15	199	56
Amortization of preliminary expenses and floatation costs		101	7	108	49
Other expenses		66	-	66	42
Allocated expenses		-	19	19	-
Total operating expenses		1,171	76	1,247	593
Net income for the period from operating activities		22,621	1,927	24,548	12,627
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	(444)	(38)	(482)	(248)
Net income for the period before taxation		22,177	1,889	24,066	12,379
Taxation	12	-	-	-	-
Net income for the period after taxation		22,177	1,889	24,066	12,379
Allocation of net income for the period					
Income already paid on units redeemed		(1,483)	-	(1,483)	(727)
		20,694	1,889	22,583	11,652
Accounting income / (loss) available for distribution:		14.040	1.001	10.070	10.101
- Relating to capital gains		16,369	1,901	18,270	10,406
- Excluding capital gains		4,325	(13)	4,313	1,246
		20,694	1,889	22,583	11,652
Earnings per unit	14				

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

For UBL Fund Managers Limited (Management Company)

SD CHIEF EXECUTIVE OFFICER SD CHIEF FINANCIAL OFFICER SD

DIRECTOR

UBL FINANCIAL PLANNING FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	For the period from September 28, 2017 to March 31, 2018	For the period from February 21, 2018 to March 31, 2018	February 21, 018 to March 31, 2018	
	UCONAP	UAPPP-I		UCONAP
		Rupees in '000		Rupees in '000
Net income for the period after taxation	22,177	1,889	24,066	12,379
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	22,177	1,889	24,066	12,379

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

For UBL Fund Managers Limited (Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD CHIEF FINANCIAL OFFICER SD

DIRECTOR

UBL FINANCIAL PLANNING FUND CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2018

	For the period from September 28, 2017 to March 31, 2018 UCONAP	For the period from February 21, 2018 to March 31, 2018 UAPPP-I
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees in '000	Rupees in '000
Net income for the period	22,177	1.889
Net income for the period	22,177	1,009
Adjustments for:		
Unrealised gain on re-measurement of investments		
classified as 'at fair value through profit or loss - held for trading'	(2,954)	(1,882)
Gain on sale of investments - net	(20,815)	(19)
	(23,769)	(1,901)
Net cash flows used in operating activities before working capital changes	(1,592)	(13)
Increase in assets		
Investments	(964,123)	(170,957)
Preliminary expenses and floatation costs	(899)	(170,557)
Other receivables	(15)	(80)
	(965,037)	(171,037)
Increase in liabilities		
Payable to the Management Company	1,032	139
Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee	90	16
Payable to Securities and Exchange Commission of Pakistan (SECP)	330	15
Accrued expenses and other liabilities	999	1,058
	2,451	1,228
Net cash used in operating activities	(964,178)	(169,822)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,472,809	172,047
Payment against redemption of units	(1,482,791)	(564)
Distribution during the period	(25,396)	-
Net cash generated from financing activities	964,622	171,483
Net increase in cash and cash equivalents during the period	444	1.662
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	444	1,662
edu anono ur ene periou		1,002

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

For UBL Fund Managers Limited

(Management Company)

