

Quarterly Report

September 30, 2019



CORPORATE INFORMATION

as at September 30, 2019

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrugh Zaem
Director

Naz Khan
Director

Tauqeer Mazhar
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee

Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar
Member

Risk and Compliance Committee

Imran Sarwar
Chairman

Syed Furrugh Zaem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrugh Zaem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Aly Osman

Registered Office

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

Head Office

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

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

Date of incorporation of the Management

Company/ Pension Fund Manager

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

Management Quality Rating

AM1 by JCR-VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

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

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

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

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

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

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

UBL Retirement Savings Fund
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

UBL Special Saving Fund
Launch Date: 09 November 2018

UBL Cash Fund
Launch Date: 23 September 2019

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan



Directors' 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 Cash Fund (UCF), UBL Government Securities Fund (UGSF), UBL Income Opportunity Fund (UIOF), UBL Growth and Income Fund (UGIF), UBL Asset Allocation Fund (UAAF), UBL Stock Advantage Fund (USF), UBL Dedicated Equity Fund (UDEF), UBL Financial Sector Fund (UFSF), UBL Capital Protected Fund –III (UCPF-III), UBL Financial Planning Fund (UFPF), and UBL Special Savings Fund (USSF) for the quarter ended September 30, 2019.

Economy & Money Market Review – 1QFY'20.

During the 1QFY20, economic slowdown persists on account of stabilization measures taken by the government. During the period under review, SBP increased policy rate by 100bps to 13.25%. This decision was taken on account of inflationary pressures from currency devaluation and the expected increase in near-term inflation. The above restrictive measures resulted in contraction in LSM where 1MFY20 numbers witnessed a decline of 3.28% YoY, major shrinkage came from the Automobiles, Petroleum, Iron and Steel Products, Pharmaceutical, food, and Chemicals.

PBS also revised its CPI base year to 2015-16, under the revised methodology average monthly CPI inflation came at 10.1% as compared to 6.1% during SPLY, as hefty currency devaluation, higher utility prices and some fiscal measures in the current year budget ended into mounting price pressures. We expect inflationary pressures to remain elevated during the next few months, as second-round impact of the above fully seeps through the broader economy, before subsiding in 2HFY20.

On the external account side, current account has shown significant improvement, as CAD during 2MFY20 declined by 55%YoY to USD1.3bn mainly due to a 23% fall in imports. Further, due to healthy surplus on the financial account, the overall balance of payments position posted a surplus of USD1.2bn. We expect external account position to remain manageable during the rest of FY20, due to a contained current account deficit position and healthy flows in the financial account.

On the fiscal side, situations remained still challenging as the government missed the 1QFY20 revenue collection target of Rs1.07tn by over Rs100bn. However, this gap was filled by non-tax revenue collection including; PDL, telecom licenses, and SBP profit along with restrictive growth in expenses and hence we expect the government will meet 1QFY20 primary deficit target. We think, achieving the sustained improvement on the fiscal side has remained the great challenge for the government and without controlling external snags; it is difficult to reap the benefit of stabilization measures in place.



Stock Market review – 1QFY20

During the period under review, the benchmark index declined by 5.3%. The market commences its 1QFY20 on a bearish note, as the index declined by 12.4% during the 2MFY20. Host of negative catalyst weighed on the dreary performance of the index including Kashmir conflicts, a multi-decade high fiscal deficit (8.9% of GDP) for FY19 and subdued corporate earnings results.

On top of that, rising concern of economic slowdown, expectations of further hike in average inflation and stringent conditions placed in IMF Program to document the economy jiggled investors' confidence. Nevertheless, the benchmark index witnessed strong recovery in Sep'19, increased by 8.1% closing at the level of 32,078 points. The turnaround was mainly driven by an improving external account position as manifested in a stabilizing exchange rate, some abatement in local institutional selling and evolving market expectations of an early rate cut on lower CPI reading under the new inflation calculation methodology. Corroborating the above, secondary market yields on the longer end declined by 60bp to 12.2% of 10Y PIB during the month.

FUND-WISE REVIEW IS AS FOLLOWS:

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 12.87%p.a. during 1QFY20. Major exposure was maintained in cash and placement with banks at the end of Sep19, thus maintaining high portfolio quality. The net assets of the fund were PKR 11,179mn at the end of 1QFY20. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 15.82 days at the end 1QFY20.

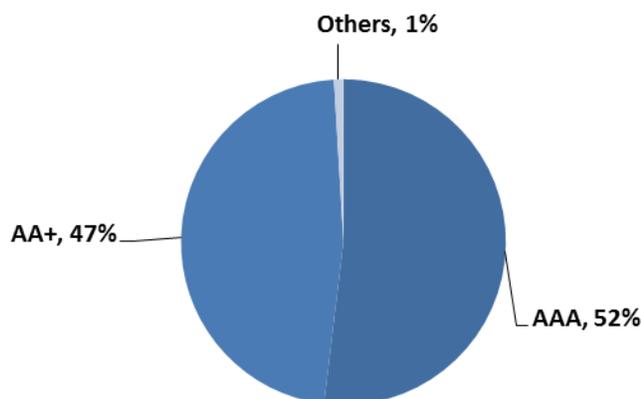
Financial Highlights

| | ULPF | Benchmark |
|--|-------------|------------------|
| 1QFY'20 Return: | 12.87% | 12.61% |
| Standard Deviation (12m Rolling): | 0.14% | 1.77% |
| Sharpe Ratio (12m Rolling): | (8.04) | (0.60) |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Commercial Paper | 0% | 0% | 4% |
| Placements with Banks | 6% | 8% | 8% |
| Placements with DFIs | 14% | 4% | 4% |
| Placements with NBFCs | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 78% | 84% | 0% |
| PIBs | 0% | 0% | 0% |
| Cash | 1% | 4% | 82% |
| Others | 0% | 0% | 1% |
| Leverage | Nil | Nil | Nil |

ULPF-Portfolio Quality



ULPF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| ULPF (p.a) | 12.87% | 11.43% | 10.20% | 7.43% | 7.09% | 8.60% |
| Benchmark | 12.61% | 11.73% | 10.23% | 7.06% | 6.68% | 8.04% |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 319.021 million for the quarter ended September 30, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 34.527 million, the Fund managed to earn a net income of PKR 284.494 million. The net assets of the Fund were PKR 11,179 million as at September 30, 2019 representing the net asset value of PKR 100.8172 per unit.



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

UBL MONEY MARKET FUND (UMMF)

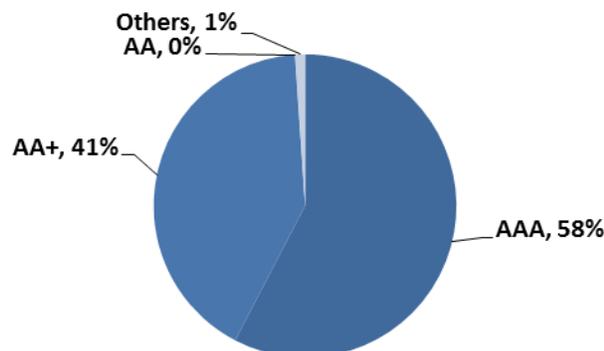
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 12.49% p.a. whereas its net assets were PKR 4,221mn at the end of 1QFY20. The Fund Manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents. The weighted average time to maturity of the Fund was 7.71 days at the end of 1QFY20.

Financial Highlights

| | UMMF | Benchmark |
|--|---------|-----------|
| 1QFY'20 Return: | 12.49% | 12.61% |
| Standard Deviation (12m Rolling): | 0.12% | 1.77% |
| Sharpe Ratio (12m Rolling): | (10.21) | (0.60) |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with Banks | 6% | 11% | 7% |
| Placements with DFIs | 14% | 4% | 4% |
| PIB | 0% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| T-Bills | 76% | 83% | 0% |
| Cash | 3% | 1% | 87% |
| 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) | 12.49% | 11.25% | 10.03% | 6.96% | 6.63% | 8.13% |
| Benchmark | 12.61% | 11.73% | 10.23% | 7.06% | 6.88% | 8.70% |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 149.526 million for the quarter ended September 30, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 17.615 million, the Fund managed to earn a net income of PKR 131.911 million. The net assets of the Fund were PKR 4,221 million as at September 30, 2019 representing the net asset value of PKR 103.7087 per unit.

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

UBL CASH FUND (UCF)

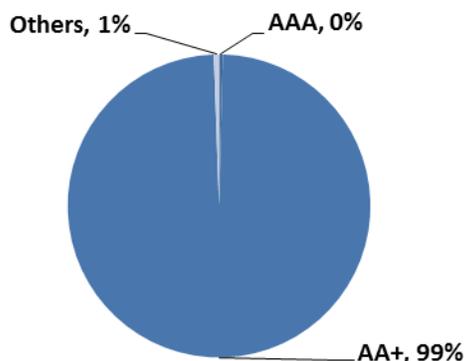
The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated a return of 12.82% p.a. whereas its net assets were PKR 200 mn at the end of 1QFY20. The weighted average time to maturity of the fund was 1.00 day at the end of 1QFY20.

| | UCF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | 12.82% | 9.66% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with Banks | 0% | 0% | 0% |
| Placements with DFIs | 0% | 0% | 0% |
| PIB | 0% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 0% | 0% | 99% |
| Others | 0% | 0% | 1% |
| Leverage | Nil | Nil | Nil |



UCF - Portfolio Quality



UCF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| UCF (p.a) | - | - | - | - | - | 12.82% |
| Benchmark | - | - | - | - | - | 9.66% |

Returns are annualized using the Morningstar Methodology

During the period from September 23, 2019 to September 30, 2019, the Fund earned total income of PKR 0.519 million for the quarter ended September 30, 2019 which mainly includes markup / interest income on bank balances, placements. After accounting for the expenses of PKR 0.032 million, the Fund managed to earn a net income of PKR 0.487 million. The net assets of the Fund were PKR 200 million as at September 30, 2019 representing the net asset value of PKR 100.0317 per unit.

VIS Credit Rating Company Limited (VIS) has maintained the fund stability rating of AA+ (f) 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 13.03%p.a whereas its net assets were PKR 1,726 mn at the end of 1QFY20. The Fund's exposure was invested in Cash at the end of 1QFY20. The weighted average maturity of the Fund was decreased to 1.04 years by the end of 1QFY20.

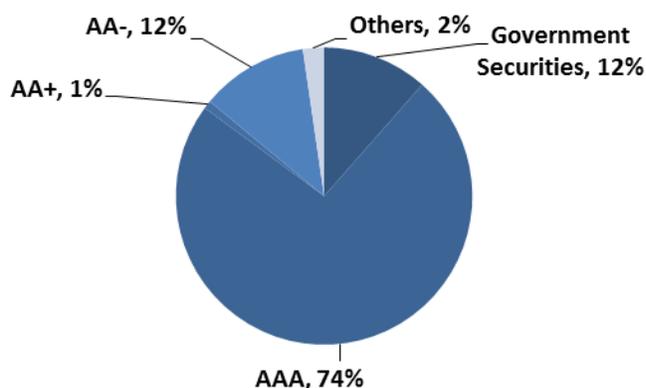
Financial Highlights

| | UGSF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | 13.03% | 13.70% |
| Standard Deviation (12m Rolling): | 0.43% | 1.60% |
| Sharpe Ratio (12m Rolling): | (4.41) | 0.12 |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 8% | 0% |
| PIB | 41% | 13% | 11% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 66% | 0% |
| Cash | 57% | 12% | 86% |
| Others | 1% | 1% | 2% |
| 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) | 13.03% | 9.99% | 9.40% | 6.35% | 8.32% | 9.02% |
| Benchmark | 13.70% | 12.82% | 11.50% | 8.04% | 7.41% | 8.20% |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 56.101 million for the quarter ended September 30, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 7.93 million, the Fund managed to earn a net income of PKR 48.171 million. The net assets of the Fund were PKR 1,726 million as at September 30, 2019 representing the net asset value of PKR 109.1015 per unit.

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



UNITED GROWTH & INCOME FUND (UGIF)

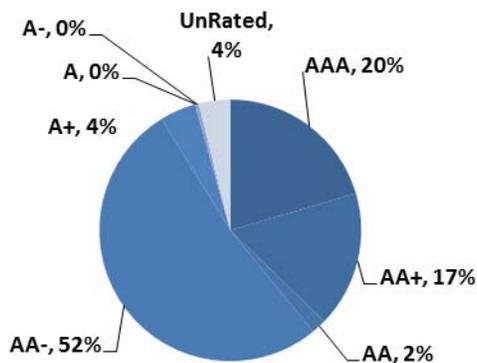
UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted a return of 13.11% p.a. during 1QFY20. Its fund size stood at PKR 955mn end of Sep19. The fund manager increased exposure of fund into TFC and Cash, weighted average time to maturity of the fund was 1.32 years at the end of 1QFY20.

Financial Highlights

| | UGIF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | 13.11% | 13.93% |
| Standard Deviation (12m Rolling): | 0.89% | 1.46% |
| Sharpe Ratio (12m Rolling): | (1.77) | 0.44 |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Term Finance Certificates/ Sukuks | 26% | 27% | 28% |
| Commercial Paper | 0% | 0% | 0% |
| Placements with DFIs | 5% | 5% | 5% |
| Placements with Banks | 0% | 8% | 0% |
| Cash | 43% | 47% | 63% |
| T-Bills | 11% | 11% | 0% |
| PIBs | 12% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Spread Transaction | 0% | 0% | 0% |
| MTS Exposure | 0% | 0% | 0% |
| Others | 3% | 3% | 4% |

UGIF Portfolio Quality





UGIF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| UGIF (p.a) | 13.11% | 11.19% | 9.72% | 6.76% | 9.05% | 6.55% |
| Benchmark | 13.93% | 13.13% | 11.93% | 8.35% | 8.07% | 10.12% |

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 37.103 million for the quarter ended September 30, 2019. The net assets were PKR 955 million as at September 30, 2019 representing a net asset value of PKR 87.7315 per unit.

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

UNITED STOCK ADVANTAGE FUND (USF)

USF is an open-end Equity Fund, investing primarily in equities listed on the KSE. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. During the period under review, the fund declined by 6.61% whereas benchmark index's declining by 5.38%, the Fund size stood at PKR 4,369mn at end of Sep19. The fund manager maintained the exposure in local equity market of around 93% while exposure in cash stood at 4% at the end of Sep19.

Financial Highlights

| | USF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | -6.61% | -5.38% |
| Standard Deviation (12m Rolling): | 19.46% | 19.09% |
| Sharpe Ratio (12m Rolling): | (1.65) | (1.73) |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equities | 93% | 92% | 93% |
| International Investments | 0% | 0% | 0% |
| T-bills | 0% | 0% | 0% |
| Cash | 7% | 7% | 4% |
| Others | 0% | 1% | 3% |
| Leverage | Nil | Nil | Nil |



USF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since |
|------------------|----------|----------|---------|---------|---------|---------|
| USF | -6.61% | -17.28% | -20.84% | -15.15% | 23.21% | 296.03% |
| Benchmark | -5.38% | -17.00% | -21.76% | -20.87% | 3.44% | 157.99% |

Returns are on absolute basis

The Fund incurred a net loss of PKR 344.361 million for the quarter ended September 30, 2019 (including an unrealized loss of PKR 326.544 million on revaluation of investments) as compared to a net loss of PKR 83.726 million (including an unrealized loss of PKR 139.359 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 48.211 million (September 30, 2018: capital gain amounting to PKR 16.741 million) and dividend income amounting to PKR 58.803 million (September 30, 2018: PKR 85.092 million). As at September 30, 2019, net assets of the Fund were PKR 4,369 million representing the net asset value of PKR 53.57 per unit.

UBL INCOME OPPORTUNITY FUND (UIOF)

The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments. The Fund posted a return of 14.06% p.a. during 1QFY20. The weighted average maturity of the fund has been reached to 0.63 year at the end of Sep'19. The Fund's Asset Size stood at PKR 247 mn as at September 30, 2019.

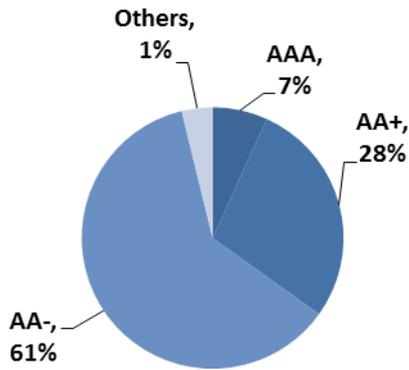
Financial Highlights

| | UIOF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | 14.06% | 13.73% |
| Standard Deviation (12m Rolling): | 0.20% | 1.56% |
| Sharpe Ratio (12m Rolling): | (4.76) | 0.18 |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Term Finance Certificates / Sukuks | 8% | 8% | 9% |
| Placements with Banks | 0% | 0% | 0% |
| Placements with DFIs | 22% | 23% | 24% |
| PIBs | 0% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| T-Bills | 45% | 0% | 0% |
| Cash | 21% | 65% | 64% |
| Others | 4% | 4% | 4% |
| MTS Exposure | 0% | 0% | 0% |



UIOF Portfolio Quality



UIOF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|----------|----------|--------|---------|---------|-----------------|
| UIOF (p.a) | 14.06% | 11.72% | 10.32% | 6.55% | 7.48% | 7.51% |
| Benchmark | 13.73% | 12.87% | 11.58% | 8.09% | 7.73% | 7.96% |

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 14.830 million for the quarter ended September 30, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 2.483 million, the Fund managed to earn a net income of PKR 12.347 million. The net assets of the Fund were PKR 247 million as at September 30, 2019 representing the net asset value of PKR 113.9132 per unit.

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

UBL Asset Allocation Fund (UAAF)

The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the Fund posted a return of minus 1.08% (-1.08%) as compared to the benchmark return of 0.19%. The fund manager maintained the exposure in local equity market of around 39% while exposure in cash stood at 41% at the end of Sep19. The net assets of the fund were PKR 1,270mn as at September 30, 2019.

Financial Highlights

| | UAAF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | -1.08% | 0.19% |
| Standard Deviation (12m Rolling): | 7.74% | 7.43% |
| Sharpe Ratio (12m Rolling): | (1.81) | (1.92) |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equities | 39% | 39% | 39% |
| T-bills | 0% | 0% | 0% |
| PIBs | 7% | 8% | 8% |
| TFC/ Sukuk | 10% | 10% | 10% |
| Placements with Banks | 0% | 0% | 0% |
| Placements with DFIs | 0% | 0% | 0% |
| Cash | 42% | 40% | 41% |
| Others | 2% | 2% | 3% |

UAAF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| UAAF | -1.08% | -4.38% | -2.73% | 7.82% | 47.93% | 73.77% |
| Benchmark | 0.19% | -3.80% | -2.99% | 11.74% | 36.01% | 57.80% |

Returns are on absolute basis

The Fund incurred a net loss of PKR 15.206 million for the quarter ended September 30, 2019 (including an unrealized loss of PKR 39.938 million on revaluation of investments) as compared to a net loss of PKR 2.080 million (including an unrealized loss of PKR 34.629 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 2.254 million (September 30, 2018: capital gain amounting to PKR 2.592 million) and dividend income amounted to PKR 7.027 million (September 30, 2018: PKR 13.470 million). As at September 30, 2019, net assets of the Fund were PKR 1,270 million representing the net asset value of PKR 130.8043 per unit.

UBL Capital Protected Fund III (UCPF-III)

UBL Capital Protected Fund - III (UCPF-III) is an open-end Fund with investment objective to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA- rated Bank, and remaining in equity market or any other SECP permitted investments to provide investors with better returns. During 1QFY20 fund registered a return of 0.55% as compare to benchmark return of 2.35%. Major exposure was maintained in placements with bank and others during Sep19. The net assets of the fund were PKR 301mn as at September 30, 2019.

Financial Highlights

| | UCPF-III | Benchmark |
|--|----------|-----------|
| 1QFY'20 Return: | 0.55% | 2.35% |
| Standard Deviation (12m Rolling): | 1.17% | 0.97% |
| Sharpe Ratio (12m Rolling): | (8.00) | (4.90) |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 81% | 81% | 81% |
| Equities | 4% | 4% | 4% |
| T-bills | 0% | 0% | 0% |
| Spread Transactions | 0% | 0% | 0% |
| Others | 15% | 15% | 15% |
| Cash | 1% | 0% | 0% |
| Leverage | Nil | Nil | Nil |

UCPF-III vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| UCPF-III | 0.55% | 0.60% | 1.91% | - | - | 5.87% |
| Benchmark | 2.35% | 3.90% | 6.56% | - | - | 10.45% |

Returns are on absolute basis

The Fund earned a net income of PKR 1.651 million for the quarter ended September 30, 2019 (including an unrealized loss of PKR 1.511 million on revaluation of investments) as compared to a net income of PKR 5.084 million (including an unrealized loss of PKR 0.904 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 0.146 million (September 30, 2018: capital loss amounting to PKR 0.332 million) and dividend income amounted to PKR 0.059 million (September 30, 2018: PKR 0.138 million). As at September 30, 2019, net assets of the Fund were PKR 301 million representing the net asset value of PKR 100.5913 per unit.

UBL Financial Sector Fund (UFSF)

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector. During the period under review, the fund posted a negative return of 7.85% against benchmark return of negative 5.38%. The fund manager maintained the exposure in local equity market of around 95% while exposure in cash stood at 5% at the end of Sep19. The net assets of the Fund were PKR 738mn as at September 30, 2019.

Financial Highlights

| | UFSF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | -7.85% | -5.38% |
| Standard Deviation (12m Rolling): | 18.28% | 19.09% |
| Sharpe Ratio (12m Rolling): | (1.53) | (1.73) |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equities | 94% | 96% | 95% |
| T-bills | 0% | 0% | 0% |
| Cash | 5% | 2% | 5% |
| Others | 0% | 2% | 1% |
| Leverage | Nil | Nil | Nil |

UFSF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|---------|---------|---------|-----------------|
| UFSF | -7.85% | -13.97% | -16.64% | - | - | -26.14% |
| Benchmark | -5.38% | -17.00% | -21.76% | - | - | -31.10% |

Returns are on absolute basis

The Fund incurred a net loss of PKR 66.189 million for the quarter ended September 30, 2019 (including an unrealized loss of PKR 73.553 million on revaluation of investments)). As at September 30, 2019, net assets of the Fund were PKR 738 million representing the net asset value of PKR 73.8617 per unit.

UBL Dedicated Equity FUND (UDEF)

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the fund declined by 6.47% whereas benchmark index's declining by 5.38%, the fund size stood at PKR 162mn at end of Sep19. The fund manager maintained the exposure in local equity market of around 85% while exposure in cash stood at 12% at the end of Sep19.

Financial Highlights

| | UDEF | Benchmark |
|--|--------|-----------|
| 1QFY'20 Return: | -6.47% | -5.38% |
| Standard Deviation (12m Rolling): | 18.70% | 19.09% |
| Sharpe Ratio (12m Rolling): | (1.75) | (1.73) |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equities | 88% | 88% | 85% |
| T-bills | 0% | 0% | 0% |
| Cash | 11% | 10% | 12% |
| Others | 2% | 2% | 2% |
| Leverage | Nil | Nil | Nil |



UDEF vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|---------|---------|---------|-----------------|
| UDEF | -6.47% | -18.03% | -21.51% | - | - | -24.34% |
| Benchmark | -5.38% | -17.00% | -21.76% | - | - | -23.87% |

Returns are on absolute basis

The Fund incurred a net loss of PKR 13.540 million for the quarter ended September 30, 2019 (including an unrealized loss of PKR 10.323 million on revaluation of investments)). As at September 30, 2019, net assets of the Fund were PKR 162 million representing the net asset value of PKR 75.6618 per unit.

UBL Financial Planning Fund (UFPF)

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.