SD

CHIEF FINANCIAL OFFICER

UBL FINANCIAL PLANNING FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine Months Period Ended March 31, 2018								
		UCC		(Rupees	uAPPP-I				
	Capital Value	Undistributed	Unrealised (diminution) / appreciation on re- measurement of investments classified as 'available for sale' - net	Total	Capital Value	Undistributed	Unrealised (diminution) / appreciation on re- measurement of investments classified as 'available for sale' - net	Total	
Net assets at beginning of the period	-	-	-	-	-	-	-	-	
Amount received on Issuance of 24,674,171 units (including bonus units 253,967) and 1,720,467	-	-	-	-	-	-	-	-	
Capital value of units	2,467,417	-	-	2,467,417	172,047			172,047	
Element of Income/(loss) during the period									
Due to surplus/(deficit) in available for sale securities	-	-	-	-	-	-	-	-	
Due to net income earned	2,467,417	5,392 5,392		5,392 2,472,809	-	-	-	-	
Total proceeds on issuance of units	2,407,417	5,392		2,472,809	172,047	-	-	172,047	
Amount paid on Redemption 14,807,623 of units (including bonus									
Capital value of units	(1,480,762)	-	-	(1,480,762)	(562)			(562)	
Element of Income/(loss) during the period									
Due to surplus/(deficit) in available for sale securities	-	-	-	-	-	-	-	-	
Due to net income earned Total payments on redemption of units	(546) (1,481,308)	(1,483)	-	(2,029) (1,482,791)	(562)	(2)	-	(2) (564)	
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net Total comprehensive income for the period Distribution during the period Net income / (loss) for the period less distribution	-	22,177 (25,396) (3,219)	- -	22,177 (25,396) (3,219)	-	1,889 - 1,889	- -	1,889 - 1,889	
Net assets at end of the period	986,655	690	-	986,799	171,485	1,887	-	173,372	
Net assets at the of the period	780,055	0,0	-	366,733	171,405	1,007	-	115,512	
Refund / adjustment on units as element of income	-	-	-	-	-	-	-	-	
Undistributed income brought forward									
- Realised	-	-	-	-	-	-	-	-	
- Unrealised	-	-	-		-	-	-	-	
	-	-	-	-	-	-	-	-	
Accounting income available for distribution									
- Relating to capital gains	-	16,369	-	16,369	-	1,901	-	1,901	
- Excluding capital gains	-	4,325	-	4,325	-	(13)	-	(13)	
	-	20,694	-	20,694	-	1,889	-	1,889	
Distribution during the period	-	-	-	-	-	-	-	-	
Undistributed income carried forward	-	20,694	-	20,694		1,889	-	1,889	
Undistributed income carried forward									
- Realised	-	22,177	-	22,177	-	1,889	-	1,889	
- Unrealised	-		-		-	-	-		
	-	22,177	-	22,177	-	1,889	-	1,889	
				(Rup	nees)				
	L			(Kup	nusj				
Net assets value per unit at beginning of the period				-			_	-	

Net assets value per unit at end of the period

100.0146

101.1004

For UBL Fund Managers Limited (Management Company)

SD CHIEF EXECUTIVE OFFICER SD CHIEF FINANCIAL OFFICER SD director

UBL FINANCIAL PLANNING FUND NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 UBL Financil Planning 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 Truste. 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 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 Conservative Allocation Plan and UBL Active Principal Preservation Plan.

- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company (NBFC) under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumount 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 units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

UCONAP

The Fund is launched on September 28, 2017, hence no comparative figures are presented in these interim financial information.

UAPPP-I

The Fund is launched on February 21, 2018, hence no comparative figures are presented in these interim financial information.

1.5 JCR - VIS Credit Rating Company has management quality rating of AM1 (stable outlook) dated 29 December 2017 to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements. Furthermore The comparative figures in statement of Assets and Liabilities, 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 not presented as plans under the Fund have been launched subsequent to June 30, 2017.
- 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, 2018.

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

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on condensed interim financial information except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities.

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognized financial assets that are currently within in the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has
 contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured
 at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss
 (FVTPL) under the fair value option.
- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows
 and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments
 of principal and interest on principal amount outstanding, must be measured at FVTOCI (fair value through other comprehensive
 income), unless the asset is designated at FVTPL under the fair value option.
- All other debt instruments must be measured at FVTPL.
- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognized in
 profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in
 a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the
 investment at FVTOCI, with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

However, as per SECP letter dated November 21, 2017, applicability of impairment requirements for debt securities on mutual funds is deferred till further instructions. Meanwhile, asset management companies continue to follow the requirements of Circular 33 of 2012.

The new IFRS 9 requirements may have a material impact on accounting for investments in equity and debt securities made by the Fund and Management Company is in the process of assessing its impact on the financial statements of the Fund.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at nominal values.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and re-evaluates this classification on regular basis.

Investments are categorised as follows:

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) Financial assets 'at fair value through profit or loss' - Held for trading

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

a) Financial assets 'at fair value through profit or loss - held for trading' and 'available for sale'

Subsequent to initial recognition, financial assets 'at fair value through profit or loss' and investments classified as 'available for sale' are valued as follows:

Net gains and losses arising from changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the 'income statement'.

Net gains and losses arising from changes in the fair value of available for sale financial assets are recognised in unitholders' fund through other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in unitholders' fund is shown in the income statement.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses on these instruments are also recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

For certain other financial assets, a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against those amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

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

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 Offsetting of financial assets and liabilities

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

3.5 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.6 Provisions

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

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the Regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income available for distribution.