As of September 30, 2019, there are 3 plans under UFPF as follows:

a) UBL Active Principal Preservation Plan I (UAPPP – I)

The Plan yielded return of 2.24% during 1QFY20. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 96mn at the end of 1QFY20.

Financial Highlights

| | UAPPP-I | Benchmark |
|--|---------|-----------|
| 1QFY'20 Return: | 2.24% | 1.58% |
| Standard Deviation (12m Rolling): | 3.43% | 3.50% |
| Sharpe Ratio (12m Rolling): | (2.27) | (2.05) |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equity Funds | 16% | 12% | 16% |
| Money Market Funds | 82% | 86% | 83% |
| Income Funds | 0% | 0% | 0% |
| Others | 0% | 0% | 0% |
| Cash | 2% | 2% | 0% |
| Leverage | Nil | Nil | Nil |



UAPPP-I vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| UAPPP-I | 2.24% | 1.29% | 3.50% | - | - | 5.41% |
| Benchmark | 1.58% | 1.27% | 4.13% | - | - | 6.53% |

Returns are on absolute basis

The Fund earned a net income of PKR 1.982 million for the quarter ended September 30, 2019 (including an unrealized gain of PKR 1.678 million on revaluation of investments). As at September 30, 2019, net assets of the Fund were PKR 96 million representing the net asset value of PKR 105.4078 per unit.

b) UBL Active Principal Preservation Plan II (UAPPP – II)

The Plan yielded return of 1.18% during 1QFY20. Major exposure was maintained in Placement with banks and equity funds, thus maintaining high portfolio quality. The net assets of the fund were PKR 221mn as at the September 30, 2019.

Financial Highlights

| | UAPPP-II | Benchmark |
|--|----------|-----------|
| 1QFY'20 Return: | 1.18% | 1.78% |
| Standard Deviation (12m Rolling): | 2.63% | 2.61% |
| Sharpe Ratio (12m Rolling): | (3.16) | (2.17) |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Equity Funds | 15% | 11% | 20% |
| Money Market Funds | 32% | 35% | 19% |
| Income Funds | 0% | 0% | 0% |
| Others | 4% | 4% | 5% |
| Cash | 1% | 0% | 0% |
| Placement with banks | 49% | 50% | 56% |
| Leverage | Nil | Nil | Nil |

UAPPP-II vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|----------|----------|--------|---------|---------|-----------------|
| UAPPP-II | 1.18% | 0.51% | 2.98% | - | - | 4.98% |
| Benchmark | 1.78% | 2.03% | 5.62% | - | - | 7.94% |

Returns are on absolute basis



The Plan earned a net income of PKR 2.475 million for the quarter ended September 30, 2019 (including an unrealized gain of PKR 0.747 million on revaluation of investments)). As at September 30, 2019, net assets of the Plan were PKR 221 million representing the net asset value of PKR 102.6711 per unit.

c) UBL Active Principal Preservation Plan III (UAPPP – III)

The Plan yielded return of 0.22% during 1QFY20 against benchmark return of 1.08%. Major exposure was maintained in Money Market funds and Equity Funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 187mn as at the September 30, 2019.

Financial Highlights

| | UAPPP-III Benchmark | |
|--|----------------------------|-------|
| 1QFY'20 Return: | 0.22% | 1.08% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|---|---------------|---------------|---------------|
| Equity Funds | 29% | 23% | 22% |
| Money Market Funds | 70% | 76% | 78% |
| Income Funds | 0% | 0% | 0% |
| Others | 0% | 0% | 0% |
| Cash | 1% | 1% | 0% |
| Placement with banks | 0% | 0% | 0% |
| Leverage | Nil | Nil | Nil |

UAPPP-III vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|------------------|-----------------|-----------------|---------------|----------------|----------------|------------------------|
| UAPPP-III | 2.51% | - | - | - | - | 2.25% |
| Benchmark | 2.48% | - | - | - | - | 2.79% |

Returns are on absolute basis

The Fund earned a net income of PKR 0.371 million for the quarter ended September 30, 2019 (including an unrealized gain of PKR 1.920 million on revaluation of investments)). As at September 30, 2019, net assets of the Fund were PKR 187 million representing the net asset value of PKR 100.5411 per unit.

UBL Special Savings Fund

There are six plans under USSF as follows:



a) UBL Special Savings Plan – I (USSP – 1)

The “UBL Special Savings Plan-I (USSP-I)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-I yielded return of 20.78%. Major exposure was maintained in PIBs at the end of Sep19, thus maintaining high portfolio quality .The net assets of the fund was PKR 403mn as at the September 30, 2019.

Financial Highlights

| | USSP-I | Benchmark |
|-----------------------------------|--------|-----------|
| 1QFY'20 Return: | 20.78% | 13.70% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 96% | 98% | 97% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 3% | 0% | 1% |
| Others | 1% | 1% | 2% |
| Leverage | Nil | Nil | Nil |

USSP-I vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|--------------|----------|----------|--------|---------|---------|-----------------|
| USSP-I (p.a) | 20.78% | 8.93% | - | - | - | 9.58% |
| Benchmark | 13.70% | 12.82% | - | - | - | 11.78% |

Returns are annualized using the Morningstar Methodology

The Fund earned a net income of PKR 8.270 million for the quarter ended September 30, 2019 including capital loss from the sale of securities amounted to PKR 4.084 million. As at September 30, 2019, net assets of the Fund were PKR 403 million representing the net asset value of PKR 102.3697 per unit.

b) UBL Special Savings Plan – II (USSP – II)

The “UBL Special Savings Plan-II (USSP-II)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-II yielded return of 20.74%. Major exposure was maintained in PIB at the end of Sep19. The net assets of the Plan were PKR 833mn as at the 30 September 2019.



Financial Highlights

| | USSP-II | Benchmark |
|--|----------------|------------------|
| 1QFY'20 Return: | 20.74% | 13.70% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |

| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|---|---------------|---------------|---------------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 92% | 96% | 98% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 7% | 3% | 0% |
| Others | 0% | 1% | 2% |
| Leverage | Nil | Nil | Nil |

USSP-II vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------------|-----------------|-----------------|---------------|----------------|----------------|------------------------|
| USSP-II (p.a) | 20.74% | 9.25% | - | - | - | 9.89% |
| Benchmark | 13.70% | 12.82% | - | - | - | 12.33% |

Returns are annualized using the Morningstar Methodology

The Plan earned a net income of PKR 26.083 million for the quarter ended September 30, 2019 including capital loss from the sale of securities amounted to PKR 0.001 million. As at September 30, 2019, net assets of the Plan were PKR 833 million representing the net asset value of PKR 102.1566 per unit.

c) UBL Special Savings Plan – III (USSP – III)

The “UBL Special Savings Plan-III (USSP-III)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-III yielded return of 22.21%. Major exposure was in PIB at the end of Sep19. The net assets of the Plan were PKR 276mn as at the 30 September 2019.

Financial Highlights

| | USSP-III | Benchmark |
|--|-----------------|------------------|
| 1QFY'20 Return: | 22.21% | 13.70% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 95% | 95% | 95% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 5% | 4% | 3% |
| Others | 1% | 1% | 2% |
| Leverage | Nil | Nil | Nil |

USSP-III vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------|----------|----------|--------|---------|---------|-----------------|
| JSSP-III (p.a) | 22.21% | - | - | - | - | 12.94% |
| Benchmark | 13.70% | - | - | - | - | 12.99% |

Returns are annualized using the Morningstar Methodology

The Plan earned a net income of PKR 8.291 million for the quarter ended September 30, 2019. As at September 30, 2019, net assets of the Fund were PKR 276 million representing the net asset value of PKR 103.9931 per unit.

d) UBL Special Savings Plan – IV (USSP – IV)

The “UBL Special Savings Plan-IV (USSP-IV)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty four (24) Months from commencement of life of plan. USSP-IV yielded return of 17.30%. Major exposure was in PIB at the end of Sep19. The net assets of the Plan were PKR 214mn as at the 30 September 2019.

Financial Highlights

| | USSP-IV | Benchmark |
|-----------------------------------|---------|-----------|
| 1QFY'20 Return: | 17.30% | 13.70% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 88% | 85% | 85% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 11% | 14% | 13% |
| Others | 1% | 1% | 2% |
| Leverage | Nil | Nil | Nil |

USSP-IV vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------|----------|----------|--------|---------|---------|-----------------|
| JSSP-IV (p.a) | 17.30% | - | - | - | - | 14.84% |
| Benchmark | 13.70% | - | - | - | - | 13.48% |

Returns are annualized using the Morningstar Methodology

The Plan earned a net income of PKR 6.311 million for the quarter ended September 30, 2019 including capital loss from the sale of securities amounted to PKR 0.032 million. As at September 30, 2019, net assets of the Plan were PKR 214 million representing the net asset value of PKR 103.7643 per unit.

e) UBL Special Savings Plan – V (USSP – V)

The “UBL Special Savings Plan V (USSP-V)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-V yielded return of 16.67%. The net assets of the Plan were PKR 4,692mn as at 30 September 2019.

Financial Highlights

| | USSP-V | Benchmark |
|-----------------------------------|--------|-----------|
| 1QFY'20 Return: | 16.67% | 13.74% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 0% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 98% |
| Cash | 0% | 0% | 2% |
| Others | 0% | 0% | 0% |
| Leverage | Nil | Nil | Nil |

USSP-V vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|--------------|----------|----------|--------|---------|---------|-----------------|
| USSP-V (p.a) | - | - | - | - | - | 16.67% |
| Benchmark | - | - | - | - | - | 13.74% |

Returns are annualized using the Morningstar Methodology

During the period from September 13, 2019 to September 30, 2019 the Plan earned total income of PKR 28.199 million for the quarter ended September 30, 2019 (including capital loss from the sale of securities amounted to PKR 0.128 million). After accounting for the expenses of PKR 1.171 million, the Plan managed to earn a net income of PKR 27.028 million. As at September 30, 2019, net assets of the Plan were PKR 4,692 million representing the net asset value of PKR 100.7633 per unit.

f) UBL Special Savings Plan – VI (USSP – VI)

The “UBL Special Savings Plan VI (USSP-VI)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-V yielded return of 11.13%. the net assets for the fund were PKR 157 mn as at 30 September 2019.

Financial Highlights

| | USSP-VI | Benchmark |
|-----------------------------------|---------|-----------|
| 1QFY'20 Return: | 11.13% | 13.86% |
| Standard Deviation (12m Rolling): | n/a | n/a |
| Sharpe Ratio (12m Rolling): | n/a | n/a |



| Asset Allocation (% of Total Assets) | Jul'19 | Aug'19 | Sep'19 |
|--------------------------------------|--------|--------|--------|
| Placements with banks | 0% | 0% | 0% |
| PIB* | 88% | 0% | 0% |
| GOP Ijarah Sukuk | 0% | 0% | 0% |
| Reverse Repo | 0% | 0% | 0% |
| T-Bills | 0% | 0% | 0% |
| Cash | 11% | 100% | 99% |
| Others | 1% | 0% | 1% |
| Leverage | Nil | Nil | Nil |

USSP-VI vs. Benchmark

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------|----------|----------|--------|---------|---------|-----------------|
| JSSP-VI (p.a) | - | - | - | - | - | 11.13% |
| Benchmark | - | - | - | - | - | 13.86% |

Returns are annualized using the Morningstar Methodology

During the period from August 09, 2019 to September 30, 2019 the Fund earned total income of PKR 1.397 million for the quarter ended September 30, 2019. After accounting for the expenses of PKR 0.152 million, the Fund managed to earn a net income of PKR 1.245 million. As at September 30, 2019, net assets of the Fund were PKR 157 million representing the net asset value of PKR 101.6327 per unit.

Future outlook

Going forward, we believe these mushrooming and negative sentiments have peaked out and the market has started to recover, as the implementation of structural and economic reforms have started to reap some fruits. In addition to this, REER closing to 92 signifying currency is likely to remain stable; we believe that interest rates are close to their peak and reversal can be expected at the end of FY20. Average CPI inflation for FY20 is likely to reach at 10-11% and thereafter to temper down to 6-7%. We believe current account deficit to remain within the range of USD 7.5-8.5bn. Lastly, with proper implementation of structural reforms and policies, an increase in construction and manufacturing activities average real GDP to set at 5% in the medium term.



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, and Central Depository Company of Pakistan Limited (Trustee) for their continued support, guidance and cooperation. The Board would also like to take this opportunity to express its appreciation to the employees for their dedication, commitment, enthusiasm and hard work.

FOR & ON BEHALF OF THE BOARD

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

Karachi, Dated: October 29, 2019

ULPF

UBL Liquidity Plus Fund

INVESTMENT OBJECTIVE

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

| | |
|-----------------------------|---|
| 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 | D eloitte Y osuf Adil & Co., Chartered Accountants |
| Bankers | United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank Of Pakistan Meezan Bank Limited |
| 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 30 SEPTEMBER 2019**

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 9,301,395 | 5,986,231 |
| Placements, Commercial Papers and Term Deposit Receipts | 5 | 1,895,688 | 850,000 |
| Investments | | - | - |
| Mark-up / interest receivable | | 99,366 | 66,745 |
| Deposits, prepayments and other receivable | | 4,574 | 47,904 |
| Advance tax | 7 | 1,995 | 1,994 |
| TOTAL ASSETS | | 11,303,018 | 6,952,874 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 | 10,100 | 6,449 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 661 | 548 |
| Payable to Securities and Exchange Commission of Pakistan | 8 | 467 | 8,912 |
| Accrued expenses and other liabilities | 11 | 112,743 | 99,639 |
| TOTAL LIABILITIES | | 123,971 | 115,548 |
| NET ASSETS | | 11,179,047 | 6,837,326 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 11,179,047 | 6,837,326 |
| CONTINGENCIES AND COMMITMENTS | 12 | | |
| | | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | 110,884,346 | 67,843,773 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 100.8172 | 100.7804 |

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

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

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

UBL LIQUIDITY PLUS FUND
CONDESED INTERIM INCOME STATEMENT (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Note | Quarter Ended | |
|--|------|------------------------------|-----------------------|
| | | September 30, 2019 | September 30, 2018 |
| | | ----- (Rupees in '000) ----- | |
| INCOME | | | |
| Financial income | | 322,121 | 277,386 |
| Capital loss on sale of investments - net | | (3,100) | (3,646) |
| Unrealised loss on remeasurement of investment classified as fair value through profit or loss | | - | (525) |
| Total income | | 319,021 | 273,215 |
| EXPENSES | | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 10.1 | 20,791 | 20,555 |
| Sindh Sales Tax on Management Company's remuneration | | 2,703 | 2,672 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 1,715 | 3,081 |
| Annual fee of Securities and Exchange Commission of Pakistan | | 467 | 2,700 |
| Bank charges | | 117 | 190 |
| Auditors' remuneration | | 183 | 236 |
| Brokerage and settlement expenses | | 332 | 512 |
| Allocated expenses | 10.2 | 780 | 3,599 |
| Marketing & Selling expenses | 10.2 | 1,639 | - |
| Fees and subscription charges | | 75 | 75 |
| Other expense | | 27 | 70 |
| Total operating expenses | | 28,829 | 33,690 |
| Net income from operating activities | | 290,192 | 239,525 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | (5,698) | (4,703) |
| Net income for the quarter before taxation | | 284,494 | 234,822 |
| Taxation | 13 | - | - |
| Net income for the quarter after taxation | | 284,494 | 234,822 |
| Allocation of net income for the period | | | |
| Income already paid on units redeemed | | (15,771) | (8,866) |
| Net income for the period available for distribution | | 268,723 | 225,956 |
| Relating to capital gains | | - | - |
| Excluding capital gains | | 268,723 | 225,956 |
| | | 268,723 | 225,956 |
| Earnings per unit | 14 | | |

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

For UBL Fund Managers Limited
(Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

**UBL LIQUIDITY PLUS FUND
 CONDESED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | <u>Quarter Ended</u> | |
|---|-------------------------------|-------------------------------|
| | <u>September 30, 2019</u> | <u>September 30, 2018</u> |
| | ----- (Rupees in '000) ----- | |
| Net income for the quarter after taxation | 284,494 | 234,822 |
| Total comprehensive income for the quarter | <u><u>284,494</u></u> | <u><u>234,822</u></u> |

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

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

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL LIQUIDITY PLUS FUND
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter Ended | | | | | |
|---|--------------------|----------------------|--------------------|---------------------|----------------------|---------------------|
| | September 30, 2019 | | | September 30, 2018 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| ----- (Rupees in '000) ----- | | | | | | |
| Net assets at the beginning of the quarter | 6,731,382 | 105,945 | 6,837,326 | 14,120,429 | 333,781 | 14,454,210 |
| Issuance of 106,779,968 units (2018: 100,044,210 units) | | | | | | |
| Capital value of units | 10,761,328 | - | 10,761,328 | 10,072,795 | - | 10,072,795 |
| Element of income during the quarter | | | | | | |
| Due to net income earned | 20,374 | - | 20,374 | 10,476 | - | 10,476 |
| Total proceeds on issuance of units | 10,781,702 | - | 10,781,702 | 10,083,271 | - | 10,083,271 |
| Redemption of 63,739,395 units (2017: 109,100,361 units) | | | | | | |
| Capital value of units | (6,423,682) | - | (6,423,682) | (10,984,591) | - | (10,984,591) |
| Element of income during the year | | | | | | |
| Due to net income earned | (2,599) | (15,771) | (18,369) | (462) | (8,866) | (9,328) |
| Total payments on redemption of units | (6,442,051) | (15,771) | (6,442,051) | (10,985,053) | (8,866) | (10,993,919) |
| Total comprehensive income for the quarter | - | 284,494 | 284,494 | - | 234,822 | 234,822 |
| Distribution during the period | | | | | | |
| Annual distribution | | | | | | |
| Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend | - | - | - | (501,698) | (253,759) | (755,457) |
| Interim Distribution - July 19 to September 19 | | | | | | |
| Re. 0.4494 per unit declared on July 14, 2019 as cash dividend | (3,069) | (29,351) | (32,420) | - | - | - |
| Re. 0.4500 per unit declared on July 28, 2019 as cash dividend | (214) | (32,686) | (32,900) | - | - | - |
| Re. 0.6064 per unit declared on August 15, 2019 as cash dividend | (1,798) | (52,396) | (54,194) | - | - | - |
| Re. 0.4712 per unit declared on August 29, 2019 as cash dividend | (2,938) | (43,393) | (46,331) | - | - | - |
| Re. 0.5675 per unit declared on September 15, 2019 as cash dividend | (6,673) | (56,033) | (62,706) | - | - | - |
| Re. 0.5009 per unit declared on September 29, 2019 as cash dividend | (3,041) | (50,833) | (53,874) | - | - | - |
| Interim Distribution - July 18 to September 18 | | | | | | |
| Re. 0.2669 per unit declared on July 15, 2018 as cash dividend | - | - | - | (4,803) | (33,544) | (38,347) |
| Re. 0.2539 per unit declared on July 29, 2018 as cash dividend | - | - | - | (3,678) | (36,912) | (40,590) |
| Re. 0.2629 per unit declared on August 12, 2018 as cash dividend | - | - | - | (364) | (36,890) | (37,254) |
| Re. 0.2502 per unit declared on August 26, 2018 as cash dividend | - | - | - | (192) | (34,310) | (34,502) |
| Re. 0.2500 per unit declared on September 09, 2018 as cash dividend | - | - | - | (481) | (34,740) | (35,221) |
| Re. 0.2461 per unit declared on September 23, 2018 as cash dividend | - | - | - | (216) | (33,390) | (33,606) |
| Net assets at the end of the quarter | 11,053,301 | 109,976 | 11,179,047 | 12,707,215 | 96,192 | 12,803,406 |
| Undistributed income brought forward comprises of: | | | | | | |
| Realised gain | | 105,945 | 105,945 | | 333,781 | 333,781 |
| Unrealised gain | | - | - | | - | - |
| Total undistributed income brought forward | | 105,945 | 105,945 | | 333,781 | 333,781 |
| Income available for distribution: | | | | | | |
| Relating to capital gains | | - | - | | - | - |
| Excluding capital gains | | 268,723 | 268,723 | | 225,956 | 225,956 |
| Distribution during the quarter | | 268,723 | 268,723 | | 225,956 | 225,956 |
| Annual distribution | | | | | | |
| Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend | | - | - | | (253,759) | (253,759) |
| Interim Distribution - July 19 to September 19 | | | | | | |
| Re. 0.4494 per unit declared on July 14, 2019 as cash dividend | | (29,351) | (29,351) | | - | - |
| Re. 0.4500 per unit declared on July 28, 2019 as cash dividend | | (32,686) | (32,686) | | - | - |
| Re. 0.6064 per unit declared on August 15, 2019 as cash dividend | | (52,396) | (52,396) | | - | - |
| Re. 0.4712 per unit declared on August 29, 2019 as cash dividend | | (43,393) | (43,393) | | - | - |
| Re. 0.5675 per unit declared on September 15, 2019 as cash dividend | | (56,033) | (56,033) | | - | - |
| Re. 0.5009 per unit declared on September 29, 2019 as cash dividend | | (50,833) | (50,833) | | - | - |
| | | (264,692) | (264,692) | | - | - |
| Interim Distribution - July 18 to September 18 | | | | | | |
| Re. 0.2669 per unit declared on July 15, 2018 as cash dividend | | - | - | | (33,544) | (33,544) |
| Re. 0.2539 per unit declared on July 29, 2018 as cash dividend | | - | - | | (36,912) | (36,912) |
| Re. 0.2629 per unit declared on August 12, 2018 as cash dividend | | - | - | | (36,890) | (36,890) |
| Re. 0.2502 per unit declared on August 26, 2018 as cash dividend | | - | - | | (34,310) | (34,310) |
| Re. 0.2500 per unit declared on September 09, 2018 as cash dividend | | - | - | | (34,740) | (34,740) |
| Re. 0.2461 per unit declared on September 23, 2018 as cash dividend | | - | - | | (33,390) | (33,390) |
| | | - | - | | (209,786) | (209,786) |
| Undistributed income carried forward | | 109,976 | 109,976 | | 96,192 | 96,192 |
| Undistributed income carried forward comprises of: | | | | | | |
| Realised gain | | 109,976 | 109,976 | | 96,192 | 96,192 |
| Unrealised gain | | - | - | | - | - |
| Total undistributed income carried forward | | 109,976 | 109,976 | | 96,192 | 96,192 |
| Net assets value per unit at the beginning of the quarter | | | 100.7804 | | | 106.2344 |
| Net assets value per unit at the end of the quarter | | | 100.8172 | | | 100.8114 |

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

For UBL Fund Managers Limited
(Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter Ended | |
|---|-------------------------------|-------------------------------|
| | September 30, 2019 | September 30, 2018 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the quarter before taxation | 284,494 | 234,822 |
| Adjustments for: | | |
| Financial income | (322,121) | (277,386) |
| Capital loss/ (gain) on sale of investments - net | 3,100 | 3,646 |
| Loss on sale of investment - net | - | 525 |
| Provision for Sindh Workers' Welfare Fund | 5,698 | 4,703 |
| | <u>(313,323)</u> | <u>(268,512)</u> |
| Cash used in operations before working capital changes | (28,829) | (33,690) |
| Working capital changes | | |
| (Increase) / decrease in assets | | |
| Investments - net | (3,100) | (2,149,402) |
| Placements, Commercial Papers and Term Deposit Receipts | (465,688) | - |
| Deposits, prepayments and other receivables | 43,330 | 8,610 |
| Advance tax | (1) | 501 |
| | <u>(425,459)</u> | <u>(2,140,291)</u> |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | 3,651 | (2,339) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 113 | (196) |
| Annual fee payable to Securities and Exchange Commission of Pakistan | (8,445) | (4,381) |
| Accrued expenses and other liabilities | 7,406 | (58,055) |
| | <u>2,725</u> | <u>(64,971)</u> |
| Profit received during the quarter | 289,500 | 275,846 |
| Net cash used in from operating activities | <u>(162,063)</u> | <u>(1,963,106)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 10,781,702 | 10,083,270 |
| Payment against redemption of units | (6,442,051) | (10,993,919) |
| Dividend paid | (282,424) | (974,977) |
| Net cash (used in) / generated from financing activities | <u>4,057,227</u> | <u>(1,885,626)</u> |
| Net (decrease) / increase in cash and cash equivalents during the quarter | <u>3,895,164</u> | <u>(3,848,732)</u> |
| Cash and cash equivalents at the beginning of the quarter | <u>6,336,231</u> | <u>14,571,421</u> |
| Cash and cash equivalents at the end of the quarter | <u><u>10,231,395</u></u> | <u><u>10,722,689</u></u> |
| Bank balances | 9,301,395 | 8,922,689 |
| Term Deposit Receipts | 930,000 | 1,800,000 |
| | <u><u>10,231,395</u></u> | <u><u>10,722,689</u></u> |

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

For UBL Fund Managers Limited
(Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

UBL LIQUIDITY PLUS FUND
NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2018.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 **Basis of measurement**

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

2.3 **Functional and presentation currency**

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

3 **SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT**

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|----------|----------------------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 4 | BANK BALANCES | | |
| | Cash at bank | | |
| | In current accounts | - | 4 |
| | In saving accounts | 4.1 <u>9,301,395</u> | <u>5,986,227</u> |
| | | <u>9,301,395</u> | <u>5,986,231</u> |

4.1 Profit rates on these savings accounts range between 9.00% to 14.4% per annum (June 30, 2019: 4.00% to 13.40% per annum). This includes an amount deposit to a related party (United Bank Limited) amounting to Rs. 6.312 million (June 30, 2019: Rs. 29.27 million) on which return is earned at 11.75% (June 30, 2019: 8.25%) per annum.

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|----------|---|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 5 | PLACEMENTS, COMMERCIAL PAPERS AND TERM DEPOSIT RECEIPTS (TDRs) | | |
| | Opening balance | 850,000 | 1,580,000 |
| | Acquired during the year | 5,058,980 | 50,633,000 |
| | Matured during the year | <u>(4,013,292)</u> | <u>(51,363,000)</u> |
| | Closing balance | 5.1 <u>1,895,688</u> | <u>850,000</u> |

5.1 These includes Placements, TDR and Commercial Papers having Face value from Rs 500 million to Rs 930 million carrying profit rate of 14% to 15.4% and having maturity dates of not later than January 02, 2020.

6 INVESTMENTS

6.1 Investments in Government Securities designated at fair value through profit or loss

| Name of security | At the beginning of the quarter | Acquired during the quarter | Sold/ matured during quarter | At the end of the quarter | Market value as at Sep 30, 2019 | Market value as at June 30, 2019 | Percentage of investment | Percentage of net assets |
|----------------------------|------------------------------------|--------------------------------|---------------------------------|------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| | ----- No. of holdings ----- | | | | ----- (Rupees in '000) ----- | | | |
| Market Treasury Bills * | | | | | | | | |
| T bills 3 months | - | 195,230 | 195,230 | - | - | - | 0% | 0% |
| | - | 195,230 | 195,230 | - | - | - | 0% | 0% |

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 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.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

The remuneration is payable to the Management Company on monthly basis in arrears. During the quarter ended September 30, 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

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

The Management Company is charging 0.1% on account of fee and expenses related to registrar services, accounting, operation and valuation services from September 5, 2019 and onwards. Furthermore Management Company has also started charging selling and marketing expense of 0.21% from September 05, 2019.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

11.1 Provision for Workers' Welfare Fund (WWF)

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 38.63 million (June 30, 2019: Rs. 32.932 million). The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. 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. 0.3484 (June 30, 2019: Re. 0.4854).

11.2 **Provision for indirect taxes and duties**

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs. 55.385 million (June 30, 2019: Rs. 55.385). 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, 2018. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 55.3850 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.4995 (June 30, 2019: Re.0.8164).

12 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2019.

13 **TAXATION**

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

14 **EARNINGS PER UNIT**

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

15 **TOTAL EXPENSE RATIO**

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.37% as on September 30, 2018 and this includes 0.1% representing government levy, worker's welfare fund and SECP fee.

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

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

Transactions with the connected persons are carried out in the normal course of business, at agreed / 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 quarter year ended September 30, 2019 are as follows:

| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected persons / related parties |
|---|-----------------------|-------------------------|---------|-------------------------------------|---------------------------------|--|
| ----- (Rupees in '000) ----- | | | | | | |
| Transactions during the quarter ended September 30, 2019 | | | | | | |
| Profit on savings accounts | - | 6,312 | - | - | - | - |
| Bank charges | - | 33 | - | - | - | - |
| Units issued | 6,185,559 | 1 | - | - | 1,388 | - |
| Units redeemed | 4,555,951 | - | - | - | 130 | - |
| Purchase of securities | - | 4,648,154 | - | 4,164,764 | - | - |
| Sale of securities | - | - | - | 1,844,313 | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Remuneration (including Sindh sales tax) | 23,494 | - | 1,715 | - | - | - |
| Allocated expenses | 780 | - | - | - | - | - |
| Selling and Marketing Fee | 1,639 | - | - | - | - | - |
| Dividend paid | 4,458 | - | - | - | 456 | - |
| Transactions during the quarter ended September 30, 2018 | | | | | | |
| Profit on savings accounts | - | 193 | - | - | - | - |
| Bank charges | - | 13 | - | - | - | - |
| Units issued | 36,444 | 6,055 | - | 17,759 | 3,082 | 3,950,189 |
| Units redeemed | 679,185 | 12,881 | - | 174,705 | 12,851 | 38,000 |
| Bonus units issued | - | - | - | - | - | - |
| Purchase of securities | - | - | - | - | - | - |
| Remuneration (including Sindh sales tax) | 23,227 | - | 3,081 | - | - | - |
| Allocated expenses | 3,599 | - | - | - | - | - |
| Dividend paid | 38,671 | 839 | - | 9,517 | 1,544 | 168,601 |
| Balances held as at September 30, 2019 | | | | | | |
| Units held (in Units '000) | 14,215 | 0 | - | - | 160 | - |
| Units held (in Rupees '000) | 1,433,081 | 14 | - | - | 16,111 | - |
| Bank balances | - | 6,312 | - | - | - | - |
| Deposits | - | - | 100 | - | - | - |
| Remuneration payable | 7,541 | - | 661 | - | - | - |
| Other payables | 17 | - | - | - | - | - |
| Allocated expense payable | 780 | - | - | - | - | - |
| Selling and Marketing expense payable | 1,639 | - | - | - | - | - |
| Conversion Charges payable | 123 | - | - | - | - | - |
| Listing Fee Payable | - | 7 | - | - | - | - |
| Profit receivable | - | 442 | - | - | - | - |
| Balances held as at June 30, 2019 | | | | | | |
| Units held (in Units '000) | - | - | - | - | 147 | 24,399 |
| Units held (in Rupees '000) | - | - | - | - | 14,847 | 2,458,989 |
| Bank balances | - | 29,278 | - | - | - | - |
| Deposits | - | - | 100 | - | - | - |
| Securities | - | - | - | - | - | - |
| Remuneration payable | 6,314 | - | 548 | - | - | - |
| Other payables | 135 | - | - | - | - | - |
| Profit receivable | - | 279 | - | - | - | - |

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

As of September 30, 2019, the Fund does not hold any financial instrument measured at fair value.

As of June 30, 2019, the Fund does not hold any financial instrument measured at fair value.

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.

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

18 GENERAL

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

19 DATE OF AUTHORISATION FOR ISSUE

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

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

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

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 Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiat Bank Ltd 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 Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at 30 September 2019

| | | (Un-Audited) September 30 2019 | (Audited) June 30 2019 |
|---|------|--------------------------------------|------------------------------|
| | Note | (Rupees in '000) | |
| Assets | | | |
| Bank balances | 4 | 3,704,392 | 2,388,715 |
| Placements and term deposit receipt | 5 | 503,000 | 340,000 |
| Investments | 6 | - | - |
| Profit receivable | | 42,473 | 21,992 |
| Deposit, prepayments and other receivables | | 488 | 1,373 |
| Advance Income tax | 7 | 1,595 | 1,589 |
| Total assets | | <u>4,251,948</u> | <u>2,753,669</u> |
| Liabilities | | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 | 6,400 | 2,684 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 269 | 222 |
| Payable to Securities and Exchange Commission of Pakistan | 8 | 222 | 1,414 |
| Accrued expenses and other liabilities | 11 | 24,187 | 23,918 |
| Total liabilities | | <u>31,078</u> | <u>28,238</u> |
| Net assets | | <u>4,220,870</u> | <u>2,725,431</u> |
| Unit holders' fund (as per the statement attached) | | <u>4,220,870</u> | <u>2,725,431</u> |
| Contingencies And Commitments | | | |
| | 12 | (Number of Units) | |
| Number of units in issue (face value of units is Rs. 100 each) | | <u>40,699,280</u> | <u>27,071,133</u> |
| | | (Rupees) | |
| Net asset value per unit | | <u>103.7087</u> | <u>100.6767</u> |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Money Market Fund
Condensed Interim Income Statement (Un-audited)
For the quarter ended 30 September 2019

| | Note | Quarter Ended | |
|--|------|----------------------|----------------------|
| | | September 30 2019 | September 30 2018 |
| (Rupees in '000) | | | |
| Income | | | |
| Financial income | | 151,204 | 25,193 |
| Capital loss on sale of investments - net | | (1,678) | (251) |
| Total income | | 149,526 | 24,942 |
| Expenses | | | |
| Remuneration of the Management Company | | 9,996 | 1,878 |
| Sindh Sales Tax on the Management Company's remuneration | | 1,299 | 244 |
| Allocation of expenses relating to the Fund | 10.2 | 1,111 | 326 |
| Marketing & Selling Expense | 10.2 | 958 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 817 | 490 |
| Annual fee of Securities and Exchange Commission of Pakistan | | 222 | 244 |
| Bank charges | | 104 | 56 |
| Auditors' remuneration | | 162 | 201 |
| Listing fees | | 7 | 7 |
| Legal and professional charges | | 75 | 44 |
| Other expenses | | 223 | 105 |
| Total operating expenses | | 14,974 | 3,595 |
| Net income from operating activities | | 134,552 | 21,347 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | (2,641) | (420) |
| Net income for the quarter before taxation | | 131,911 | 20,927 |
| Taxation | 13 | - | - |
| Net income for the quarter after taxation | | 131,911 | 20,927 |
| Allocation of net income for the quarter after taxation | | | |
| Net income for the quarter after taxation | | 131,911 | 20,927 |
| Income already paid on units redeemed | | (42,702) | (2,796) |
| Accounting income available for distribution | | 89,209 | 18,131 |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | - |
| - Excluding capital gains | | 89,209 | 18,131 |
| | | 89,209 | 18,131 |
| Earnings per unit | 14 | | |

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

For UBL Fund Managers Limited
(Management Company)

SD
 Chief Executive Officer

SD
 Chief Financial Officer

SD
 Director

UBL Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended 30 September 2019

| | Quarter Ended | |
|---|------------------------------|------------------------------|
| | September 30 2019 | September 30 2018 |
| | (Rupees in '000) | |
| Net income for the quarter after taxation | 131,911 | 20,927 |
| Other comprehensive income for the quarter | - | - |
| Total comprehensive income for the quarter | <u>131,911</u> | <u>20,927</u> |

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

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

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL Money Market Fund
Condensed Interim Statement of Movement in Unit holders' Fund (Un-audited)
For the quarter ended 30 September 2019

| | Quarter Ended | | | | | |
|--|------------------------------|-------------------------|------------------|----------------------|-------------------------|------------------|
| | September 30 2019 | | | September 30 2018 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the quarter | 2,714,135 | 11,296 | 2,725,431 | 1,590,492 | 25,180 | 1,615,672 |
| Issuance of 52,051,314 units (2018: 12,314,210 units) | | | | | | |
| - Capital value | 5,240,355 | - | 5,240,355 | 1,237,158 | - | 1,237,158 |
| - Element of income | 59,569 | - | 59,569 | 10,842 | - | 10,842 |
| Total proceeds on issuance of units | 5,299,924 | - | 5,299,924 | 1,248,000 | - | 1,248,000 |
| Redemption of 38,423,167 units (2018: 10,304,352 units) | | | | | | |
| - Capital value | (3,868,318) | - | (3,868,318) | (1,035,238) | - | (1,035,238) |
| - Element of loss | (25,376) | (42,702) | (68,078) | (890) | (2,796) | (3,686) |
| Total payments on redemption of units | (3,936,396) | (42,702) | (3,936,396) | (1,036,128) | (2,796) | (1,038,924) |
| Total comprehensive income for the quarter | - | 131,911 | 131,911 | - | 20,927 | 20,927 |
| Final distribution during the quarter ended 30 September 2018: Rs. 5.1412 per unit declared on July 02, 2018 as cash dividend | - | - | - | (59,908) | (18,746) | (78,654) |
| Net assets at end of the quarter | 4,077,663 | 100,505 | 4,220,870 | 1,742,456 | 24,565 | 1,767,021 |
| Undistributed income brought forward: | | | | | | |
| - Realised income | | 11,296 | 11,296 | | 25,180 | 25,180 |
| - Unrealised income | | - | - | | - | - |
| | | 11,296 | 11,296 | | 25,180 | 25,180 |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | - | - | - | - | - | - |
| - Excluding capital gains | 89,209 | 89,209 | 89,209 | 18,131 | 18,131 | 18,131 |
| | 89,209 | 89,209 | 89,209 | 18,131 | 18,131 | 18,131 |
| Final distribution during the quarter ended 30 September 2018: Rs. 5.1412 per unit declared on July 02, 2018 as cash dividend | - | - | - | (18,746) | (18,746) | (18,746) |
| Undistributed income carried forward | 100,505 | 100,505 | 100,505 | 24,565 | 24,565 | 24,565 |
| Undistributed income carried forward comprise of: | | | | | | |
| - Realised income | 100,505 | 100,505 | 100,505 | 24,565 | 24,565 | 24,565 |
| - Unrealised income | - | - | - | - | - | - |
| | 100,505 | 100,505 | 100,505 | 24,565 | 24,565 | 24,565 |
| | | | | | | |
| | | | | (Rupees) | | (Rupees) |
| Net assets value per unit at beginning of the quarter | | | 100.6767 | | | 105.6073 |
| Net assets value per unit at end of the quarter | | | 103.7087 | | | 102.0885 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended 30 September 2019

| | Quarter Ended | |
|---|------------------------------|------------------------------|
| | September 30 2019 | September 30 2018 |
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the quarter before taxation | 131,911 | 20,927 |
| Adjustments for non-cash and other items: | | |
| Financial income | (151,204) | (25,193) |
| Capital loss on sale of investments | 1,678 | 251 |
| Provision for Sindh Workers' Welfare Fund | 2,641 | 420 |
| | (146,885) | (24,522) |
| Net cash used in operations before working capital changes | (14,974) | (3,595) |
| Working capital changes | | |
| <i>(Increase) / decrease in assets</i> | | |
| Investments | (1,678) | (251) |
| Deposit, prepayments and other receivables | 885 | (14,992) |
| Advance tax | (6) | 4 |
| | (799) | (15,239) |
| <i>(Decrease) / increase in liabilities</i> | | |
| Payable to UBL Fund Managers Limited - Management Company | 3,716 | 255 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 47 | 3 |
| Payable to Securities and Exchange Commission of Pakistan | (1,192) | (584) |
| Accrued expenses and other payables | (2,373) | 231 |
| | 130,723 | 24,491 |
| Net cash flows generated from operating activities | 115,149 | 5,562 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of units | 5,299,924 | 1,248,000 |
| Payments on redemption of units | (3,936,396) | (1,038,924) |
| Cash distribution to unit holders | - | (78,654) |
| Net cash flows generated from financing activities | 1,363,528 | 130,422 |
| Net increase in cash and cash equivalents | 1,478,677 | 135,984 |
| Cash and cash equivalents at beginning of the quarter | 2,538,715 | 1,625,596 |
| Cash and cash equivalents at end of the quarter | 4,017,392 | 1,761,580 |
| CASH AND CASH EQUIVALENTS | | |
| Bank balances | 3,704,392 | 1,461,580 |
| Term deposit receipt | 313,000 | 300,000 |
| Cash and cash equivalents at end of the quarter | 4,017,392 | 1,761,580 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Money Market Fund

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

For the quarter ended 30 September 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Money Market Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 10 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 14 October 2010.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines.
- 1.3 The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to general public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The investment objective of the fund is to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 The Management Company has been rated as 'AM1' on 27 December 2018 by VIS. The Fund has been rated as AA(f) by VIS on 31 December 2018.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2018.
- 2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| 4 | BANK BALANCES | Note | (Un-audited) | (Audited) |
|------------------|---------------------|------|----------------------|------------------|
| | | | 30 September 2019 | 30 June 2019 |
| (Rupees in '000) | | | | |
| | In current accounts | 4.1 | 61 | 2,174 |
| | In saving accounts | 4.2 | 3,704,331 | 2,386,541 |
| | | | <u>3,704,392</u> | <u>2,388,715</u> |

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

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

5 PLACEMENTS AND TERM DEPOSIT RECEIPTS

| 5 | Term Deposit Receipt Letter of placement | Note | 313,000 | - |
|---|---|------|----------------|----------------|
| | | | 190,000 | 340,000 |
| | | | <u>503,000</u> | <u>340,000</u> |
| | | 5.1 | | |

5.1 These includes Placements and TDR having Face value from Rs 190 million to Rs 313 million carrying profit rate of 14% to 14.5% and having maturity dates of not later than January 02, 2020.

6 INVESTMENTS

Designated at fair value through profit or loss - Government Securities

| | | | |
|-------------------------|-----|----------|----------|
| - Market Treasury Bills | 6.1 | - | - |
| | | <u>-</u> | <u>-</u> |

6.1 **Market Treasury Bills -**

| | As at 01 July 2019 | Purchased During the quarter | Sold / matured during the quarter | As at 30 September 2019 | Market Value value as at 30 September | Market value as at 30 June 2019 | Percentage of total investment | Percentage of net assets |
|-------------------------------|----------------------------------|------------------------------|-----------------------------------|------------------------------|---------------------------------------|---------------------------------|--------------------------------|--------------------------|
| | ----- (Number of holdings) ----- | | | ----- (Rupees in '000) ----- | | | | |
| Treasury Bills - 3 months | - | 9,624,000 | 9,624,000 | - | - | - | - | - |
| Total as of September 30,2019 | - | <u>9,624,000</u> | <u>9,624,000</u> | - | - | - | - | - |

7 **ADVANCE INCOME TAX**

The income of the Fund is exempt under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding tax under section 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" date May 12, 2015, The management is confident that the same shall be refunded after filing Income Tax Return for the Tax Year 2020.

8 **PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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

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

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

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

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

The remuneration is payable to the Management Company on monthly basis in arrears. During the quarter ended September 30, 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

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

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

11 **ACCRUED EXPENSES AND OTHER LIABILITIES**

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

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 8.2681 million (June 30, 2019: Rs. 5.672 million). The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.2032 (June 30, 2019: Re.

11.2 **Provision for indirect taxes and duties**

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs. 9.499 million (June 30, 2019: Rs.9.499 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 9.4992 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.2334 (June 30, 2019: Re.0.3509).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

13 TAXATION

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

14 EARNINGS PER UNIT

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

15 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.40% as on September 30, 2019 and this includes 0.1% representing government levy, worker's welfare fund and SECP fee.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

As of September 30, 2019 and June 30, 2019, the Fund does not hold any financial instrument measured at fair value.

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.

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

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with the connected persons are carried out in the normal course of business, at agreed / 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 quarter year ended September 30, 2019 are as follows:

| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Transactions during the quarter ended 30 September 2018) ----- ----- (Rupees in '000) ----- | | | | | | |
| Units issued | 1,301,530 | 1,200 | - | 60,545 | 2,122 | - |
| Units redeemed | 1,305,018 | 1,205 | - | 190,203 | 18,367 | - |
| Profit on saving accounts | - | 432 | - | - | - | - |
| Bank charges | - | 27 | - | - | - | - |
| Purchase of securities | - | - | - | 1,608,059 | - | - |
| Sale of securities | - | 1,878,930 | - | 1,754,336 | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Remuneration Payable | 9,996 | - | 723 | - | - | - |
| Sindh Sales tax on remuneration | 1,299 | - | 94 | - | - | - |
| Selling & Marketing Expense | 958 | - | - | - | - | - |
| Allocation of expenses relating to the Fund | 1,111 | - | - | - | - | - |
| ----- (Balances held as at 30 September 2019) ----- | | | | | | |
| Units held (in units '000) | 51 | - | - | 2,592 | 75 | - |
| Units held (in rupees '000) | 5 | - | - | 269 | 8 | - |
| Bank balances | - | 14,511 | - | - | - | - |
| Listing Fee Payable | - | 7 | - | - | - | - |
| Remuneration payable | 3,034 | - | 269 | - | - | - |
| Sales load and other payable | 1,547 | - | - | - | - | - |
| Payable against allocated expenses | 809 | - | - | - | - | - |
| Selling and Marketing expense payable | 958 | - | - | - | - | - |
| Conversion Charges Payable | 35 | - | - | - | - | - |
| Other Payable | 17 | - | - | - | - | - |
| Profit receivable | - | 130 | - | - | - | - |
| Deposit | - | - | 100 | - | - | - |
| ----- (Transactions during the quarter ended 30 September 2018) ----- ----- (Rupees in '000) ----- | | | | | | |
| Units issued | 30,955 | 598 | - | 184,728 | 11,259 | 402,329 |
| Units redeemed | 605,822 | 13,116 | - | 12,940 | 1,729 | - |
| Profit on saving accounts | - | 48 | - | - | - | - |
| Bank charges | - | 20 | - | - | - | - |
| Purchase of securities | - | - | - | - | - | - |
| Sale of securities | - | 247,595 | - | - | - | - |
| Remuneration | 1,878 | - | 434 | - | - | - |
| Sindh Sales tax on remuneration | 244 | - | 56 | - | - | - |
| Allocation of expenses relating to the Fund | 326 | - | - | - | - | - |
| Dividend Paid | 30,986 | 1,171 | - | 7,662 | 0 | - |
| ----- (Balances held as at 30 June 2019) ----- | | | | | | |
| Units held (in units '000) | - | - | - | 3,862 | 234,819 | 3,979 |
| Units held (in rupees '000) | - | - | - | 388,767 | 23,641 | 400,604 |
| Bank balances | - | 15,787 | - | - | - | - |
| Remuneration payable | 2,038 | - | 222 | - | - | - |
| Sales load and other payable | 466 | - | - | - | - | - |
| Payable against allocated expenses | 180 | - | - | - | - | - |
| Receivable from issuance of unit | 1,000 | - | - | 174 | - | - |
| Profit receivable | - | 52 | - | - | - | - |
| Deposit | - | - | 100 | - | - | - |

18. GENERAL

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

19 DATE OF AUTHORISATION FOR ISSUE

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

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UCF

UBL Cash Fund

INVESTMENT OBJECTIVE

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

| | |
|-----------------------------|--|
| 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 | Deloitte Yousuf Adil & Co., Chartered Accountants. |
| Bankers | United Bank Limited Allied Bank Limited Habib Bank Limited |
| Management Co.Rating | AM1 (JCR-VIS) |
| Fund Rating | AA+ (JCR-VIS) |