3.8 Net asset value per unit

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

3.9 Revenue recognition

Gains / (losses) arising on sale of investments is accounted for in the year in which it arises.

Unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss is included in the income statement in the year in which it arises.

Unrealised gain / (loss) on revaluation of investments classified as 'available-for-sale' is included in unit holders' fund through other comprehensive income in the year in which it arises.

Profit on bank balances and term deposits is recorded on accrual basis.

3.10 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the income statement.

3.11 Critical accounting estimates and judgements

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

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in note 3.2.

4.	BANK BALANCES	Note	(Un-audited) March 31, 2018 (Rupees in '000) UCONAP	(Un-audited) March 31, 2018 (Rupees in '000) UAPPP-I
	Profit and loss saving accounts	4.1	444	1,662

UCONAP

4.1 Profit rates on profit and loss savings accounts range between 3.75% to 6.25% per annum and these include a balance of Rs.0.41 million held with United Bank Limited (a related party).

UAPPP-I

Profit rates on profit and loss savings accounts range 4.00% per annum and these include a balance of Rs.0.12 million held with United Bank Limited (a related party).

5. INVESTMENTS

Name of investee Fund Units of Mutual Funds - classified as 'at fair value through	As at July 01, 2017	Purchased during the period Nu	Redemption during the period mber of units	As at March 31, 2018	Total carrying value as at March 31, 2018	Total market value as at March 31, 2018 (Rupees in	Appreciation as at <u>March 31, 2018</u> '000)	Market value as a percentage of total value of Investment (%)
profit or loss - held for trading'								
UCONAP								
UBL Money Market Fund- (a related party)		9,222,607	(9,222,607)		-			0%
UBL Liquidity Plus Fund - (a related party)	-	30,103,979	20,677,653	9,426,326	984,938	987,892	2,954	100%
		00,100,010	20,011,000	0,420,020	004,000	001,002	2,004	10075
UAPPP-I								
Al Ameen Islamic Dedicated Equity Fund- (a related party)		201,001	6,422	194,579	23,281	24,285	1,004	14%
UBL Liquidity Plus Fund - (a related party)	-	1,362,762	653,925	708,837	73,845	74,287	442	43%
UBL Money Market Fund- (a related party)	-	1,370,259	657,476	712,783	73,850	74,286	436	43%
Total	-	2,934,022	1,317,823	1,616,199	170,976	172,858	1,882	100%
								(Un-audited) March 31, 2018 (Rupees in '000) UCONAP

6. OTHER RECEIVABLES

Advances Profit receivable on bank accounts

7. PAYABLE TO MANAGEMENT COMPANY

This represents expenses incurred by the Management Company on the formation of the Fund.

8. PAYABLE TO THE TRUSTEE

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and the Offering Document as per tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee on a monthly basis in arrears. The tariff structure is applicable to the Fund in respect of the trustee fee for the Quarter ended March 31, 2018 is as follows:

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On net assets	Tariff per annum
- up to Rs.1 billion	0.1% of Net assets value
- exceeding Rs.1 billion	Rs.1 million plus 0.075% of the Net Asset Value exceeding Rs.1 billion

8.2 Sindh sales tax is charged at 13% on the trustee fee charged during the year.

9. PAYABLE TO SECURITIES EXCHANGE COMMISSION OF PAKISTAN (SECP)

The Fund is required to pay SECP an annual fee at the rate of 0.075% of the average daily net assets of the Fund in accordance with the regulation 62 of the NBFC regulations 2008.

10.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited) March 31, 2018 (Rupees in '000) UCONAP	(Un-audited) March 31, 2018 (Rupees in '000) UAPPP-I
	Auditors' remuneration Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	184 444	15 38
	Others		371 999	1,005 1,058

10.1 Provision for Sindh Workers' Welfare Fund (SWWF)

As a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF 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 has not accepted the said position of MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on this matter and based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), has recommended to all its members on January 12, 2017 that provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014. Had the provision not been made, the net assets value per unit of UCONAP would have been higher by Re.0.045 per unit & UAPPP-I would have been higher by 0.022 per unit.

11. CONTINGENCIES AND COMMITMENTS

As at March 31, 2018, there are no contingencies and commitments.