UBL Cash Fund
Condensed Interim Statement of Assets and Liabilities
As at 30 September 2019

| | <i>Note</i> | (Un-Audited) September 30 2019 (Rupees in '000) |
|---|-------------|--|
| Assets | | |
| Bank balances | 4 | 200,438 |
| Profit receivable | | 113 |
| Formation Cost | | 1,000 |
| Total assets | | <u>201,551</u> |
| Liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | 6 | 1,002 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 7 | 2 |
| Payable to Securities and Exchange Commission of Pakistan | 8 | - |
| Accrued expenses and other payables | 9 | 124 |
| Total liabilities | | <u>1,128</u> |
| Net assets | | <u>200,423</u> |
| Unit holders' fund (as per statement attached) | | <u>200,423</u> |
| Contingencies and commitments | 10 | Number of Units |
| Number of units in issue | | <u>2,003,594</u> |
| | | (Rupees) |
| Net assets value per unit | | <u>100.0317</u> |

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Cash Fund

Condensed Interim Income Statement (Un-audited)

For the quarter ended 30 September 2019

| | For the period from September 23, 2019 to September 30, 2019 ---- (Rupees in '000) ---- |
|--|--|
| Income | |
| Markup on bank deposits and mark-up / return on investments calculated using the effective interest method | 527 |
| Realised (loss) on sale of investments | (8) |
| Total income | 519 |
| Expenses | |
| Allocation of expenses relating to the Fund | 2 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 2 |
| Annual fee of Securities and Exchange Commission of Pakistan | - |
| Auditors' remuneration | 7 |
| Listing fees | 1 |
| Legal and professional charges | 4 |
| Brokerage expenses | 1 |
| Other expenses | 5 |
| Total operating expenses | 22 |
| Net income from operating activities | 497 |
| Provision for Sindh Workers' Welfare Fund | (10) |
| Net income for the quarter before taxation | 487 |
| Taxation | - |
| Net income for the quarter after taxation | 487 |
| Allocation of net income for the quarter after taxation | |
| Net income for the year after taxation | 487 |
| Income already paid on units redeemed | - |
| Accounting income available for distribution | 487 |
| Accounting income available for distribution | |
| - Relating to capital gains | - |
| - Excluding capital gains | 487 |
| | 487 |

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Cash Fund

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended 30 September 2019

For the period from
September 23, 2019
to September 30, 2019
---- (Rupees in '000) ----

| | |
|---|------------|
| Net income for the quarter after taxation | 487 |
| Other comprehensive income for the quarter | - |
| Total comprehensive income for the quarter | 487 |

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Cash Fund

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

For the quarter ended 30 September 2019

| | Quarter Ended September 30, 2019 | | |
|---|----------------------------------|-------------------------|-----------------|
| | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | |
| Net assets at beginning of the quarter | - | - | - |
| Issuance of 2,003,594 units | | | |
| - Capital value | 200,359 | - | 200,359 |
| - Element of income | - | - | - |
| Total proceeds on issuance of units | 200,359 | - | 200,359 |
| Redemption of Nil units | | | |
| - Capital value | - | - | - |
| - Element of loss | - | - | - |
| Total payments on redemption of units | - | - | - |
| Total comprehensive income for the period | - | 487 | 487 |
| Interim distribution for the period ended 30 September 2019: Rs. 0.4228 per unit paid on 29 September 2019 | - | (423) | (423) |
| Net income for the period less distribution | - | 64 | 64 |
| Net assets at end of the quarter | <u>200,359</u> | <u>64</u> | <u>200,423</u> |
| Undistributed income brought forward: | | | |
| - Realised income | | - | |
| - Unrealised income | | - | |
| | | - | |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | |
| - Excluding capital gains | | 487 | |
| | | 487 | |
| Interim distribution for the period ended 30 September 2019: Rs. 0.4228 per unit paid on 29 September 2019 | | (423) | |
| Undistributed income carried forward | | <u>64</u> | |
| Undistributed income carried forward comprise of: | | | |
| - Realised income | | 64 | |
| - Unrealised income | | - | |
| | | <u>64</u> | |
| | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | <u>100.0000</u> |
| Net assets value per unit at end of the quarter | | | <u>100.0317</u> |

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Cash Fund
Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended 30 September 2019

**For the period from
September 23, 2019
to September 30, 2019
---- (Rupees in '000) ----**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 487

Adjustments for non-cash and other items:

Markup on bank deposits and mark-up / return on investments calculated
using the effective interest method

(527)

Realised loss on sale of investments

8

Provision for Sindh Workers' Welfare Fund

10

(509)

Net cash used in operations before working capital changes

(22)

Working capital changes

(Increase) in assets

Investment

(8)

Formation Cost

(1,000)

(1,008)

Increase / (decrease) in liabilities

Payable to UBL Fund Managers Limited - Management Company

1,002

Payable to Central Depository Company of Pakistan Limited - Trustee

2

Payable to Securities and Exchange Commission of Pakistan

-

Accrued expenses and other payables

114

1,118

Profit received

414

Net cash flows (used in) / generated from operating activities

502

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of units

200,359

Payments on redemption of units

-

Cash distribution to unit holders

(423)

Net cash flows generated from financing activities

199,936

Net increase in cash and cash equivalents

200,438

Cash and cash equivalents at beginning of the period

-

Cash and cash equivalents at end of the period

200,438

CASH AND CASH EQUIVALENTS

Bank balances

200,438

Cash and cash equivalents at end of the period

200,438

The annexed notes 1 to 15 form an integral part of these financial statements.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Cash Fund

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

For the quarter ended 30 September 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

UBL Cash Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 04 August 2018 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 23 September 2019.

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

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

The investment objective of the Fund is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.

VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 27, 2018.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

2.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining

whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

2.3 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 October 2019:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following accounting and reporting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after 01 October 2019 and are not likely to have an impact on the Fund's financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies

and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 4.3 - Regarding the classification of investments.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 30 June 2019 is included in the following notes:

- Notes 4.2 - Valuation and Impairment of investments
- Notes 4.17 - Impairment of other assets

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. All amounts have been rounded to the nearest thousand, unless stated otherwise.

3 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied during the period.

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at amortised cost. These comprise of deposits with banks and highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

3.2 Financial assets

i. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

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

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

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

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

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

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objectives for managing the financial assets are achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;

- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

ii. Subsequent measurement

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

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup, are recognised in income statement. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement. |
| Debt securities at FVOCI | These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement. |

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP via Circular 1 of 2009, Circular 33 of 2012 and Circular 35 of 2012. The Circulars also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

iv. Impairment of financial assets

Financial assets at amortised cost

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated 24 October 2012 issued by SECP. However, the circular does not cover impairment requirements for government debt securities. Based on the past performance management considers that there is no probability of default as in any adverse situation State Bank of Pakistan has the right to discharge government obligations by issuance of currency notes. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

3.3 Derecognition

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

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to

settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

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

3.6 Unit holders' fund

Unitholders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the distributors / Management Company during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net assets Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

3.9 Provisions

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

3.10 Net assets value per unit

The net assets value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

3.11 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.12 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on mark to market of investments classified as Financial assets at fair value through profit or loss are included in the Income Statement in the year in which they arise.
- Mark-up on deposits with banks and mark-up / return on investments in debt and government securities is recognised using effective yield method.

3.13 Zakat Payable

Zakat payment is the responsibility of each unit holder. Nevertheless, the Fund follows the provisions of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani unit holders are subject to Zakat at 2.5% of the par value of unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat

3.14 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

3.15 Earnings per unit

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

3.16 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with the effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary

3.17 Other assets

Other assets are stated at cost less impairment losses, if any.

3.18 Formation Cost

All preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the Initial Offering Period subject to a maximum of one per cent of pre-IPO capital of the Fund or Rupees five million, whichever is lower, shall be borne by the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Fund whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed

| | | | |
|----------|----------------------|-------------|--|
| | | <i>Note</i> | 2019 (Rupees in '000) |
| 4 | BANK BALANCES | | |
| | In current accounts | | - |
| | In saving accounts | 4.1 | <u>200,438</u> |
| | | | <u>200,438</u> |

4.1 These carry profit rates ranging from 11.75% to 14.25% per annum. This includes balance with United Bank Limited (related party) of Rs. 0.818 million carrying profit rate of 11.75% per annum.

| | | | |
|----------|---|-------------|--|
| | | <i>Note</i> | 2019 (Rupees in '000) |
| 5 | INVESTMENTS | | |
| | Investments by category | | |
| | At fair value through profit or loss | | |
| | Government securities | | |
| | - Market Treasury bills | 5.1 | <u>-</u> |
| | | | <u>-</u> |

| 5.1 | Name of security | At the beginning of the quarter | Acquired during the quarter | Sold / matured during | At the end of the quarter | Market value as at Sep 30, 2019 |
|-----|--------------------------------|---------------------------------|-----------------------------|-----------------------|---------------------------|---------------------------------|
| | | | | | | Percentage of investment |
| | | ----- No. of certificates ----- | | | | ----- (Rupees in '000) ----- |
| | Market Treasury Bills * | | | | | |
| | T bills 3 months | - | 100,000 | 100,000 | - | - |
| | | <u>-</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> | <u>0%</u> |

| 6 PAYABLE TO THE MANAGEMENT COMPANY | <i>Note</i> | 2019 (Rupees in '000) |
|--|-------------|--|
| Payable against allocation of expenses relating to the Fund Formation Cost | 6.1 | 2 <u>1,000</u> <u>1,002</u> |

- 6.1 As a result of amendments in NBFC Regulations vide statutory notification (SRO No. 1160 / (I) dated 25 November 2015), and SECP vide S.R.O. 639 (I)/2019, the Management Company has charged 0.1% per annum of the average annual net assets on fee and expenses related to registrar services, accounting, operation and valuation services related to a collective investment scheme (CIS).

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| | <i>Note</i> | 2019 (Rupees in '000) |
|----------------------|-------------|--|
| Trustee remuneration | 7.1 | 2 <u>2</u> |

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

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

- 8.1 The Fund is required to pay SECP an annual fee at the rate of 0.02 % of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations, 2008 and S.R.O 685(I)/2019.

| 9 ACCRUED EXPENSES AND OTHER PAYABLES | <i>Note</i> | 2019 (Rupees in '000) |
|--|-------------|--|
| Provision for Sindh Workers' Welfare Fund | 9.1 | 10 |
| Provision for Workers' Welfare Fund | | - |
| Withholding tax deducted at source | | 63 |
| Auditors' remuneration payable | | 7 |
| Brokerage payable | | 2 |
| Other Payable | | 32 |
| Legal Fee Payable | | 4 |
| Rating Fee Payable | | 5 |
| Listing Fee Payable | | 1 |
| | | <u>124</u> |

- 9.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all collective investment schemes / mutual funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honourable Lahore High Court (LHC) and the Honourable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honourable Supreme Court of Pakistan (SCP). On 10 November 2016, the SCP passed a judgement declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgement, which is pending adjudication.

Further, 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 21 May 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 31 December 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 and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters 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 12 January 2017 the following:

- The provision against the Federal WWF held by the Mutual Funds till 30 June 2015 should be reversed on 12 January 2017; and
- Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. 21 May 2015).

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on 12 January 2017. In response to the aforementioned letter SECP vide its letter dated 01 February 2017 advised MUFAP that the adjustments relating to the above should be made prospectively and adequate disclosure shall be made in the condensed interim financial information of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books of account on 12 January 2017.

Had the provision not been made, the net assets value per unit of the Fund as at 30 June 2019 would have been higher by Rs. 0.0050 per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

11 TAXATION

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

12 TOTAL EXPENSE RATIO (TER)

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.03% as on September 30, 2019 and this includes 0.01% representing government levy, worker's welfare fund and SECP fee.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Remuneration to the Management Company and the trustee is determined in accordance with the provision of Non Banking Finance Companies Rules, 2003, Non Banking Finance Companies and Notified Entities regulations, 2008 and the Trust Deed respectively.

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

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

Transactions during the quarter

| | Quarter Ended September 30, 2019 | | | | | |
|---|----------------------------------|----------------------|---------|-------------------------------|------------------------------|---|
| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
| ----- (Rupees in '000) ----- | | | | | | |
| Units issued | 200,359 | - | - | - | - | - |
| Profit on saving accounts | - | 2 | - | - | - | - |
| Purchase of securities | - | - | - | - | - | - |
| Listing Fee | - | 1 | - | - | - | - |
| Remuneration | - | - | 2 | - | - | - |
| Dividend paid | 423 | - | - | - | - | - |
| Allocation of expenses relating to the Fund | 2 | - | - | - | - | - |

Balances outstanding as at quarter end

| | Quarter Ended September 30, 2019 | | | | | |
|------------------------------------|----------------------------------|-------|---|---|---|---|
| | Units held (in units '000) | 2,004 | - | - | - | - |
| Units held (in rupees '000) | 200,423 | - | - | - | - | - |
| Bank balances | - | 818 | - | - | - | - |
| Remuneration payable | - | - | 2 | - | - | - |
| Payable against allocated expenses | 2 | - | - | - | - | - |
| Formation Cost | 1,000 | - | - | - | - | - |
| Profit receivable | - | 35 | - | - | - | - |
| Listing Fee payable | 1 | - | - | - | - | - |

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

On-balance sheet financial instruments

September 30, 2019

| Note | Carrying amount | | | | | Fair value | | | |
|---|--|--|---|----------------|---------|------------|---------|---------|-------|
| | Mandatorily at fair value through profit or loss | Designated as at fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | | |
| | - | - | - | 200,438 | 200,438 | | | | |
| | - | - | - | 113 | 113 | | | | |
| | - | - | - | 1,000 | 1,000 | | | | |
| | - | - | - | 201,551 | 201,551 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| | - | - | - | 1,002 | 1,002 | | | | |
| | - | - | - | 2 | 2 | | | | |
| | - | - | - | 124 | 124 | | | | |
| | - | - | - | 1,128 | 1,128 | | | | |

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

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

15 GENERAL

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

15.2 Date of authorisation for issue

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UGSF

UBL Government Securities Fund

INVESTMENT OBJECTIVE

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

| | |
|------------------------------|--|
| 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 MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited National Bank of Pakistan Limited Zarai Taraqati Bank Limited Soneri Bank Limited |
| Management Co. Rating | AM 1 (VIS Credit Rating Company Limited) |
| Fund Rating | A+ (f) (VIS Credit Rating Company Limited) |

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

| | | September 30, 2019 (Unaudited) | June 30, 2019 (Audited) |
|---|-------------|---|--|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 1,555,609 | 1,109,748 |
| Term deposit receipts | 5 | - | - |
| Investments | 6 | 207,710 | 525,571 |
| Mark up / interest receivable | | 7,951 | 25,236 |
| Prepayments and other receivables | | 28,453 | 1,325 |
| Advance tax | 7 | 5,176 | 5,175 |
| TOTAL ASSETS | | <u>1,804,899</u> | <u>1,667,055</u> |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 10 | 2,587 | 2,265 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 142 | 190 |
| Payable to Securities and Exchange Commission of Pakistan | 8 | 78 | 1,270 |
| Accrued expenses and other liabilities | 11 | 75,720 | 129,816 |
| TOTAL LIABILITIES | | <u>78,527</u> | <u>133,541</u> |
| NET ASSETS | | <u>1,726,372</u> | <u>1,533,514</u> |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | <u>1,726,372</u> | <u>1,533,514</u> |
| CONTINGENCIES AND COMMITMENTS | 12 | ------(Number of units)----- | |
| NUMBER OF UNITS IN ISSUE | | <u>15,823,545</u> | <u>14,496,497</u> |
| | | ------(Rupees)----- | |
| NET ASSETS VALUE PER UNIT | | <u>109.1015</u> | <u>105.7851</u> |

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

For UBL Fund Managers Limited
(Management Company)

--SD--
CHIEF EXECUTIVE OFFICER

--SD--
CHIEF FINANCIAL OFFICER

--SD--
DIRECTOR

**UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | Quarter Ended September 30, 2019 | Quarter Ended September 30, 2018 |
|---|---|---|
| Note | ----- (Rupees in '000) ----- | |
| INCOME | | |
| Financial income | 54,957 | 35,870 |
| Capital (loss) on sale of investments - net | (800) | (2,463) |
| Unrealised gain / (loss) on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net | 1,944 | (567) |
| TOTAL INCOME | 56,101 | 32,840 |
| EXPENSES | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 4,792 | 4,608 |
| Sindh Sales tax on Management Company's remuneration | 623 | 599 |
| Allocated expenses | 391 | 458 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 331 | 602 |
| Annual fee of Securities and Exchange Commission of Pakistan | 78 | 344 |
| Bank and other charges | 50 | 67 |
| Auditors' remuneration | 134 | 134 |
| Brokerage and settlement expenses | 449 | 163 |
| Legal and professional charges | 39 | 51 |
| Fee and subscription charges | 78 | 78 |
| Total operating expenses | 6,965 | 7,104 |
| Operating income for the quarter | 49,136 | 25,736 |
| Provision for Sindh Workers' Welfare Fund | 11.2 (965) | (506) |
| Net income for the quarter before taxation | 48,171 | 25,230 |
| Taxation | 13 - | - |
| Net income for the quarter after taxation | 48,171 | 25,230 |
| Allocation of net income for the quarter | | |
| Income already paid on units redeemed | (2,438) | (1,240) |
| Net income for the quarter available for distribution | 45,733 | 23,990 |
| Relating to capital gains | 1,143 | - |
| Excluding capital gains | 44,590 | 23,990 |
| Earnings per unit | 45,733 | 23,990 |
| | 14 | |

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

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

--SD--
CHIEF EXECUTIVE OFFICER

--SD--
CHIEF FINANCIAL OFFICER

--SD--
DIRECTOR

**UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | <u>Quarter Ended</u> <u>September 30,</u> <u>2019</u> | <u>Quarter Ended</u> <u>September 30,</u> <u>2018</u> |
|--|---|---|
| | ----- (Rupees in '000) ----- | |
| Net income for the quarter after taxation | 48,171 | 25,230 |
| 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 for the quarter | <u>48,171</u> | <u>25,230</u> |

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

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

--SD--
CHIEF EXECUTIVE OFFICER

--SD--
CHIEF FINANCIAL OFFICER

--SD--
DIRECTOR

**UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | Quarter Ended | |
|--|-------------------------------------|-------------------------------|
| | September 30, 2019 | September 30, 2018 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the quarter before taxation | 48,171 | 25,230 |
| Adjustments for: | | |
| Financial income | (54,957) | (35,870) |
| Unrealised (gain) / loss on revaluation of investments at fair value through profit or loss - net | (1,944) | 567 |
| Capital loss on sale of investments - net | 800 | 2,463 |
| Provision for Sindh Workers' Welfare Fund | 965 | 506 |
| | <u>(55,136)</u> | <u>(32,334)</u> |
| Cash used in operations before working capital changes | (6,965) | (7,104) |
| Working capital changes | | |
| Decrease / (increase) in assets | | |
| Investments - net | 319,005 | 2,268,096 |
| Term deposit receipts | - | 185,000 |
| Prepayments and other receivables | (27,128) | 3,512 |
| Advance tax | (1) | (48) |
| | <u>291,876</u> | <u>2,456,560</u> |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | 322 | (411) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (48) | (11) |
| Annual fee payable to Securities and Exchange Commission of Pakistan | (1,192) | (1,701) |
| Accrued expenses and other liabilities | (55,061) | (2,169,153) |
| | <u>(55,979)</u> | <u>(2,171,276)</u> |
| Cash generated from operations | 228,932 | 278,180 |
| Profit received on bank balances and investments | 72,242 | 37,171 |
| Net cash generated from operating activities | <u>301,174</u> | <u>315,351</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 335,363 | 253,770 |
| Payments against redemption of units | (190,676) | (297,066) |
| Dividend paid | | (84,356) |
| Net cash generated / (used in) from financing activities | <u>144,687</u> | <u>(127,652)</u> |
| Net increase in cash and cash equivalents | 445,861 | 187,699 |
| Cash and cash equivalents at the beginning of the quarter | 1,109,748 | 1,645,436 |
| Cash and cash equivalents at the end of the quarter | <u><u>1,555,609</u></u> | <u><u>1,833,135</u></u> |
| CASH AND CASH EQUIVALENTS | | |
| Bank balances | 1,555,609 | 485,329 |
| Market Treasury Bills | - | 1,347,806 |
| | <u><u>1,555,609</u></u> | <u><u>1,833,135</u></u> |

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

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

--SD--
CHIEF EXECUTIVE OFFICER

--SD--
CHIEF FINANCIAL OFFICER

--SD--
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | -----Quarter Ended----- | | | | | |
|---|------------------------------|----------------------|------------------|--------------------|----------------------|------------------|
| | September 30, 2019 | | | September 30, 2018 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at the beginning of the quarter | 1,324,250 | 209,264 | 1,533,514 | 1,609,216 | 267,824 | 1,877,040 |
| Issuance of 3,100,852 units (2018: 2,391,911 units) | | | | | | |
| Capital value of units | 328,024 | - | 328,024 | 252,573 | - | 252,573 |
| Element of income | | | | | | |
| Due to net income earned | 7,339 | - | 7,339 | 1,197 | - | 1,197 |
| Total proceeds on issuance of units | 335,363 | - | 335,363 | 253,770 | - | 253,770 |
| Redemption of 1,773,804 units (2018: 2,794,633 units) | | | | | | |
| Capital value of units | (187,642) | - | (187,642) | (295,098) | - | (295,098) |
| Element of income | | | | | | |
| Due to net income earned | (596) | (2,438) | (3,034) | (728) | (1,240) | (1,968) |
| Total payments on redemption of units | (188,238) | (2,438) | (190,676) | (295,826) | (1,240) | (297,066) |
| Total comprehensive income for the quarter | - | 48,171 | 48,171 | - | 25,230 | 25,230 |
| Distribution during the quarter: Nil | | | | | | |
| (Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend) | - | - | - | (23,040) | (61,316) | (84,356) |
| Net income for the quarter less distribution | - | 48,171 | 48,171 | (23,040) | (36,086) | (59,126) |
| Net assets at the end of the quarter | 1,471,375 | 254,997 | 1,726,372 | 1,544,120 | 230,498 | 1,774,618 |
| Undistributed income brought forward comprises of: | | | | | | |
| Realised gain | | 212,437 | | | 268,218 | |
| Unrealised (loss) | | (3,173) | | | (394) | |
| Total undistributed income brought forward | | 209,264 | | | 267,824 | |
| Income available for distribution: | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | 45,733 | | | 23,990 | |
| Distribution during the quarter: Nil | | | | | | |
| (Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend) | | - | | | (61,316) | |
| Undistributed income carried forward | | 254,997 | | | 230,498 | |
| Undistributed income carried forward comprises of: | | | | | | |
| Realised gain | | 253,053 | | | 231,065 | |
| Unrealised gain / (loss) | | 1,944 | | | (567) | |
| Total undistributed income carried forward | | 254,997 | | | 230,498 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at the beginning of the quarter | | | 105.7851 | | | 110.5634 |
| Net assets value per unit at the end of the quarter | | | 109.1015 | | | 107.0703 |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

CHIEF EXECUTIVE OFFICER

--SD--

CHIEF FINANCIAL OFFICER

--SD--

DIRECTOR

**UBL GOVERNMENT SECURITIES FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Government Securities Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 19, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 19, 2011 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from July 07, 2011.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The investment objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 27, 2018 and a stability rating of "A+(f)" to the Fund as at September 30, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

- 3.2 The following new standards became applicable to the Company during the period:
IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | Note | September 30, 2019 (Unaudited) ----- (Rupees in '000) ----- | June 30, 2019 (Audited) |
|--|---|--|-------------------------------|
| 4 BANK BALANCES | | | |
| Cash at bank | | | |
| In savings accounts | 4.1 | <u>1,555,609</u> | <u>1,109,748</u> |
| 4.1 | Profit rates on these savings accounts range from 4.00% to 14.40% per annum (June 30, 2019: 3.75% to 13.40% per annum). This includes an amount held by a related parties amounting to Rs. 7.602 million (June 30, 2019: Rs. 1.992 million) on which return is earned at 11.75% (June 30, 2019: 8.25%) per annum. | | |
| 5 TERM DEPOSIT RECEIPTS | | | |
| Opening balance | | - | 185,000 |
| Acquired during the quarter | | 130,000 | - |
| Matured during the quarter | | (130,000) | (185,000) |
| Closing balance | 5.1 | <u>-</u> | <u>-</u> |
| 5.1 | This term deposit receipt interest at the rate of 13.75% per annum and matured on September 30, 2019. | | |
| 6 INVESTMENTS | | | |
| 6.1 Government securities classified as financial asset at fair value through profit or loss (June 30, 2019: Government securities designated at fair value through profit or loss) | | | |
| Pakistan Investment Bonds | 6.2 | 201,400 | 519,324 |
| Market Treasury Bills | | - | - |
| GOP Ijarah Sukuk | 6.2 | 6,310 | 6,247 |
| | | <u>207,710</u> | <u>525,571</u> |

6.2 Details of Government Securities are as follows:

| Name of security | Note | At the beginning of the quarter | Acquired during the quarter | Sold / matured during quarter | At the end of the quarter | Market value as at September 30, 2019 | Market value as at June 30, 2019 | Percentage of investment |
|----------------------------------|-------|---------------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------------------|----------------------------------|--------------------------|
| | | | No. of holdings | | | (Rupees in '000) | | |
| Pakistan Investment Bonds | | | | | | | | |
| PIB- 10 Years | 6.2.1 | 2,000 | 0 | 0 | 2,000 | 201,400 | 199,520 | 96.96% |
| PIB- 05 Years | | - | 0 | 0 | - | - | - | 0.00% |
| PIB- 03 Years | | 3,600 | 0 | 3,600 | - | - | 319,804 | 0.00% |
| Market Treasury Bills | | | | | | | | |
| T-bill 3 months | | - | 49,650 | 49,650 | - | - | - | 0.00% |
| GOP Ijarah Sukuk | | | | | | | | |
| 3 Year | 6.2.2 | 65 | - | - | 65 | 6,310 | 6,247 | 3.04% |
| | | 5,065 | 49,650 | 53,250 | 2,065 | 207,710 | 525,571 | 100.00% |

6.2.1 These represent floating rate Pakistan Investment Bond (PIBs) having face value of Rs. 200.000 million carrying mark-up (coupon) at the rate of 14.6389 % at quarter end. Mark-up is reset and received semi-annually.

6.2.2 These represent Government of Pakistan (GOP) Ijarah Sukuk having face value of Rs. 6.500 million (June 30, 2019: Rs 6.500 million) and carry purchase yield of 5.24% per annum (June 30, 2019: 5.24% per annum).

7 ADVANCE TAX

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

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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

10 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

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

11 ACCRUED EXPENSES AND OTHER LIABILITIES

11.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs. 52.558 million (June 30, 2019: Rs. 52.558). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 52.558 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 3.05 (June 30, 2019: Re.3.33).

11.2 Provision For Sindh Workers' Welfare Fund

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 20.420 million (June 30, 2019: Rs. 19.455million). 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. 1.29 (June 30, 2019: Re. 1.34).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

13 TAXATION

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

14 EARNINGS PER UNIT

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

15 TOTAL EXPENSE RATIO

On June 20, 2019, SECP has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As per said amendment capping of expense ratio of the Fund has now been increased from 2 % to 2.5 %

Further, 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 0.51% as on September 30, 2019 and this includes 0.11% representing Government levy, Sindh Workers Welfare Fund and SECP fee.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Details of transactions with related parties / connected persons during the quarter and balances held with them at the quarter ended September 30, 2019 are as follows:

| | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected persons / related parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| Transactions during the Quarter ended September 30, 2019 | | | | | | |
| Profit on bank accounts | - | 422 | - | - | - | - |
| Bank charges | - | 16 | - | - | - | - |
| Units issued | - | - | - | - | 775 | - |
| Units redeemed | - | - | - | - | 4 | - |
| Sales load paid | - | 293 | - | - | - | - |
| Purchase of securities | - | - | - | 44,208 | - | - |
| Sale of securities | - | - | - | 1,021,312 | - | - |
| Remuneration (including Sindh sales tax) | 5,415 | - | 331 | - | - | - |
| Allocated expenses | 391 | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Transactions during the Quarter ended September 30, 2018 | | | | | | |
| Profit on bank accounts | - | 53 | - | - | - | - |
| Bank charges | - | 13 | - | - | - | - |
| Units issued | - | - | - | - | 4 | 14,731 |
| Units redeemed | - | - | - | - | - | - |
| Purchase of securities | - | - | - | 491,649 | - | - |
| Sale of securities | - | - | - | - | - | - |
| Dividend Paid | - | - | - | - | 5 | - |
| Remuneration (including Sindh sales tax) | 5,207 | - | 602 | - | - | - |
| Allocated expenses | 458 | - | - | - | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Sales load paid | - | 165 | - | - | - | - |
| ----- (Rupees in '000) ----- | | | | | | |
| Balances held as at September 30, 2019 | | | | | | |
| Units held (in Units '000) | - | - | - | - | 70 | 3,987 |
| Units held (in Rupees '000) | - | - | - | - | 7,620 | 434,964 |
| Bank balances | - | 7,602 | - | - | - | - |
| Remuneration payable | 1,882 | - | 142 | - | - | - |
| Sales load payable | 274 | 574 | - | - | - | - |
| Conversion charges payable | 153 | - | - | - | - | - |
| Allocated expenses payable | 262 | - | - | - | - | - |
| Other payables | 16 | - | - | - | - | - |
| Profit receivable | - | 109 | - | - | - | - |
| Balances held as at June 30, 2019 | | | | | | |
| Units held (in Units '000) | - | - | - | - | 63 | 3,987 |
| Units held (in Rupees '000) | - | - | - | - | 6,664 | 421,765 |
| Bank balances | - | 1,992 | - | - | - | - |
| Remuneration payable | 1,881 | - | 190 | - | - | - |
| Sales load payable | 74 | 282 | - | - | - | - |
| Conversion charges payable | 151 | - | - | - | - | - |
| Allocated expenses payable | 142 | - | - | - | - | - |
| Other payables | 17 | - | - | - | - | - |
| Profit receivable | - | 45 | - | - | - | - |

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

| | Carrying Amount | | Fair value | | |
|---|-----------------------------------|------------------|--------------------------|----------------|----------|
| | As at September 30, 2019 | | As at September 30, 2019 | | |
| | Fair value through profit or loss | Amortized cost | Level 1 | Level 2 | Level 3 |
| ----- Rupees in '000 ----- | | | | | |
| Financial assets measured at fair value | | | | | |
| Pakistan Investment Bonds | 201,400 | - | - | 201,400 | - |
| Market Treasury Bills | - | - | - | - | - |
| Government of Pakistan Ijara Sukuk | 6,310 | - | - | 6,310 | - |
| | <u>207,710</u> | <u>-</u> | <u>-</u> | <u>207,710</u> | <u>-</u> |
| Financial assets not measured at fair value | | | | | |
| Bank balances | - | 1,555,609 | - | - | - |
| Mark up / interest receivable | - | 7,951 | - | - | - |
| Other receivables | - | 28,112 | - | - | - |
| | <u>-</u> | <u>1,591,672</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>207,710</u> | <u>1,591,672</u> | <u>-</u> | <u>207,710</u> | <u>-</u> |
| Financial liabilities not measured at fair value | | | | | |
| Payable to Management Company | - | 2,298 | - | - | - |
| Payable to Trustee | - | 126 | - | - | - |
| Accrued expenses and other liabilities | - | 1,371 | - | - | - |
| | <u>-</u> | <u>3,795</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| | ----- As at June 30, 2019 ----- | | | ----- As at June 30, 2019 ----- | | |
|---|-----------------------------------|-----------------------|-----------------------------|---------------------------------|----------------|----------|
| | Fair value through profit or loss | Loans and receivables | Other financial liabilities | Level 1 | Level 2 | Level 3 |
| ----- Rupees in '000----- | | | | | | |
| Financial assets measured at fair value | | | | | | |
| Pakistan Investment Bonds | 519,324 | - | - | - | 519,324 | - |
| Market Treasury Bills | - | - | - | - | - | - |
| Government of Pakistan Ijara Sukuk | 6,247 | - | - | - | 6,247 | - |
| | <u>525,571</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>525,571</u> | <u>-</u> |
| Financial assets not measured at fair value | | | | | | |
| Bank balances | - | 1,109,748 | - | - | - | - |
| Term deposit receipt | - | - | - | - | - | - |
| Mark up / interest receivable | - | 25,236 | - | - | - | - |
| Other receivables | - | 1,261 | - | - | - | - |
| | <u>-</u> | <u>1,136,245</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>525,571</u> | <u>1,136,245</u> | <u>-</u> | <u>-</u> | <u>525,571</u> | <u>-</u> |
| Financial liabilities not measured at fair value | | | | | | |
| Payable to Management Company | - | - | 2,049 | - | - | - |
| Payable to Trustee | - | - | 168 | - | - | - |
| Accrued expenses and other liabilities | - | - | 45,361 | - | - | - |
| | <u>-</u> | <u>-</u> | <u>47,578</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

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

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

18 GENERAL

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

19 DATE OF AUTHORIZATION FOR ISSUE

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

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

--SD--
CHIEF EXECUTIVE OFFICER

--SD--
CHIEF FINANCIAL OFFICER

--SD--
DIRECTOR

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, Chartered Accountants |
| Bankers | United Bank Limited Bank Alfalah Limited Faysal Bank Limited Telenor MicroFinance Bank Allied Bank Limited Khushhali Bank Ltd. MCB Bank Limited JS Bank Limited Samba Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited National bank of Pakistan Limited |
| Management Co.Rating | AM1 - VIS |
| Fund Rating | A- (f) - VIS |

**UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 161,984 | 648,809 |
| Investments | 5 | 81,627 | 184,264 |
| Mark-up receivable | | 5,157 | 8,609 |
| Advance tax | 6 | 238 | 236 |
| Deposits, prepayments and other receivables | | 4,261 | 4,869 |
| TOTAL ASSETS | | 253,267 | 846,787 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 7 | 621 | 1,389 |
| Payable to Central Depository Company of Pakistan - Trustee | 8 | 17 | 131 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) | 9 | 20 | 1,090 |
| Accrued and other liabilities | 10 | 5,796 | 10,917 |
| TOTAL LIABILITIES | | 6,454 | 13,527 |
| NET ASSETS | | 246,813 | 833,260 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 246,813 | 833,260 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| | | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | 2,166,675 | 7,561,461 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 113.9132 | 110.1983 |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Note | Quarter ended | |
|---|------|------------------------------|-----------------------|
| | | September 30, 2019 | September 30, 2018 |
| | | ----- (Rupees in '000) ----- | |
| INCOME | | | |
| Financial income | | 15,009 | 27,547 |
| Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net | | (53) | (17) |
| (Loss) / gain on sale of securities - net | | (143) | 129 |
| Other income | | 17 | 32 |
| Total income | | 14,830 | 27,691 |
| EXPENSES | | | |
| Remuneration to UBL Fund Managers Limited - Management Company | | 1,370 | 2,769 |
| Sales tax on Remuneration to Management Company | | 178 | 360 |
| Remuneration of the Trustee | | 75 | 503 |
| Sales tax on remuneration of the Trustee | | 10 | 65 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 20 | 258 |
| Allocated expense | | 100 | 343 |
| Selling and marketing expenses | | 100 | - |
| Brokerage and settlement charges | | 178 | 375 |
| Listing fee | | 7 | 7 |
| Auditors' remuneration | | 98 | 94 |
| Legal and professional charges | | 41 | 44 |
| Bank charges and other expenses | | 59 | 66 |
| Total expenses | | 2,236 | 4,884 |
| Net operating income for the quarter | | 12,594 | 22,807 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 10.2 | (247) | (448) |
| Net income for the quarter before taxation | | 12,347 | 22,359 |
| Taxation | 12 | - | - |
| Net income for the quarter after taxation | | 12,347 | 22,359 |
| <i>Allocation of net income for the quarter:</i> | | | |
| Income already paid on units redeemed | | (4,506) | (1,266) |
| Net income for the quarter available for distribution | | 7,841 | 21,093 |
| <i>Net income available for distribution:</i> | | | |
| - Relating to capital gains | | 1,143 | 91 |
| - Excluding capital gains | | 6,698 | 21,002 |
| | | 7,841 | 21,093 |
| Earnings per unit | 13 | | |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | <u>Quarter ended</u> | |
|---|-------------------------------------|-------------------------------------|
| | <u>September 30,</u> <u>2019</u> | <u>September 30,</u> <u>2018</u> |
| | ----- (Rupees in '000) ----- | |
| Net income for the quarter after taxation | 12,347 | 22,359 |
| Other comprehensive income for the quarter | - | - |
| Total comprehensive income for the quarter | <u><u>12,347</u></u> | <u><u>22,359</u></u> |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended | | | | | |
|--|------------------------------|-------------------------------|------------------|--------------------|-------------------------------|------------------|
| | September 30, 2019 | | | September 30, 2018 | | |
| | Capital value | Undistributed income / (loss) | Total | Capital value | Undistributed income / (loss) | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the quarter | 821,353 | 11,907 | 833,260 | 539,431 | 17,837 | 557,268 |
| Amount received on issuance of 269,632 units (2018: 10,194,874 units) | | | | | | |
| Capital value | 29,713 | - | 29,713 | 1,121,184 | - | 1,121,184 |
| Element of income during the quarter; | | | | | | |
| - Relating to net income for the quarter after taxation | 336 | - | 336 | 4,444 | - | 4,444 |
| | <u>30,049</u> | <u>-</u> | <u>30,049</u> | <u>1,125,628</u> | <u>-</u> | <u>1,125,628</u> |
| Redemption of 5,664,418 (2018: 1,029,505) units | | | | | | |
| Capital value | (624,209) | - | (624,209) | (113,220) | - | (113,220) |
| Element of income during the quarter; | | | | | | |
| - Relating to net income for the quarter after taxation | (128) | (4,506) | (4,634) | (55) | (1,266) | (1,321) |
| | <u>(624,337)</u> | <u>(4,506)</u> | <u>(628,843)</u> | <u>(113,275)</u> | <u>(1,266)</u> | <u>(114,541)</u> |
| Total comprehensive income for the quarter | - | 12,347 | 12,347 | - | 22,359 | 22,359 |
| Distribution during the quarter NIL (2018: NIL) | - | - | - | - | - | - |
| Distribution during the year NIL (2018: Rs.4.7439 per unit declared on July 02, 2018 as cash dividend) | - | - | - | (15,542) | (7,502) | (23,044) |
| Net assets at end of the quarter | <u>227,065</u> | <u>19,748</u> | <u>246,813</u> | <u>1,536,242</u> | <u>31,428</u> | <u>1,567,670</u> |
| Undistributed income brought forward comprising of : | | | | | | |
| - Realised | - | 11,907 | 11,907 | - | 17,837 | 17,837 |
| - Unrealised | - | - | - | - | - | - |
| | - | <u>11,907</u> | <u>11,907</u> | - | <u>17,837</u> | <u>17,837</u> |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | - | 1,143 | 1,143 | - | 91 | 91 |
| - Excluding capital gains | - | 6,698 | 6,698 | - | 21,002 | 21,002 |
| | - | <u>7,841</u> | <u>7,841</u> | - | <u>21,093</u> | <u>21,093</u> |
| Distribution during the quarter NIL (2018: NIL) | | - | - | | - | - |
| Distribution during the year NIL (2018: Rs.4.7439 per unit declared on July 02, 2018 as cash dividend) | | - | - | | (7,502) | (7,502) |
| Undistributed income carried forward | | <u>19,748</u> | <u>19,748</u> | | <u>31,428</u> | <u>31,428</u> |
| Undistributed income carried forward comprising of : | | | | | | |
| - Realised | | 19,695 | 19,695 | | 31,411 | 31,411 |
| - Unrealised (loss) | | (53) | (53) | | (17) | (17) |
| | | <u>19,748</u> | <u>19,748</u> | | <u>31,428</u> | <u>31,428</u> |
| | | | | | ----- (Rupees) ----- | |
| Net assets value per unit at beginning of the quarter | | | | | <u>110,1983</u> | <u>114,7192</u> |
| Net assets value per unit at end of the quarter | | | | | <u>113,9132</u> | <u>111,7925</u> |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended | |
|---|------------------------------|-----------------------|
| | September 30, 2019 | September 30, 2018 |
| Note | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the quarter before taxation | 12,347 | 22,359 |
| Adjustments for: | | |
| Financial income | (15,009) | (27,547) |
| (Gain) / loss on sale of investments classified as 'at fair value through profit or loss' - net | 143 | (129) |
| Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net | 53 | 17 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 247 | 448 |
| | <u>(14,566)</u> | <u>(27,211)</u> |
| Cash used in operations before working capital changes | (2,219) | (4,852) |
| Working capital changes | | |
| Decrease / (increase) in assets | | |
| Investments | 102,441 | 134 |
| Term Deposit Receipts | - | - |
| Receivable against margin trading system (MTS) | - | 192,347 |
| Advance tax | (2) | (2) |
| Deposits, prepayments and other receivables | 608 | 20,935 |
| | <u>103,047</u> | <u>213,414</u> |
| (Decrease) / increase in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | (768) | 1,066 |
| Payable to Central Depository Company of Pakistan - Trustee | (114) | 110 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (1,070) | 9 |
| Accrued and other liabilities | (5,368) | (8,731) |
| | <u>(7,320)</u> | <u>(7,546)</u> |
| Financial income received | 18,461 | 20,049 |
| Net cash flows generated from operating activities | 111,969 | 221,065 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipt from issuance of units | 30,049 | 1,125,628 |
| Net payment against redemption of units | (628,843) | (114,541) |
| Distribution during the quarter / year | - | (23,044) |
| Net cash generated from / (used in) financing activities | (598,794) | 988,043 |
| Net increase in cash and cash equivalents during the quarter | (486,825) | 1,209,108 |
| Cash and cash equivalents at beginning of the quarter | 648,809 | 326,966 |
| Cash and cash equivalents at end of the quarter | 161,984 | 1,536,074 |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL INCOME OPPORTUNITY FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Income Opportunity Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on January 01, 2013 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2013 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund commenced its operations from March 29, 2013.
- 1.4** The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuk issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Income Scheme.
- 1.5** VIS Credit Rating Company has upgraded management quality rating from AM2++ (stable outlook) to AM1 to the management company on December 27, 2018.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2018.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|-------------------------|---|---------------------------------------|-------------------------------|
| | Note | ---- (Rupees in '000) ---- | |
| 4. BANK BALANCES | | | |
| Saving accounts | 4.1 | <u>161,984</u> | <u>648,809</u> |
| 4.1 | These carry mark-up at the rates ranging from 7% to 14% (June 2019: from 3.75% to 13.90%) per annum and include a balance of Rs.4.367 (June 2019: Rs.2.36) million held with United Bank Limited (a related party). | | |

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ---- (Rupees in '000) ---- | |

5. INVESTMENTS

Investments by Category

'At Fair Value Through Profit or Loss'

| | | | |
|---|-----|--------|--------|
| Government Securities - Market Treasury Bills | 5.1 | - | - |
| Government Securities - Pakistan Investment bonds | 5.2 | - | - |
| Term Finance Certificates | 5.3 | 21,627 | 21,685 |

'At Ammortised Cost'

| | | | |
|----------------------|-----|---------------|----------------|
| Letter of placement | 5.4 | 60,000 | 60,092 |
| Term deposit receipt | | - | 102,487 |
| | | <u>81,627</u> | <u>184,264</u> |

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

| Purchase yield range | Maturity upto | Number of certificates | | | | Sep 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments |
|----------------------|------------------|------------------------|------------------------------|-----------------------------------|--------------------|----------------|--------------|-----------------|-----------------------------------|--|
| | | As at July 01, 2019 | Purchased during the quarter | Sold / matured during the quarter | As at Sep 30, 2019 | Carrying value | Market value | Unrealised loss | | |
| 13.6750% | October 10, 2019 | - | 12,250 | (12,250) | - | - | - | - | 0.00% | 0.00% |

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

| Purchase yield range | Maturity upto | Number of certificates | | | | Sep 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments |
|----------------------|---------------|------------------------|------------------------------|-----------------------------------|--------------------|----------------|--------------|-----------------|-----------------------------------|--|
| | | As at July 01, 2019 | Purchased during the quarter | Sold / matured during the quarter | As at Sep 30, 2019 | Carrying value | Market value | Unrealised loss | | |
| 13.4860% | July 12, 2023 | - | 500 | (500) | - | - | - | - | 0.00% | 0.00% |

5.3 Debt Securities - Term Finance Certificates - 'Designated at fair value through profit or loss' (face value of Rs.5,000 each unless otherwise stated)

| Particulars | Note | Number of certificates | | | | Sep 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments |
|--|-------|------------------------|------------------------------|-----------------------------------|--------------------|----------------|---------------|-----------------|-----------------------------------|--|
| | | As at July 01, 2019 | Purchased during the quarter | Sold / matured during the quarter | As at Sep 30, 2019 | Carrying value | Market value | Unrealised loss | | |
| ----- (Rupees in '000) ----- % ----- | | | | | | | | | | |
| Commercial banks | | | | | | | | | | |
| Bank AL-Habib Limited - unlisted (Issue date - March 17, 2016) | 5.3.1 | 2,000 | - | - | 2,000 | 9,886 | 9,886 | - | 4.01% | 45.71% |
| Habib Bank Limited - unlisted (Issue date - February 19, 2016) | 5.3.1 | 120 | - | - | 120 | 11,794 | 11,741 | (53) | 4.76% | 54.29% |
| Total as at Sep 30, 2019 (Un-audited) | | | | | | 21,680 | 21,627 | (53) | 9% | 100% |
| Total as at June 30, 2019 (Audited) | | | | | | 21,899 | 21,685 | (214) | | |

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

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

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

5.4 This carries a mark-up of 14.00% held with Pak Brunei Investment Company Limited and will mature by January 02, 2020.

5.5 Excess Exposure as at September 30, 2019

| Name of investment | Exposure type | % of net assets | Limit | Excess |
|---------------------------------|---------------|-----------------|-------|--------|
| TDR - Pak Brunei Investment Co. | per entity | 24.31% | 10% | 14.31% |

6. ADVANCE TAX

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

7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

During the period management fee charged is 10% of the gross earnings (June 2019: 10%). The remuneration is paid to the Management Company on monthly basis in arrears.

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

Management Company has charged allocated expense at the rate of 0.1% of the average annual net assets and selling and marketing expense at the rate of 0.1% of daily net assets, to the Fund.

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

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

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10. ACCRUED AND OTHER LIABILITIES

10.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs.1.557 million (June 30, 2019: Rs.1.557 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs.1.557 million till June 30, 2016. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 0.72 (June 30, 2019: Rs.0.21).

10.2 Provision for Workers' Welfare Fund (WWF)

As disclosed in note 15 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.2 to the annual audited financial statements for the year ended June 30, 2019.

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs.3.3 million (June 30, 2019: Rs 3.053 million). The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 1.52 (June 30, 2019: Rs.0.40).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

12. TAXATION

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

13. 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.

14. TOTAL EXPENSE RATIO

On June 20, 2019, SECP has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As per said amendment capping of expense ratio of the Fund has now been increased from 2% to 2.5%

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.62% as on September 30, 2019 and this includes 0.11% representing government levy, worker's welfare fund and SECP fee and 0.02% representing expenses related to MTS.