12. TAXATION

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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 gain whether realised or unrealised 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. TOTAL EXPENSE RATIO

Total Expense Ratio of UCONAP is 0.19% as on March 31, 2018 and this includes 0.10% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. Total Expense Ratio of UAPPP-I is 0.07% as on March 31, 2018 and this includes 0.03% representing Government Levy, Sindh Worker's Welfare Fund and SECP This ratio is within the maximum limit of 0.5% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an asset allocation scheme.

14. 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.

15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

	UCONAP					
	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Parties
			(Rupees in '000)		
Transactions for the period ended March 31, 2018						
Profit on profit and loss saving account	-	18	-	-	-	-
Bank charges	-	14	-	-	-	-
Remuneration	-	-	426	-	-	-
Units issued (inclusive of bonus units)	450,102	-	-	-	-	994,081
Units redeemed	455,148	-	-	-	-	210,682
Purchase of securities	-	-	-	4,063,542	-	-
Sale of securities	-	-	-	3,099,419	-	-
Allocated Expenses	-	-	-	-	-	-
Balances as at March 31, 2018						
Balance in profit and loss saving account	-	414	-	-	-	-
Profit receivable on profit and loss saving account	-	2	-	-	-	-
Remuneration payable	-	-	90	-	-	-
Units held (in Units '000)	-	-	-	9,426	-	7,921
Units held (in Rupees '000)	-	-	-	987,892	-	792,215
Others	1,032	-	-	-	-	-

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

	UAPPP-I					
	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected Parties
			(Rupees in '000)		
Transactions for the period ended March 31, 2018						
Profit on profit and loss saving account	-	80	-	-	-	-
Bank charges	-	-	-	-	-	-
Remuneration	-	-	17	-	-	
Units issued	-	-	-	-	-	55,287
Units redeemed	-	-	-	-	-	-
Purchase of securities	-	-	-	2,934	-	-
Sale of securities	-	-	-	1,318	-	-
Allocated Expenses	19	-	-	-	-	-
Balances as at March 31, 2018						
Balance in profit and loss saving account	-	1,662	-	-	-	-
Profit receivable on profit and loss saving account	-	80	-	-	-	-
Remuneration payable	-	-	16	-	-	-
Units held (in Units '000)	-	-	-	1,616	-	535
Units held (in Rupees '000)	-	-	-	172,858	-	53,508
Others	139	-	-	-	-	-

16. Fair value of financial instruments

UCONAP

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no affect on this condensed interim financial information.

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

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

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

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

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

Carrying amount Fair value Fair value through profit or Other financial . loss-held for assets / financial trading liabilities Total Level 1 Level 2 Level 3 Total Note March 31, 2018 (Rupees in '000) (Rupees in '000) Financial assets measured at fair value Investment in a mutual fund 16.1 987.892 987,892 987.892 987,892 Financial assets not measured at fair value 16.2 Bank balances 444 444 Profit receivable on bank accounts 4 4 . 448 448 Financial liabilities not measured at fair value 16.2 Payable against purchase of Investments 1,032 1,032 Remuneration payable to the Trustee 90 90 Accrued and other liabilities 999 2.121 999 2.121

UAPPP-I

		Carrying amount			Fair value			
		Fair value Oth	er financial	Total	Level 1	Level 2	Level 3	Total
March 31, 2018	Note	(Ru	pees in '000)			(I	Rupees in '000)	
Financial assets measured at fair value								
Investment in a mutual fund	16.1	172,858	-	172,858	-	172.858	-	172,858
Financial assets not measured at fair value	16.2							
Bank balances		-	1,662	1,662	-	-	-	-
Profit receivable on bank accounts		-	80	80	-	-	-	-
		-	1,742	1,742	-	-	•	-
Financial liabilities not measured at fair value	16.2							
Payable against purchase of Investments		-	139	139	-	-	-	-
Remuneration payable to the Trustee		-	16	16	-	-	-	-
Accrued and other liabilities		-	1,058	1,058	-	-	-	-
		-	1,213	1,213	-	-	-	-
		-						

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

Fair value of investment in mutual fund is valued on the basis of closing net asset value as announced by the respective Asset Management Company.

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.

17. DATE OF AUTHORIZATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on 26th April 2018.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For UBL Fund Managers Limited (Management Company)

SD Chief Executive Officer SD Chief Financial Officer SD Director



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