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

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

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

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

Details of transactions with related parties / connected persons during the period and balances held with them at the quarter year ended September 30, 2019 are as follows:

| | Management company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|--|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| September 30, 2019 | | | | | | |
| Transactions during the quarter | | | | | | |
| Mark-up on bank accounts | - | 98 | - | - | - | - |
| Bank charges | - | 6 | - | - | - | - |
| Units issued | - | - | - | - | 4 | - |
| Units redeemed | 529,002 | - | - | - | - | 1,600 |
| Sale of investment | - | - | - | 486,113 | - | - |
| Remuneration * | 1,548 | - | - | - | - | - |
| CDS charges | - | - | 4 | - | - | - |
| Selling and marketing expense | 100 | - | - | - | - | - |
| Allocated expense | 100 | - | - | - | - | - |
| Listing fee | - | 7 | - | - | - | - |
| September 30, 2018 | | | | | | |
| Transactions during the quarter | | | | | | |
| Mark-up on bank accounts | - | 32 | - | - | - | - |
| Bank charges | - | 4 | - | - | - | - |
| Units issued | - | - | - | - | - | - |
| Units redeemed | - | - | - | - | - | 7,935 |
| Remuneration * | 688 | - | 78 | - | - | - |
| Custody charges | - | - | 4 | - | - | - |
| ----- (Rupees in '000) ----- | | | | | | |
| September 30, 2019 | | | | | | |
| Balances held | | | | | | |
| Units held (units in '000) | - | - | - | - | 112 | 611 |
| Units held (Rupees in '000) | - | - | - | - | 12,758 | 69,601 |
| Bank balances | - | 4,367 | - | - | - | - |
| Remuneration payable* | 343 | - | 17 | - | - | - |
| Deposits | - | - | 100 | - | - | - |
| Sales load and other payable | 136 | 27 | - | - | - | - |
| Allocated expense payable | 42 | - | - | - | - | - |
| Selling and marketing expense | 100 | - | - | - | - | - |
| Mark-up receivable | - | 52 | - | - | - | - |
| June 30, 2019 | | | | | | |
| Balances held | | | | | | |
| Units held (units in '000) | 4,765 | - | - | - | 112 | - |
| Units held (Rupees in '000) | 525,095 | - | - | - | 12,342 | - |
| Bank balances | - | 2,357 | - | - | - | - |
| Remuneration payable* | 995 | - | 132 | - | - | - |
| Security deposit | - | - | 100 | - | - | - |
| Sales load and other payables | 100 | - | - | - | - | - |
| Payable against allocated expenses | 68 | - | - | - | - | - |
| Selling and marketing expenses | 226 | - | - | - | - | - |
| Mark-up receivable | - | 23 | - | - | - | - |

* Remuneration for the quarter is inclusive of sales tax.

16. FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | Note | September 30, 2019 (Un-audited) | | | Total |
|--|---------------|---------------------------------|---------|---------|--------|
| | | Level 1 | Level 2 | Level 3 | |
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets measured at fair value | | | | | |
| Term finance certificates | 14.1&1 4.2 | - | 21,627 | - | 21,627 |
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets measured at fair value | | | | | |
| Term finance certificates | 14.1&1 4.2 | - | 21,685 | - | 21,685 |

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

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

17 GENERAL

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

18 DATE OF AUTHORISATION FOR ISSUE

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

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

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UGIF

UBL Growth and Income Fund

INVESTMENT OBJECTIVE

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

| | |
|-----------------------------|--|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditors | Ernst & Young Ford Rhodes, Chartered Accountants |
| Bankers | Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited JS Bank Limited Khushhali Bank Ltd. MCB Bank Limited National Bank of Pakistan Samba Bank Limited Silk Bank Limited Sindh Bank Limited Summit Bank Limited Telenor Microfinance Bank Limited The Bank of Punjab United Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited |
| Management Co.Rating | AM1 (VIS) |
| Fund Rating | A(f) (VIS) |

UBL GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Assets | | | |
| Bank balances | 4 | 631,082 | 1,100,418 |
| Investments | 5 | 330,908 | 633,787 |
| Mark-up and Dividend receivable | | 14,572 | 27,775 |
| Advance tax | 6. | 3,428 | 3,408 |
| Deposits, prepayments and other receivables | | 18,530 | 17,805 |
| Receivable against settlement of spread transactions | | 523 | 6,106 |
| TOTAL ASSETS | | 999,043 | 1,789,299 |
| Liabilities | | | |
| Payable to the Management Company | 7. | 2,686 | 4,396 |
| Remuneration payable to the Trustee | 8 | 67 | 243 |
| Annual fee payable to Securities and Exchange Commission of Pakistan (SECP) | 9 | 62 | 980 |
| Accrued and other liabilities | 10 | 41,308 | 48,891 |
| TOTAL LIABILITIES | | 44,123 | 54,510 |
| NET ASSETS | | 954,920 | 1,734,789 |
| UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED) | | 954,920 | 1,734,789 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| | | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | 10,884,572 | 20,397,520 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 87.7315 | 85.0490 |

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 GROWTH AND INCOME FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

| | Note | Quarter Ended | |
|---|-------|-----------------------|-----------------------|
| | | September 30, 2019 | September 30, 2018 |
| (Rupees in '000) | | | |
| Income | | | |
| Financial income | | 42,860 | 26,962 |
| Net loss on investments classified as 'At fair value through profit or loss' | | | |
| Capital loss on sale and redemption of investments- net unrealised loss | | (774) | (816) |
| on revaluation of investments- net | | (45) | (3,843) |
| Other income | | 1,011 | 5,558 |
| Provision against non-performing debt securities | 5.1.1 | (1,418) | - |
| Reversal of provision against non-performing debt securities | 5.1.1 | 2,332 | - |
| Total income | | 43,966 | 27,861 |
| Expenses | | | |
| Remuneration of the Management Company | | 3,368 | 4,876 |
| Sales tax on management fee | | 438 | 634 |
| Expenses allocated by the Management Company | | 310 | 325 |
| Remuneration of the Trustee | | 263 | 554 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 62 | 244 |
| Selling and marketing expense | | 1,241 | 1,300 |
| Auditors' remuneration | | 103 | 163 |
| Legal and professional charges | | 38 | 38 |
| Brokerage expense | | 96 | 29 |
| Bank charges and other expenses | | 201 | 315 |
| Total expenses | | 6,120 | 8,478 |
| Net operating income for the quarter | | 37,846 | 19,383 |
| Provision for Sindh Workers' Welfare Fund | 10.2 | (743) | (382) |
| Net income for the quarter before taxation | | 37,103 | 19,001 |
| Taxation | 12 | - | - |
| Net income for the quarter after taxation | | 37,103 | 19,001 |
| <i>Allocation of net income for the quarter:</i> | | | |
| Income already paid on units redeemed | | (9,426) | (3,226) |
| Accounting income available for distribution: | | 27,677 | 15,775 |
| - Relating to capital gains | | - | - |
| - Excluding capital gains | | 27,677 | 15,775 |
| | | 27,677 | 15,775 |

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 GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

| | Quarter Ended | |
|--|------------------------------|-----------------------|
| | September 30, 2019 | September 30, 2018 |
| Note | ----- (Rupees in '000) ----- | |
| Net income for the quarter after taxation | 37,103 | 19,001 |
| Other comprehensive income: | | |
| Other comprehensive loss for the quarter | - | - |
| Net unrealised appreciation / (diminution) on revaluation of investments classified as 'fair value through other comprehensive income' | - | - |
| Total comprehensive income for the quarter | 37,103 | 19,001 |

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 GROWTH AND INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

| | <u>Quarter Ended</u> | |
|---|-------------------------------------|-------------------------------------|
| | <u>September 30,</u> <u>2019</u> | <u>September 30,</u> <u>2018</u> |
| | Note ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the quarter before taxation | 37,103 | 19,001 |
| Adjustments for: | | |
| Financial income | (42,860) | (26,962) |
| Net loss on investments classified as 'At fair value through profit or loss' | | |
| Capital loss on sale and redemption of investments- net | 774 | 816 |
| Unrealised loss on revaluation of investments- net | 45 | 3,843 |
| Provision against non-performing debt securities | 1,418 | - |
| Reversal of provision against non-performing debt securities | (2,332) | - |
| Provision for Sindh Workers' Welfare Fund | 743 | 382 |
| | (42,212) | (21,921) |
| Decrease / (increase) in assets | | |
| Investments | 302,060 | 60,553 |
| Advance tax | (20) | - |
| Receivable against settlement of spread transactions | 5,583 | - |
| Advances, deposits, prepayments and other receivables | (725) | 105 |
| | 306,898 | 60,658 |
| (Decrease) / increase in liabilities | | |
| Payable to the Management Company | (1,710) | 645 |
| Remuneration payable to the Trustee | (176) | (18) |
| Annual fee - Securities and Exchange Commission of Pakistan | (918) | (2,174) |
| Accrued and other liabilities | (9,744) | (1,749) |
| | (12,548) | (3,296) |
| Reversal of provision | 2,332 | - |
| Finance income received | 56,063 | 28,396 |
| Net cash generated from operating activities | 347,636 | 82,838 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 1,037,555 | 314,513 |
| Payments against redemption of units | (1,854,527) | (406,984) |
| Cash distribution to unit holders | - | (64,531) |
| Net cash (used) in financing activities | (816,972) | (157,002) |
| Net (decrease) in cash and cash equivalents | (469,336) | (74,164) |
| Cash and cash equivalents at the beginning of the quarter | 1,100,418 | 811,972 |
| Cash and cash equivalents at the end of the quarter | 631,082 | 737,808 |

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 GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

| | September 30, 2019 | | | | September 30, 2018 | | | |
|--|----------------------|--------------------|--|------------------|--------------------|--------------------|--|------------------|
| | Capital value | Undistributed loss | Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net | Total | Capital value | Undistributed loss | Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net | Total |
| | (Rupees in '000) | | | | | | | |
| Net assets at beginning of the quarter | 2,215,081 | (480,531) | 239 | 1,734,789 | 1,742,361 | (440,998) | 239 | 1,301,602 |
| Amount received on issuance of 7,974,720 (2018: 18,230,048) units | | | | | | | | |
| Capital value | 678,242 | - | - | 678,242 | 313,037 | - | - | 313,037 |
| Element of income during the quarter; | | | | | | | | |
| - Relating to other comprehensive Income for the quarter | - | - | - | - | - | - | - | - |
| - Relating to net income for the quarter after taxation | 359,313 | - | - | 359,313 | 1,476 | - | - | 1,476 |
| | 1,037,555 | - | - | 1,037,555 | 314,513 | - | - | 314,513 |
| Amount paid on redemption of 17,487,668 (2018: 69,206,214) units | | | | | | | | |
| Capital value | (1,487,309) | - | - | (1,487,309) | (403,600) | - | - | (403,600) |
| Element of income during the quarter; | | | | | | | | |
| - Relating to other comprehensive Income for the quarter | (357,792) | (9,426) | - | (367,218) | (158) | (3,226) | - | (3,384) |
| - Relating to net income for the quarter after taxation | (1,845,101) | (9,426) | - | (1,854,527) | (403,758) | (3,226) | - | (406,984) |
| Total comprehensive income for the quarter | - | 37,103 | - | 37,103 | - | 19,001 | - | 19,001 |
| Distribution during the quarter NIL (2018:Rs.4.4223 per unit) | - | - | - | - | (21,939) | (42,592) | - | (64,531) |
| Net income / (loss) for the quarter less distribution | - | 37,103 | - | 37,103 | (21,939) | (23,591) | - | (45,530) |
| Net assets at end of the quarter | 1,407,535 | (452,854) | 239 | 954,920 | 1,631,177 | (467,815) | 239 | 1,163,601 |
| Undistributed loss brought forward: | | | | | | | | |
| - Realised | - | (471,676) | - | (471,676) | - | (440,855) | - | (440,855) |
| - Unrealised | - | (8,855) | 239 | (8,616) | - | (143) | 239 | 96 |
| | - | (480,531) | 239 | (480,292) | - | (440,998) | 239 | (440,759) |
| Accounting income available for distribution: | | | | | | | | |
| - Relating to capital gains | - | - | - | - | - | - | - | - |
| - Excluding capital gains | - | 27,677 | - | 27,677 | - | 15,775 | - | 15,775 |
| | - | 27,677 | - | 27,677 | - | 15,775 | - | 15,775 |
| Other comprehensive income for the quarter | - | - | - | - | - | - | - | - |
| Distribution during the quarter | - | - | - | - | - | (42,592) | - | (42,592) |
| Undistributed loss carried forward | - | (452,854) | 239 | (452,615) | - | (467,815) | 239 | (467,576) |
| Undistributed loss carried forward | | | | | | | | |
| - Realised | - | (452,809) | - | (452,809) | - | (463,972) | - | (463,972) |
| - Unrealised | - | (45) | 239 | 194 | - | (3,843) | 239 | (3,604) |
| | - | (452,854) | 239 | (452,615) | - | (467,815) | 239 | (467,576) |
| | ----- (Rupees) ----- | | | | | | | |
| Net assets value per unit at beginning of the quarter | | | | 85.0490 | | | | 89.3150 |
| Net assets value per unit at end of the quarter | | | | 87.7315 | | | | 86.1520 |

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 GROWTH AND INCOME FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Growth and Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed, dated 21 December 2004 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont road, Civil lines, Karachi.
- 1.3** The Fund is an aggressive fixed income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the fund.
- 1.4** As per the offering document, the Fund shall invest in a diversified portfolio of government securities, investment grade term finance certificates (TFCs), rated corporate debts, certificates of investments (COIs), marginal trading system (MTS), spread transactions (including spread on equity transactions) and other money market instruments.
- 1.5** VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 27, 2018.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the quarter ended September 30, 2018.

2.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2.

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

3.2 The following new standards became applicable to the Company during the quarter:

IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|-------------------------|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 4. BANK BALANCES | | | |
| Current accounts | | 50 | 50 |
| Saving accounts | 4.1 | <u>631,032</u> | <u>1,100,368</u> |
| | | <u>631,082</u> | <u>1,100,418</u> |

4.1 These carry mark-up at rates ranging between 4% to 14.40% per annum (2019: 4.00% to 13.15%) per annum. These include balances of Rs.9.468 (2019: Rs.3.257) million and Rs.0.021 (2019: Rs.0.021) million held with United Bank Limited and Khushhali Bank Limited (related parties) respectively.

5. INVESTMENTS

Investments by category

' At Fair Value Through Profit or Loss'

| | | | |
|----------------------------|-----|-----------------------|----------------|
| Debt securities - unquoted | 5.1 | 262,072 | 275,953 |
| Debt securities - quoted | 5.1 | 16,995 | 20,774 |
| Government securities | 5.5 | - | 133,252 |
| | | <u>279,067</u> | <u>429,979</u> |

'Fair Value Through Other Comprehensive Income'

| | | | |
|----------------------------|-----|---|---|
| Debt securities - quoted | 5.2 | - | - |
| Debt securities - unquoted | 5.3 | - | - |
| | | - | - |

At Amortised cost

| | | | |
|----------------------|-----|-----------------------|-----------------------|
| Letter of placement | 5.4 | 51,841 | 50,079 |
| Term Deposit Receipt | 5.5 | - | 153,729 |
| | | <u>330,908</u> | <u>633,787</u> |

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

| Particulars | Note | As at July 01, 2019 | Purchased during the quarter | Sold / matured during the quarter | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Unrealised (loss) / gain | Market value as a percentage of total investments | Market value as a percentage of net assets |
|--|-------|---------------------------|------------------------------------|--|--------------------------------|---|--|-----------------------------|--|--|
| | | | | | | | | | | |
| Quoted | | | | | | | | | | |
| Personal goods | | | | | | | | | | |
| Azgard Nine Limited - TFC (September 20, 2005) | 5.2.1 | 1,000 | - | - | 1,000 | 1,366 | - | - | 0.00% | 0.00% |
| Less: Provision for impairment | | | | | | (1,366) | - | - | | |
| Commercial banks | | | | | | | | | | |
| Soneri Bank Limited - TFC (July 08, 2015) | | 770 | - | (770) | - | - | - | - | 0.00% | 0.00% |
| INV. BANKS / INV. COS. / SECURITIES COS. | | | | | | | | | | |
| Dawood Hercules Corporation Limited - sukuk (November 16, 2017) | | 190 | - | - | 190 | 17,045 | 16,995 | (50) | 5.14% | 1.78% |
| September 30, 2019 | | | | | | 17,045 | 16,995 | (50) | 5.14% | 1.78% |
| June 30, 2019 | | | | | | 21,050 | 20,774 | | | |
| Unquoted | | | | | | | | | | |
| Personal goods | | | | | | | | | | |
| Azgard Nine Limited - PPTFC (December 04, 200 | 5.2.1 | 7,000 | - | - | 7,000 | 13,181 | - | - | 0.00% | 0.00% |
| Less: Provision for impairment | | | | | | (13,181) | - | - | | |
| Household goods | | | | | | | | | | |
| New Allied Electronics Industries Limited - TFC (May 15, 2007) | 5.2.1 | 18,000 | - | - | 18,000 | 18,094 | - | - | 0.00% | 0.00% |
| Less: Provision for impairment | | | | | | (18,094) | - | - | | |
| New Allied Electronics Industries Limited - Sukuk (December 03, 2007) | 5.2.1 | 10,000 | - | - | 10,000 | 35,000 | - | - | 0.00% | 0.00% |
| Less: Provision for impairment | | | | | | (35,000) | - | - | | |
| Commercial Banks | | | | | | | | | | |
| JS Bank Limited - TFC (December 14, 2016) | | 9,000 | - | - | 9,000 | 44,335 | 44,386 | 51 | 13.41% | 4.65% |
| Habib Bank Limited - TFC (February 19, 2016)* | | 424 | - | - | 424 | 41,673 | 41,484 | (189) | 12.54% | 4.34% |
| JS Bank Limited - TFC (December 29, 2017) | | 1,000 | - | - | 1,000 | 96,919 | 97,029 | 110 | 29.32% | 10.16% |

| Particulars | Note | As at July 01, 2019 | Purchased during the quarter | Sold / matured during the quarter | As at September 30, 2019 | Carrying value as at September 30, 2019 | | Unrealised (loss) / gain | Market value as a percentage of total investments | Market value as a percentage of net assets |
|--|-------|---------------------|------------------------------|-----------------------------------|--------------------------|---|------------------|--------------------------|---|--|
| | | | | | | (Number of certificates) | (Rupees in '000) | | | |
| Investment Banks | | | | | | | | | | |
| Jahangir Siddiqui & Company Limited (July 18, 2017) | | 20,000 | - | - | 20,000 | 74,775 | 74,775 | - | 22.60% | 7.83% |
| Chemical | | | | | | | | | | |
| Ghani Gases Limited - Sukuk (February 02, 2017) | | 93 | - | - | 93 | 5,395 | 5,428 | 33 | 1.64% | 0.57% |
| Less: Provision | | | | | | (1,030) | (1,030) | | | |
| | | | | | | 4,365 | 4,398 | | | |
| Electricity | | | | | | | | | | |
| Financial services | | | | | | | | | | |
| Security Leasing Corporation Limited - Sukuk (September 19, 2007) – II | 5.2.1 | 5,000 | - | - | 5,000 | 5,574 | | | | |
| Less: Provision for impairment | | | | | | (5,574) | | | | |
| | | | | | | - | - | - | 0.00% | 0.00% |
| September 30, 2019 | | | | | | 262,067 | 262,072 | 5 | 79.51% | 27.55% |
| June 30, 2019 | | | | | | 281,461 | 275,953 | | | |

(Un-audited) (Audited)
September 30, June 30,
2019 2019
----- (Rupees in '000) -----

5.1.1 Provision for impairment

| | | |
|--|-----------|-----------|
| Opening Balance | 1,164,208 | 1,173,930 |
| Provision during the quarter | 1,418 | - |
| Reversal of provision during the quarter | (2,332) | (9,722) |
| Closing Balance | 1,163,294 | 1,164,208 |

| | |
|-----------|-----------|
| 1,164,208 | 1,173,930 |
| 1,418 | - |
| (2,332) | (9,722) |
| 1,163,294 | 1,164,208 |

Due to non-recoverability of these investments, During the quarter Fund has classified these as non-performing securities and recognized provision there against as per SECP vide circular 33 of 2012.

| 5.1.2 | Name of security | Number of certificates | Interest rate per annum | Maturity |
|-------|-------------------------------------|------------------------|-------------------------|-------------------|
| | Dawood Hercules Corporation Limited | 190 | 3M KIBOR + 1.00% | November 16, 2022 |
| | JS Bank Limited | 9,000 | 6M KIBOR + 1.40% | December 16, 2023 |
| | JS Bank Limited | 1,000 | 6M KIBOR + 1.40% | December 29, 2024 |
| | Habib Bank Limited | 424 | 6M KIBOR + 0.50% | February 19, 2026 |
| | Jahangir Siddiqui & Co. Ltd | 20,000 | 6M KIBOR + 1.40% | July 18, 2022 |
| | Ghani Gases Limited | 93 | 3M KIBOR + 1.00% | February 2, 2023 |

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

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

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

5.3 Disclosure of non compliant investments as at 30 September 2019

| Name of security | Note | As at July | Purchased | Sold during | As at | Carrying value | Percentage | Percentage |
|-----------------------|-------|------------------------------|------------|-------------|---------------|----------------|---------------|---------------|
| | | 01, 2019 | during the | the quarter | September 30, | as at | of total | of net assets |
| | | ----- Number of shares ----- | | | | September 30, | September 30, | |
| | | | | | | 2019 | 2019 | |
| | | | | | | Amount in '000 | | |
| Personal goods | | | | | | | | |
| Azgard Nine Limited | 5.3.1 | 200,000 | - | - | 200,000 | - | 0% | 0% |

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

| (Un-audited) | (Audited) |
|------------------------------|-----------|
| September 30, | June 30, |
| 2019 | 2019 |
| ----- (Rupees in '000) ----- | |

5.3.2 Placements and term deposit receipts

| | | |
|--------------------------------|----------|----------|
| Pre-IPO placement | 66,111 | 68,056 |
| Term deposit receipts | - | - |
| Other placement | - | - |
| | 66,111 | 68,056 |
| Less: Provision for impairment | (66,111) | (68,056) |
| | - | - |

This represents Pre-IPO disbursement to Cement Company (the Company) made on January 14, 2008. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement, however, the Company has not yet arranged the IPO. Accordingly, the Management Company decided to suspend mark-up on this placement from October 29, 2008 and has recorded full provision against the said placement (including principal and interest) in accordance with circular no. 33 of 2012 issued by the SECP.

During the quarter, the Company has paid Rs.2.778 million against the said disbursement. Accordingly, the Management Company has reversed the provision for impairment with the amount received.

5.4 This carries markup of 14% and will mature by 2nd, January-2020

| Note | As at July 01, 2019 | Purchased during the Quarter | Sold during the Quarter | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Percentage of net assets |
|----------------------------------|----------------------------------|------------------------------|-------------------------|--------------------------|---|---------------------------------------|--------------------------|
| 5.5 Government Securities | | | | | | | |
| | ----- Number of Securities ----- | | | | Amount in '000 | | |
| PIB- 03 Years | 150,000 | - | 150,000 | - | - | - | - |
| PIB- 05 Years | - | 175,000 | 175,000 | - | - | - | - |
| T-bill 3 months | - | 2,700,000 | 2,700,000 | - | - | - | - |
| September 30, 2019 | <u>150,000</u> | <u>2,875,000</u> | <u>3,025,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| June 30, 2019 | <u>-</u> | <u>537,500</u> | <u>387,500</u> | <u>150,000</u> | <u>136,323</u> | <u>133,252</u> | <u>5.98%</u> |

5.6 Disclosure of Excess Exposure as at September 30, 2019

5.6.1 Name of Investment

| | Exposure Type | % of Issue | Limit | Excess |
|---|---------------|------------|-------|--------|
| Trust Investment Bank Limited- TFC (04-07-08) | Per Issue | 20% | 10% | 10% |
| Agritech Limited- TFC (30-11-07) | Per Issue | 19% | 10% | 9% |
| New Allied Electronics (15-05-07) | Per Issue | 17% | 10% | 7% |
| Security Leasing Sukuk (19-09-07) | Per Issue | 13% | 10% | 3% |
| Agritech Limited- TFC (14-01-08) | Per Issue | 11% | 10% | 1% |

The fund has classified these as non-performing securities and recognized full provision there against.

5.6.2 Name of Investment

| | Exposure Type | % of NA | Limit | Excess |
|---------------|---------------|---------|-------|--------|
| JS Bank - TFC | Per Entity | 14.81% | 10% | 4.81% |

Subsequent to the quarter above securities have been sold.

6. ADVANCE TAX

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

7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

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

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

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

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10. ACCRUED AND OTHER LIABILITIES

10.1 This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs.24.36 million (June 30, 2018: Rs.24.36 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.1 to the annual audited financial statements for the year ended June 30, 2019. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 2.23 (June 30, 2019: Rs.1.19).

10.2 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2019 which has been fully disclosed in note 15.2. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs.1.18 (June 30, 2019: Re.0.60).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. As the Management Company intends to distributed through cash at least 90% of the Fund's net accounting income as reduced by capital gain whether realised or unrealised by the year-end to the unit holders, accordingly, no provision for taxation has been recognized in this condensed interim financial statements.

13. TOTAL EXPENSE RATIO

On June 20, 2019, SECP has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As per said amendment capping of expense ratio of the Fund has now been increased from 2% to 2.5%.

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.56% as on September 30, 2019 and this includes 0.1% representing government levy, worker's welfare fund and SECP fee.

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.

| Management company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|---|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | |
| ----- (As at September 30, 2019) (Un-audited) ----- | | | | | |

Balances held

| | | | | | |
|--|-------|-------|-----|-------|---------|
| Units held (units in '000) | - | - | - | 56 | 5,731 |
| Units held (Rupees in '000) | - | - | - | 4,913 | 502,789 |
| Bank balances * | - | 9,539 | - | - | - |
| Deposits | - | - | 100 | - | - |
| Profit receivable | - | 83 | - | - | - |
| Remuneration payable | 1,028 | - | 67 | - | - |
| Expenses allocated by the Management Company | 165 | - | - | - | - |
| Sales load and other payable | 252 | 42 | - | - | - |
| selling and marketing | 1,241 | - | - | - | - |
| Listing Fee Payable | - | - | - | - | 28 |
| CDC fee payable | - | - | 45 | - | - |

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

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

Balances held

| | | | | | |
|--|---------|-------|-----|-------|---------|
| Units held (number of units in '000) | 7,850 | - | - | 55 | 5,715 |
| Units held (Rupees in '000) | 667,635 | 3,328 | - | 4,678 | 486,055 |
| Bank balances * | - | - | - | - | - |
| Deposits | - | - | 100 | - | - |
| Profit receivable - bank balances | - | 118 | - | - | - |
| Remuneration payable | 1,907 | - | 243 | - | - |
| Selling and marketing | 2,094 | - | - | - | - |
| Expenses allocated by the Management Company | 171 | - | - | - | - |
| Sales load and other payable | 224 | 42 | - | - | - |
| Other payable | - | - | 45 | - | - |

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows financial instruments

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

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

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

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

| | Fair value | | | |
|--|----------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| <u>September 30, 2019 (Un-audited)</u> | ----- (Rupees) ----- | | | |
| Financial assets measured at fair value | | | | |
| Debt securities | - | 279,067 | - | 279,067 |
| | - | 279,067 | - | 279,067 |

| | Fair value | | | |
|--|----------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| <u>June 30, 2019 (Audited)</u> | ----- (Rupees) ----- | | | |
| Financial assets measured at fair value | | | | |
| Debt securities | - | 429,979 | - | 429,979 |
| | - | 429,979 | - | 429,979 |

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

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

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

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

UAAF

UBL Asset Allocation Fund

INVESTMENT OBJECTIVE

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

| | |
|-----------------------------|---|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditors | Ernst & Young Ford Rhodes, Chartered Accountants |
| Bankers | Allied Bank Limited Bank Alfalah Limited Habib Bank Limited JS Bank Limited MCB Bank Limited Samba Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Zarai Taraqiati Bank Limited United Bank Limited Soneri Bank Limited |
| Management Co.Rating | AM1 (VIS) |

UBL ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES
AS AT SEPTEMBER 30, 2019

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4. | 528,502 | 416,702 |
| Term deposit receipts and Certificate of Investment | 5. | - | 150,000 |
| Investments | 6 | 730,840 | 791,434 |
| Receivable against sale of investments | | 5,580 | 7,105 |
| Advance tax | 7. | 1,122 | 1,119 |
| Dividend receivable and mark-up receivable | | 15,989 | 21,534 |
| Deposits and other receivables | | 10,724 | 10,559 |
| TOTAL ASSETS | | 1,292,757 | 1,398,453 |
| LIABILITIES | | | |
| Payable to the Management Company | 8. | 3,155 | 3,064 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 210 | 225 |
| Payable to Securities and Exchange Commission of Pakistan | 9. | 65 | 1,841 |
| Payable against purchase of investments | | - | 698 |
| Accrued expenses and other payables | 10 | 18,872 | 18,809 |
| TOTAL LIABILITIES | | 22,302 | 24,637 |
| NET ASSETS | | 1,270,455 | 1,373,816 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 1,270,455 | 1,373,816 |
| CONTINGENCY AND COMMITMENT | 11. | | |
| | | ----- (Number) ----- | |
| NUMBER OF UNITS IN ISSUE | | 9,712,642 | 10,389,075 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 130.8043 | 132.2366 |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

UBL ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, | |
|---|--------------------------------|----------------|
| Note | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| Income | | |
| Financial income | 26,547 | 28,089 |
| Capital (loss) / gain on redemption and sale of investments-net | (2,254) | 2,592 |
| Dividend income | 7,027 | 13,470 |
| Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'-net | (39,938) | (34,629) |
| Total (loss) / income | (8,618) | 9,522 |
| Expenses | | |
| Remuneration of the Management Company | 3,233 | 5,636 |
| Sindh Sales Tax of the Management Company's remuneration | 420 | 733 |
| Allocation of expenses relating to the Fund | 323 | 564 |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 650 | 922 |
| Annual fee to Securities and Exchange Commission of Pakistan | 65 | 535 |
| Selling and marketing expense | 1,293 | 2,254 |
| Auditors' remuneration | 167 | 167 |
| Legal and professional charges | 41 | 51 |
| Brokerage and settlement expenses | 366 | 406 |
| Amortisation of preliminary expenses and floatation costs | - | 28 |
| Bank charges and other expenses | 30 | 306 |
| Total expenses | 6,588 | 11,602 |
| Net operating (loss) for the quarter | (15,206) | (2,080) |
| Provision for Sindh Workers' Welfare Fund | - | - |
| Net (loss) for the quarter before taxation | (15,206) | (2,080) |
| Taxation | - | - |
| Net (loss) for the quarter after taxation | (15,206) | (2,080) |
| <i>Allocation of net income for the quarter:</i> | | |
| Income already paid on units redeemed | - | - |
| <i>Accounting income available for distribution:</i> | - | - |
| <i>Accounting income available for distribution:</i> | | |
| - Relating to capital gains | - | - |
| - Excluding capital gains | - | - |
| | - | - |
| Earnings per unit | | |

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

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

UBL ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, | |
|--|--------------------------------|----------------|
| | 2019 | 2018 |
| | (Rupees in '000) ----- | |
| Net (loss) for the quarter after taxation | (15,206) | (2,080) |
| Other comprehensive income for the quarter: | | |
| <i>Items that are or may be reclassified subsequently to income statement</i> | | |
| Net unrealised appreciation / (diminution) on revaluation of investments classified as 'fair value through other comprehensive income' | - | - |
| Total comprehensive (loss) for the quarter | (15,206) | (2,080) |

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

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

UBL ASSET ALLOCATION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, | |
|---|--------------------------------|-----------|
| | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net (loss) for the quarter before taxation | (15,206) | (2,080) |
| Adjustments for: | | |
| Financial income | (26,547) | (28,089) |
| Net capital loss / (gain) on redemption and sale of investments | 2,254 | (2,592) |
| Dividend income | (7,027) | (13,470) |
| Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' | 39,938 | 34,629 |
| Amortisation of preliminary expenses and floatation costs | - | 28 |
| | 8,618 | (9,494) |
| Net cash (used) in operations before working capital changes | (6,588) | (11,574) |
| Working capital changes | | |
| <i>decrease / (Increase) in assets</i> | | |
| Investments | 18,400 | (29,523) |
| Advance tax | (3) | - |
| Fair value of derivative asset | - | 1,645 |
| Receivable against sale of investments | 1,525 | 37,347 |
| Deposits, prepayments and other receivables | (165) | 53,578 |
| | 19,757 | 63,047 |
| <i>Increase / (decrease) in liabilities</i> | | |
| Payable to the Management Company | 91 | (782) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (15) | (3) |
| Payable to Securities and Exchange Commission of Pakistan | (1,776) | (1,661) |
| Payable against purchase of investments | (698) | 40,643 |
| Accrued expenses and other payables | 63 | 82 |
| | (2,335) | 38,279 |
| Markup income and dividend received | 39,119 | 33,652 |
| Net cash generated from operating activities | 49,953 | 123,404 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of units | 32,833 | 52,584 |
| Payments on redemption of units | (120,986) | (112,007) |
| Net cash (used) in financing activities | (88,153) | (59,423) |
| Cash and cash equivalents at beginning of the quarter | 566,702 | 1,146,417 |
| Cash and cash equivalents at end of the quarter | 528,502 | 1,210,398 |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

UBL ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | 2019 | | | | 2018 | | | |
|---|------------------------------|----------------------|---|------------------|------------------|----------------------|---|------------------|
| | Capital value | Undistributed income | Unrealised appreciation on investments classified as 'available for sale' - net | Total | Capital value | Undistributed income | Unrealised appreciation on investments classified as 'available for sale' - net | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net assets at beginning of the quarter | 971,499 | 402,316 | - | 1,373,815 | 1,826,467 | 431,019 | (8,237) | 2,249,249 |
| Amount received on issuance of 260,591 units (2018: 389,808 units) | | | | | | | | |
| Capital value | 34,460 | - | - | 34,460 | 52,460 | - | - | 52,460 |
| Element of income during the quarter; | | | | | | | | |
| - Relating to other comprehensive income for the quarter | - | - | - | - | - | - | - | - |
| - Relating to net loss for the quarter after taxation | (1,628) | - | - | (1,628) | 124 | - | - | 124 |
| | <u>32,832</u> | <u>-</u> | <u>-</u> | <u>32,832</u> | <u>52,584</u> | <u>-</u> | <u>-</u> | <u>52,584</u> |
| Amount paid on redemption of 937,024 units (2018: 833,758 units) | | | | | | | | |
| Capital value | (123,909) | - | - | (123,909) | (112,206) | - | - | (112,206) |
| Element of income during the quarter; | | | | | | | | |
| - Relating to other comprehensive income for the quarter | - | - | - | - | - | - | - | - |
| - Relating to net loss for the quarter after taxation | 2,923 | - | - | 2,923 | 199 | - | - | 199 |
| | <u>(120,986)</u> | <u>-</u> | <u>-</u> | <u>(120,986)</u> | <u>(112,007)</u> | <u>-</u> | <u>-</u> | <u>(112,007)</u> |
| Total comprehensive (loss) for the quarter | - | (15,206) | - | (15,206) | - | (2,080) | - | (2,080) |
| Amount transferred to retained earnings | - | - | - | - | - | (8,237) | 8,237 | - |
| Distribution during the quarter | - | - | - | - | - | - | - | - |
| Net income / (loss) for the quarter less distribution | - | (15,206) | - | (15,206) | - | (10,317) | 8,237 | (2,080) |
| Net assets at end of the quarter | <u>883,345</u> | <u>387,110</u> | <u>-</u> | <u>1,270,455</u> | <u>1,767,044</u> | <u>420,702</u> | <u>-</u> | <u>2,187,746</u> |
| Undistributed income brought forward: | | | | | | | | |
| - Realised | - | 530,798 | - | 530,798 | - | 446,226 | - | 446,226 |
| - Unrealised | - | (128,482) | - | (128,482) | - | (15,207) | (8,237) | (23,444) |
| | <u>-</u> | <u>402,316</u> | <u>-</u> | <u>402,316</u> | <u>-</u> | <u>431,019</u> | <u>(8,237)</u> | <u>422,782</u> |
| Accounting income available for distribution: | | | | | | | | |
| - Relating to capital gains | - | - | - | - | - | - | - | - |
| - Excluding capital gains | - | - | - | - | - | - | - | - |
| Net (loss) for the quarter after taxation | - | (15,206) | - | (15,206) | - | (2,080) | - | (2,080) |
| Transferred to retained earning | - | - | - | - | - | (8,237) | 8,237 | - |
| Distribution during the quarter | - | - | - | - | - | - | - | - |
| Undistributed income carried forward | <u>-</u> | <u>387,110</u> | <u>-</u> | <u>387,110</u> | <u>-</u> | <u>420,702</u> | <u>-</u> | <u>420,702</u> |
| Undistributed income carried forward | | | | | | | | |
| - Realised | - | 427,048 | - | 427,048 | - | 455,331 | - | 455,331 |
| - Unrealised | - | (39,938) | - | (39,938) | - | (34,629) | - | (34,629) |
| | <u>-</u> | <u>387,110</u> | <u>-</u> | <u>387,110</u> | <u>-</u> | <u>420,702</u> | <u>-</u> | <u>420,702</u> |
| | ----- (Rupees) ----- | | | | | | | |
| Net assets value per unit at beginning of the quarter | | | | <u>132.2366</u> | | | | <u>134.5792</u> |
| Net assets value per unit at end of the quarter | | | | <u>130.8043</u> | | | | <u>134.4712</u> |

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

For UBL Fund Managers Limited
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

UBL ASSET ALLOCATION FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Asset Allocation Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan. It was constituted under a Trust Deed, dated May 29, 2013 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi.

The Fund is an open end mutual fund and units of the fund are listed on the Pakistan Stock Exchange Limited. The units of the Fund can be transferred to/from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units of the Fund were initially offered to the public (IPO) on August 19, 2013. The Fund commenced its operations from August 20, 2013.

The policy of the Fund is to invest in a diversified portfolio of shares of listed companies, spread transactions and other money market instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorised by the Management Company as an Asset Allocation Fund.

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

VIS Credit Rating Company has reaffirmed management quality rating of AM1 (stable outlook) to the management company as on December 27, 2018.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the quarter ended September 30, 2018.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2.

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

3.2 The following new standards became applicable to the Company during the period:

IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 4. BANK BALANCES | | | |
| Saving accounts | 4.1 | <u>528,502</u> | <u>416,702</u> |
| 4.1 | | | |
| These carry mark-up at rates ranging between 4% to 14.40% per annum (2019: 4.00% to 13.15%) per annum. These include balances of Rs.1.416 (2019: Rs.3.739) million held with United Bank Limited (related party) respectively. | | | |
| 5. TERM DEPOSIT RECEIPTS AND CERTIFICATE OF INVESTMENT | | | |
| Term Deposit Investment | | <u>-</u> | <u>150,000</u> |
| | | <u>-</u> | <u>150,000</u> |
| 6 INVESTMENTS | | | |
| At Fair Value Through Profit or Loss | | | |
| - Government securities - Market treasury bills | 6.1 | - | - |
| - Government securities - Pakistan Investment Bonds | 6.2 | 100,700 | 99,760 |
| - Debt securities - Term Finance Certificates / Sukuks | 6.3 | 129,989 | 148,917 |
| - Quoted equity securities | 6.4 | 500,151 | 542,757 |
| | | <u>730,840</u> | <u>791,434</u> |

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

| Particulars | Note | As at July 01, 2019 | Purchased during the quarter | Disposed / matured during the quarter | As at September 30, 2019 | Balance as at September 30, 2019 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|------------------------------------|------|---------------------|------------------------------|---------------------------------------|--------------------------|----------------------------------|--------------|-----------------------------|--|---|
| | | | | | | Carrying value | Market value | Appreciation / (Diminution) | | |
| ----- Number of certificates ----- | | | | | | ----- (Rupees in '000) ----- | | | ----- % ----- | |
| Market treasury bills - 3 months | | - | 500 | (500) | - | - | - | - | - | - |
| September 30, 2019 | | | | | | - | - | - | - | - |
| June 30, 2019 | | | | | | - | - | - | | |

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

| Particulars | Note | As at July 01, 2019 | Purchased during the quarter | Disposed / matured during the quarter | As at September 30, 2019 | Balance as at September 30, 2019 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--------------------------------------|-------|---------------------|------------------------------|---------------------------------------|--------------------------|----------------------------------|----------------|-----------------------------|--|---|
| | | | | | | Carrying value | Market value | (Diminution) / Appreciation | | |
| ----- Number of certificates ----- | | | | | | ----- (Rupees in '000) ----- | | | ----- % ----- | |
| Pakistan Investment Bonds - 10 years | 6.2.1 | 1,000,000 | - | - | 1,000,000 | 99,760 | 100,700 | 940 | 7.93% | 13.78% |
| September 30, 2019 | | | | | 1,000,000 | 99,760 | 100,700 | 940 | 7.93% | 13.78% |
| June 30, 2019 | | | | | | 99,522 | 99,760 | 238 | | |

6.2.1 This Pakistan Investment Bonds carry interest at the rate ranging from 14.6389% per annum. These will mature latest by August 09, 2028.

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

| Name of Security | Note | As at July | Purchased | Sold / | As at | Carrying | Market value | Unrealised gain / (loss) | Percentage of total investments | Percentage of net assets |
|--|---------------|--------------------------------------|-----------------------|----------------------------------|------------------------------|--------------------------------------|--------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| | | 01, 2019 | during the quarter | matured during the quarter | September 30, 2019 | value as at September 30, 2019 | as at September 30, 2019 | | | |
| | | ----- (Number of certificates) ----- | | | ----- (Rupees in '000) ----- | | | | | |
| Unquoted | | | | | | | | | | |
| INV. BANKS / INV. COS. / SECURITIES | | | | | | | | | | |
| Dawood Hercules Corporation Limited | 6.3.1 & 6.3.2 | 40 | - | - | 40 | 3,588 | 3,578 | (10) | 0.49% | 0.28% |
| Investment and brokerage services | | | | | | | | | | |
| Jahangir Siddiqui and Company Limited | 6.3.1 & 6.3.2 | 30,000 | - | - | 30,000 | 112,163 | 112,163 | - | 15% | 8.83% |
| Cement | | | | | | | | | | |
| Javedan Corporation Limited | | 150 | - | - | 150 | 14,473 | 14,248 | (225) | 2% | 1.12% |
| Total as at September 30, 2019 | | <u>30,190</u> | <u>-</u> | <u>-</u> | <u>30,190</u> | <u>130,224</u> | <u>129,989</u> | <u>(235)</u> | | |
| Total as at June 30, 2019 | | | | | | <u>151,422</u> | <u>148,917</u> | | | |

6.3.1 These carry profit rate from 12.99% to 15.14% (June 2019: from 7.42% to 12.99%).

6.3.2 Significant terms and conditions of term finance certificates outstanding as at September 30, 2019 are as follows:

| Name of securities | Remaining principal (Rupees in '000) | Mark-up rate (per annum) | Issue date | Maturity date |
|---|---|-----------------------------|------------|---------------|
| Dawood Hercules Corporation Limited (November 16, 2017) | 3,600 | 3 Months KIBOR +1% | 16-Nov-17 | 16-Nov-22 |
| Jahangir Siddiqui and Company (July 18, 2017) | 112,500 | 6 Months KIBOR +1.4% | 18-Jul-17 | 18-Jul-22 |
| Javedan Corporation Limited | 15,000 | 6 Months KIBOR +1.75% | 4-Oct-18 | 4-Oct-26 |

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

| Name of the investee company | Note | As at July 01, 2019 | Purchased during the quarter | Bonus / Right issue during the quarter | Sold during the quarter | As at September 30, 2019 | Cost / carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Appreciation / (diminution) | Percentage of total investments | Percentage of net assets | Paid-up capital of investee company (with face value of investment) |
|--|-------|---------------------|------------------------------|--|-------------------------|------------------------------|--|---------------------------------------|-----------------------------|---------------------------------|--------------------------|---|
| ----- (Number of shares) ----- | | | | | | ----- (Rupees in '000) ----- | | | ----- (%) ----- | | | |
| Oil and gas exploration companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 7,538 | 27,000 | - | - | 34,538 | 31,958 | 31,055 | (903) | 4.25% | 2.44% | 0.03% |
| Oil and Gas Development Company Limited | | 231,700 | 98,000 | - | - | 329,700 | 41,411 | 40,563 | (848) | 5.55% | 3.19% | 0.01% |
| Pakistan Petroleum Limited | | 138,125 | 10,000 | - | - | 148,125 | 21,236 | 20,149 | (1,087) | 2.76% | 1.59% | 0.01% |
| Pak Oil Fields Limited | | 54,660 | - | - | 9,400 | 45,260 | 18,371 | 17,194 | (1,177) | 2.35% | 1.35% | 0.02% |
| | | | | | | | 112,976 | 108,961 | (4,015) | 14.91% | 8.57% | 0.07% |
| Oil and gas marketing companies | | | | | | | | | | | | |
| Pakistan State Oil Company Limited | 6.4.2 | 65,784.00 | - | - | - | 65,784 | 11,159 | 10,360 | (799) | 1.42% | 0.82% | 0.02% |
| | | | | | | | 11,159 | 10,360 | (799) | 1.42% | 0.82% | 0.02% |
| Power generation and distribution | | | | | | | | | | | | |
| Hub Power Company Limited | | 699,662.00 | - | - | 158,500 | 541,162 | 42,617 | 38,287 | (4,330) | 5.24% | 3.01% | 0.04% |
| Pakgen Power Limited | | 446,000 | - | - | - | 446,000 | 6,324 | 5,214 | (1,110) | 0.71% | 0.41% | 0.12% |
| Lalpir Power Limited | | 563,000 | - | - | - | 563,000 | 7,319 | 6,463 | (856) | 0.88% | 0.51% | 0.15% |
| Saif Power Limited | | 2,953,500 | - | - | - | 2,953,500 | 55,408 | 45,779 | (9,629) | 6.26% | 3.60% | 0.76% |
| | | | | | | | 111,668 | 95,743 | (15,925) | 13.09% | 7.53% | 1.07% |
| Chemicals | | | | | | | | | | | | |
| Lotte Chemical Pakistan Limited | | 40,000.00 | - | - | - | 40,000 | 610 | 546 | (64) | 0.07% | 0.04% | 0.00% |
| Engro Polymer & Chemicals Limited | | 502,868.00 | 55,000 | - | - | 557,868 | 14,752 | 13,696 | (1,056) | 1.87% | 1.08% | 0.06% |
| | | | | | | | 15,362 | 14,242 | (1,120) | 1.94% | 1.12% | 0.06% |
| Fertilizer | | | | | | | | | | | | |
| Engro Corporation Limited | | 113,540.00 | - | - | 10,000 | 103,540 | 27,500 | 27,634 | 134 | 3.78% | 2.18% | 0.02% |
| Engro Fertilizers Limited | 6.4.1 | 209,500.00 | - | - | 60,000 | 149,500 | 9,564 | 10,200 | 636 | 1.40% | 0.80% | 0.01% |
| Fauji Fertilizer Bin Qasim Limited | | 306,000 | - | - | 61,000 | 245,000 | 4,466 | 3,633 | (833) | 0.50% | 0.29% | 0.03% |
| Fauji Fertilizer Company Limited | | 137,000 | 27,000 | - | 3,000 | 161,000 | 14,180 | 14,978 | 798 | 2.05% | 1.18% | 0.01% |
| | | | | | | | 55,710 | 56,445 | 735 | 7.73% | 4.45% | 0.07% |
| Cement | | | | | | | | | | | | |
| Cherat Cement Company Limited | | 110,000.00 | - | - | 96,000 | 14,000 | 433 | 395 | (38) | 0.05% | 0.03% | 0.01% |
| Kohat Cement Company Limited | | 340,770.00 | - | - | - | 340,770 | 17,901 | 15,682 | (2,219) | 2.15% | 1.23% | 0.17% |
| Pioneer Cement Limited | | 104,000.00 | - | - | 104,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Lucky Cement Limited | | 19,950.00 | - | - | 4,000 | 15,950 | 6,069 | 5,457 | (612) | 0.75% | 0.43% | 0.00% |
| | | | | | | | 24,403 | 21,534 | (2,869) | 2.95% | 1.69% | 0.18% |
| Automobile parts and accessories | | | | | | | | | | | | |
| Thal Limited | | 21,250.00 | - | - | - | 21,250 | 7,736 | 5,070 | (2,666) | 0.69% | 0.40% | 0.05% |
| | | | | | | | 7,736 | 5,070 | (2,666) | 0.69% | 0.40% | 0.05% |

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

| Name of the investee company | Note | As at July 01, 2019 | Purchased during the quarter | Bonus / Right issue during the quarter | Sold during the quarter | As at September 30, 2019 | Cost / carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Appreciation / (diminution) | Percentage of total investments | Percentage of net assets | Paid-up capital of investee company (with face value of investment) |
|--|-------|---------------------|------------------------------|--|-------------------------|------------------------------|--|---------------------------------------|-----------------------------|---------------------------------|--------------------------|---|
| ----- (Number of shares) ----- | | | | | | ----- (Rupees in '000) ----- | | | ----- (%) ----- | | | |
| Commercial banks | | | | | | | | | | | | |
| Habib Bank Limited | | 395,700.00 | - | - | 129,100 | 266,600 | 30,195 | 31,504 | 1,309 | 4.31% | 2.48% | 0.02% |
| Allied Bank Limited | | 329,500.00 | 25,000 | - | - | 354,500 | 36,792 | 30,760 | (6,032) | 4.21% | 2.42% | 0.03% |
| Bank Alfalah Limited | | 880,500.00 | - | - | 30,000 | 850,500 | 37,073 | 34,819 | (2,254) | 4.76% | 2.74% | 0.05% |
| Faysal Bank Limited | 6.4.2 | 150.00 | - | - | - | 150 | 3 | 2 | (1) | 0.00% | 0.00% | 0.00% |
| Bank Al Habib Limited | | - | 46,500 | - | - | 46,500 | 3,124 | 3,107 | (17) | 0.43% | 0.24% | 0.00% |
| United Bank Limited | 6.4.1 | 255,800.00 | - | - | 40,000 | 215,800 | 31,804 | 29,830 | (1,974) | 4.08% | 2.35% | 0.02% |
| | | | | | | | 138,991 | 130,022 | (8,969) | 17.79% | 10.23% | 0.12% |
| Textile | | | | | | | | | | | | |
| Nishat Mills Limited | | 108,200.00 | 24,000 | - | - | 132,200 | 11,968 | 11,105 | (863) | 1.52% | 0.87% | 0.04% |
| Kohinoor Textile Mills Limited | | - | 295,000 | - | - | 295,000 | 6,566 | 7,003 | 437 | 0.96% | 0.55% | 0.10% |
| Gul Ahmed Textile Mills Limited | | 346,000 | - | - | 65,000 | 281,000 | 13,241 | 13,331 | 90 | 1.82% | 1.05% | 0.08% |
| | | | | | | | 31,775 | 31,439 | (336) | 4.30% | 2.47% | 0.22% |
| FOOD & PERSONAL CARE PRODUCT | | | | | | | | | | | | |
| Al Shaheer Corporation Limited | | 98,000 | - | - | - | 98,000 | 1,235 | 1,067 | (168) | 0.15% | - | - |
| | | | | | | | 1,235 | 1,067 | (168) | 0.15% | 0.00% | 0.00% |
| Glass and ceramics | | | | | | | | | | | | |
| Tariq Glass Industries Limited | | 36,300.00 | - | - | 1,000 | 35,300 | 2,705 | 2,762 | 57 | 0.38% | 0.22% | 0.05% |
| | | | | | | | 2,705 | 2,762 | 57 | 0.38% | 0.22% | 0.05% |
| Insurance | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | | 632,000.00 | - | - | - | 632,000 | 22,152 | 17,729 | (4,423) | 2.43% | 1.40% | 0.18% |
| | | | | | | | 22,152 | 17,729 | (4,423) | 2.43% | 1.40% | 0.18% |
| Paper and Board | | | | | | | | | | | | |
| Packages Limied | | 5,400.00 | - | - | - | 5,400 | 1,622 | 1,615 | (7) | 0.22% | 0.13% | 0.01% |
| | | | | | | | 1,622 | 1,615 | (7) | 0.22% | 0.13% | 0.01% |
| Refinery | | | | | | | | | | | | |
| National Refinerv Limited | | 300.00 | - | - | - | 300 | 34 | 34 | - | 0.00% | 0.00% | 0.00% |
| | | | | | | | 34 | 34 | - | 0.00% | 0.00% | 0.00% |
| Pharmaceuticals | | | | | | | | | | | | |
| The Searl Company Limited | 6.4.2 | 21,240.00 | - | - | - | 21,240 | 3,114 | 2,936 | (178) | 0.40% | 0.23% | 0.01% |
| Highnoon Laboratories Limited | 6.4.2 | 600.00 | - | - | - | 600 | 152 | 192 | 40 | 0.03% | 0.02% | 0.00% |
| | | | | | | | 3,266 | 3,128 | (138) | 0.43% | 0.25% | 0.01% |
| Total equity securities 'At Fair Value Through Profit or Loss' as at September 30, 2019 | | | | | | | 540,794 | 500,151 | (40,643) | 68% | 39% | |
| Total equity securities 'At Fair Value Through Profit or Loss' as at June 30, 2019 | | | | | | | 668,972 | 542,757 | | | | |

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

| | September 30, 2019 | June 30, 2019 |
|--------------------------|-----------------------|------------------|
| | (Number of shares) | |
| Engro Fertilizer limited | 149,000 | 200,000 |
| United Bank Limited | 50,000 | 50,000 |
| | 199,000 | 250,000 |

6.4.2 The Finance Act, 2015 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs.581,598/- at September 30, 2019. Such shares have not been deposited by the investee company in CDC account in Income Tax department. The Fund has included the shares withheld in its investments and recorded them at fair market value at quarter end. Furthermore, the Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the quarter ended 30 September 2019, are not liable to withholding of Income Tax.

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 and 151 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150,150A and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2020.

8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

During the quarter management fee charged is 1%(June 2019:1%). The remuneration is paid to the Management Company on monthly basis in arrears.

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

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10. ACCRUED EXPENSES AND OTHER PAYABLES

10.1 Provision for Sindh Workers' Welfare Fund

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 of annual financial statements for the year ended June 30, 2019. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs.1.11 (June 30, 2019: Rs.1.04).

10.2 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs.6.272 million (June 30, 2019: Rs.6.272 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 16.1 to the annual audited financial statements for the year ended June 30, 2019. Had the provision not been provided for, the net assets value per unit would have been higher by Re.0.65 (June 30, 2019: Re.0.6).

11. CONTINGENCY AND COMMITMENT

As at September 30, 2019, there is no contingency and commitment.

12. TAXATION

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

13. EARNINGS PER UNIT

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

14. TOTAL EXPENSE RATIO

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

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 0.51% as on September 30, 2019 and this includes 0.05% representing Government Levv, Sindh Workers' Welfare Fund and SECP Fee.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Pvt) Ltd. (Subsidiary of Management Company) Entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee of the fund, the directors and officer of the management company and unit holders holding more than 10% units of the Fund.

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

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

Details of transactions with related parties / connected persons and balances with them at the period end, other than those which have been specifically disclosed elsewhere in this condensed interim financial information are as follows:

| | Management company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|--|-----------------------|-------------------------|---------|-------------------------------------|------------------------------------|--|
| (Rupees in '000) | | | | | | |
| ----- (For the quarter ended 30 September 2019) (Un-audited) ----- | | | | | | |
| Transactions during the quarter | | | | | | |
| Profit/Markup income | - | 42 | - | - | - | - |
| Bank charges | - | 8 | - | - | - | - |
| Dividend income | - | 603 | - | - | - | - |
| Units issued | - | - | - | - | 9 | - |
| Units redeemed | - | - | - | - | - | - |
| Purchase of securities | - | 55,001 | - | - | - | - |
| Sale of securities | - | 59,573 | - | - | - | - |
| Selling and marketing expense | 1,293 | - | - | - | - | - |
| Remuneration | 3,233 | - | 650 | - | - | - |
| CDC charges | - | - | 7 | - | - | - |
| Sales tax on management fee | 420 | - | - | - | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Allocated expenses | 323 | - | - | - | - | - |

| ----- (For the quarter ended 30 September 2018) (Un-audited) ----- | | | | | | |
|--|-------|--------|-----|---|-----|---|
| Transactions during the quarter | | | | | | |
| Mark-up on bank accounts | - | 52 | - | - | - | - |
| Bank charges | - | 1 | - | - | - | - |
| Units issued | - | - | - | - | 500 | - |
| Units redeemed | - | - | - | - | 774 | - |
| Purchase of securities | - | 26,747 | - | - | - | - |
| Sale of securities | - | 4,856 | - | - | - | - |
| Dividend received | - | 1,009 | - | - | - | - |
| Selling and marketing expense | 2,254 | - | - | - | - | - |
| Remuneration | 6,369 | - | 922 | - | - | - |
| CDS expense | - | - | 31 | - | - | - |
| Sales tax on management fee | - | - | - | - | - | - |
| Listing fee | - | 6 | - | - | - | 6 |
| Allocated expenses | 564 | - | - | - | - | - |

| ----- (As at 30 September 2019) (Un-audited) ----- | | | | | | |
|--|-------|--------|-----|---|-------|---------|
| Balances held | | | | | | |
| Units held (Number of units in '000) | - | - | - | - | 16 | 1,095 |
| Units held (Amount in '000) | - | - | - | - | 2,093 | 143,231 |
| Bank balances | - | 1,416 | - | - | - | - |
| Deposits | - | - | 100 | - | - | - |
| Remuneration payable * | 1,172 | - | 210 | - | - | - |
| Sales load and other payable | 480 | 43 | - | - | - | - |
| Selling and marketing expense payable | 1,293 | - | - | - | - | - |
| Allocated expenses | 210 | - | - | - | - | - |
| Markup income | - | 9 | - | - | - | - |
| Listing Fee | - | 28 | - | - | - | - |
| Investments | - | 33,463 | - | - | - | - |

* This balance is inclusive of Sindh Sales Tax payable

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

* This balance is inclusive of Sindh Sales Tax payable

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

| | Fair value | | |
|--|----------------------|----------------|----------|
| | Level 1 | Level 2 | Level 3 |
| | ----- (Rupees) ----- | | |
| <u>September 30, 2019 (Un-audited)</u> | | | |
| Financial assets measured at fair value | | | |
| Investments in debt securities | - | 129,989 | - |
| Government securities-Pakistan Investment Bond | - | 100,700 | - |
| Quoted equity security | 500,151 | - | - |
| | <u>500,151</u> | <u>230,689</u> | <u>-</u> |

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

17. GENERAL

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

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

18 DATE OF AUTHORISATION FOR ISSUE

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

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

 --SD--
Chief Executive Officer

 --SD--
Chief Financial Officer

 --SD--
Director

USF

UBL Stock Advantage Fund

INVESTMENT OBJECTIVE

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

| | |
|------------------------------|---|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditors | Grant Thornton Anjum Rahman Chartered Accountants |
| Bankers | United Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited Silk Bank Limited Sindh Bank Limited The Bank of Punjab National Bank of Pakistan |
| Management Co. Rating | AM 1 (VIS Credit Rating Company Limited) |

**UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

| | | (Un-audited) September 30, 2019 ----- (Rupees in '000) ----- | (Audited) June 30, 2019 |
|---|----|---|-------------------------------|
| ASSETS | | | |
| Bank balances | 4 | 174,191 | 370,665 |
| Investments | 5 | 4,187,262 | 5,092,738 |
| Dividend and profit receivable | | 63,731 | 32,378 |
| Security deposits, prepayments and other receivables | | 58,017 | 20,902 |
| Advance tax | 6 | 2,940 | 2,938 |
| Total assets | | 4,486,141 | 5,519,621 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 8 | 14,299 | 17,811 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 496 | 620 |
| Payable to Securities and Exchange Commission of Pakistan | 7 | 230 | 6,348 |
| Accrued expenses and other liabilities | 9 | 102,441 | 97,181 |
| Total liabilities | | 117,466 | 121,960 |
| Net Assets | | 4,368,675 | 5,397,661 |
| Unitholders' Fund (As Per Statement Attached) | | 4,368,675 | 5,397,661 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | ----- (Number of units) ----- | |
| Number of Units in Issue | | 81,555,244 | 94,106,978 |
| | | ----- (Rupees) ----- | |
| Net Asset Value Per Unit | | 53.57 | 57.36 |
| Face Value per Unit | | 100 | 100 |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

**UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | September 30, 2019 | September 30, 2018 |
|--|-------------------------------|-----------------------|
| Note ----- | (Rupees in '000) ----- | |
| INCOME | | |
| Profit on bank deposits | 8,560 | 14,778 |
| Loss on Treasury Bills | (153) | - |
| Loss on sale of securities - net | (48,058) | 16,741 |
| Dividend income | 58,803 | 85,092 |
| Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net | 5.1 (326,544) | (139,359) |
| Total loss | (307,392) | (22,748) |
| EXPENSES | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 22,983 | 37,711 |
| Sindh sales tax on remuneration of Management Company | 2,988 | 4,902 |
| Allocated expenses | 1,149 | 1,885 |
| Selling and marketing expenses | 4,597 | 7,542 |
| Remuneration of Central Depository Company | 1,583 | 2,415 |
| Annual fee - Securities and Exchange Commission of Pakistan | 230 | 1,791 |
| Auditors' remuneration | 154 | 164 |
| Brokerage and settlement charges | 3,194 | 4,471 |
| Listing and rating fee | 7 | 7 |
| Printing expenses | - | 5 |
| Legal and professional charges | 40 | 44 |
| Bank and other charges | 44 | 41 |
| Total expenses | 36,969 | 60,978 |
| Net operating loss for the period | (344,361) | (83,726) |
| Provision for Sindh Workers' Welfare Fund | 9.2 - | - |
| Net loss for the period before taxation | (344,361) | (83,726) |
| Taxation | 11 - | - |
| Net (loss) / income for the period after taxation | (344,361) | (83,726) |
| Allocation of net income for the period | | |
| - Net loss for the period after taxation | - | - |
| - Income already paid on units redeemed | - | - |
| Accounting income available for distribution : | | |
| - Relating to capital gains | - | - |
| - Excluding capital gains | - | - |
| Earnings per unit | 12 | |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

**UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | September 30, 2019 | September 30, 2018 |
|--|-------------------------------|-----------------------|
| | ----- (Rupees in '000) ----- | |
| Net loss for the period after taxation | (344,361) | (83,726) |
| Total comprehensive income for the period | (344,361) | (83,726) |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended | | | | | | | |
|---|------------------------------|----------------------|--|--------------------|--------------------|----------------------|--|------------------|
| | Septmeber 30, 2019 | | | | Septmeber 30, 2018 | | | |
| | Capital value | Undistributed income | Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net | Total | Capital value | Undistributed income | Unrealised gain / (loss) on re-measurement of investments classified as 'available for sale' - net | Total |
| Note | ------(Rupees. in '000)----- | | | | | | | |
| Net assets at beginning of the period | 5,211,407 | 186,254 | - | 5,397,661 | 5,606,324 | 1,310,740 | (25,653) | 6,891,411 |
| Amount received on issuance of 10,226,247 units (2018: 22,789,170 units) | | | | | | | | |
| - Capital value | 586,578 | - | - | 586,578 | 1,561,286 | - | - | 1,561,286 |
| - Element of loss | (34,263) | - | - | (34,263) | (42,914) | - | - | (42,914) |
| Total amount received on issuance of units | 552,315 | - | - | 552,315 | 1,518,372 | - | - | 1,518,372 |
| Amount paid on redemption of 22,777,981 units (2018: 13,384,510 units) | | | | | | | | |
| - Capital value | (1,306,545) | - | - | (1,306,545) | (985,483) | - | - | (985,483) |
| - Element of income | 69,605 | - | - | 69,605 | 35,557 | - | - | 35,557 |
| Total amount paid on redemption of units | (1,236,940) | - | - | (1,236,940) | (949,926) | - | - | (949,926) |
| Total comprehensive loss for the period Distribution during the period Rs. Nil per unit (2018: Rs. Nil) | - | (344,361) | - | (344,361) | - | (83,726) | - | (83,726) |
| Net loss for the period less distribution | - | (344,361) | - | (344,361) | - | (83,726) | - | (83,726) |
| Net assets at end of the period | 4,526,782 | (158,107) | - | 4,368,675 | 6,174,770 | 1,227,014 | (25,653) | 7,376,131 |
| Undistributed income brought forward comprising of: | | | | | | | | |
| - Realised | - | 1,276,940 | - | 1,276,940 | - | 1,721,841 | - | 1,721,841 |
| - Unrealised | - | (1,090,686) | (25,653) | (1,116,339) | - | (411,101) | (25,653) | (436,754) |
| Undistributed income brought forward - Net | - | 186,254 | (25,653) | 160,601 | - | 1,310,740 | (25,653) | 1,285,087 |
| Accounting income available for distribution | | | | | | | | |
| - Related to capital gain | - | - | - | - | - | - | - | - |
| - Excluding capital gain | - | - | - | - | - | - | - | - |
| Net loss for the period after taxation | - | (344,361) | - | (344,361) | - | - | - | - |
| Transfer of unrealised diminution of investment classified as available for sale - net to undistributed income upon adoption of IFRS 9 | 3.2 | - | - | - | - | - | - | - |
| Distribution during the period Rs. Nil per unit (2018: Rs. Nil) | | | | | | | | |
| Undistributed income carried forward - net | - | (158,107) | (25,653) | (183,760) | - | 1,310,740 | (25,653) | 1,285,087 |
| Undistributed income carried forward comprising of: | | | | | | | | |
| - Realised | - | 168,437 | - | 168,437 | - | 1,340,720 | - | 1,340,720 |
| - Unrealised | - | (326,544) | - | (326,544) | - | (139,359) | - | (139,359) |
| | - | (158,107) | - | (158,107) | - | 1,201,361 | - | 1,201,361 |
| | | | | | | | ------(Rupees)----- | |
| Net assets value per unit at the beginning of the period | | | | | | | 57.36 | 68.51 |
| Net assets value per unit at the end of the period | | | | | | | 53.57 | 67.67 |

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

FOR UBL FUND MANAGERS LIMITED
(Management Company)

--SD--
Chief Executive Officer

--SD--
Chief Financial Officer

--SD--
Director

**UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | September 30, 2019 | September 30, 2018 |
|---|------------------------------|-----------------------|
| Note | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the period before taxation | (344,361) | (83,726) |
| Adjustments for non-cash charges and other items: | | |
| Profit on bank deposits | (8,560) | (14,778) |
| Loss / (gain) on sale of securities - net | 48,058 | (16,741) |
| Loss on Treasury Bills | 153 | |
| Dividend income | (58,803) | (85,092) |
| Unrealised loss on re-measurement of investments classified as financial assets at fair value through profit or loss - net | 326,544 | 139,359 |
| 5.1 | | |
| | 307,392 | 22,748 |
| | (36,969) | (60,978) |
| Decrease / (increase) in assets | | |
| Investments | 530,723 | (444,381) |
| Receivable against sale of investments | | |
| Security deposits, prepayments and other receivables | (37,115) | 2,295 |
| Advance tax | (2) | (12) |
| | 493,606 | (442,098) |
| (Increase) / decrease in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | (3,512) | 1,040 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (124) | 24 |
| Payable to Securities and Exchange Commission of Pakistan | (6,118) | (4,774) |
| Payable against purchase of investments | - | 32,471 |
| Accrued expenses and other liabilities | 5,260 | (708) |
| | (4,494) | 28,053 |
| Cash generated from / (used in) operations | 452,143 | (475,022) |
| Profit received on bank deposits | 7,520 | 13,322 |
| Dividend received | 28,490 | 24,746 |
| Advance income tax | (2) | (12) |
| | 488,151 | (436,966) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipts from issuance of units | 552,315 | 1,518,372 |
| Net payments on redemption of units | (1,236,940) | (949,926) |
| Net cash used in / generated from financing activities | (684,625) | 568,446 |
| Net (decrease) / increase in cash and cash equivalents during the period | (196,474) | 131,480 |
| Cash and cash equivalents at the beginning of the period | 370,665 | 581,965 |
| Cash and cash equivalents at the end of the period | 174,191 | 713,445 |

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

**UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

JCR-VIS Credit Rating Company Limited has reaffirmed management quality rating of AM1 (stable outlook) to the Management Company as on December 27, 2018.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

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

In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2019, 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 following new standards became applicable to the Company during the period:

IFRS 16 replaces existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard does not have an impact on Fund's financial information.

| | (Unaudited) September 30, 2019 | (Audited) June 30, 2019 |
|------|--------------------------------------|-------------------------------|
| Note | -----Rupees in '000----- | |

4. BANK BALANCES

| | | | |
|------------------------------------|-----|----------------|----------------|
| - Profit and loss sharing accounts | 4.1 | 174,102 | 370,576 |
| - Current account | | 89 | 89 |
| | | <u>174,191</u> | <u>370,665</u> |

4.1 Profit rates on these profit and loss sharing accounts range between 3.75% to 14.40% per annum (June 30, 2019: 6.2% to 11.25% per annum).

| | (Unaudited) September 30, 2019 | (Audited) June 30, 2019 |
|------|--------------------------------------|-------------------------------|
| Note | -----Rupees in '000----- | |

5. INVESTMENTS

Equity Securities

At fair value through profit or loss

| | | | |
|---------------------|-----|-----------|-----------|
| - Equity securities | 5.1 | 4,187,262 | 5,092,738 |
|---------------------|-----|-----------|-----------|

5.1 Equity securities - At fair value through profit or loss

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

| Name of Investee Company | As at July 1, 2019 | Purchased / bonus received during the period | Sold during the period | As at September 30, 2019 | Total carrying value as at September 30, 2019 | Total market value as at September 30, 2019 | Appreciation / (diminution) as at September 30, 2019 | Market value as a percentage of net assets | Market value as a percentage of total value of Investment | Investment as a percentage of paid-up capital of investee company |
|--|--------------------|--|------------------------|--------------------------|---|---|--|--|---|---|
| Quoted investments | Note | Number of shares | | | Rupees in '000 | | | Percentage (%) | | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | | |
| Hascol Petroleum Limited | | 27,500 | - | 27,500 | - | - | - | - | - | 0.00 |
| Pakistan State Oil Company Limited | 5.4 | 777,915 | 40,000 | 168,200 | 649,715 | 109,607 | 102,324 | (7,283.00) | 2.34 | 2.44 |
| | | | | | | 109,607 | 102,324 | (7,283.00) | 2.34 | 2.44 |
| OIL AND GAS EXPLORATION COMPANIES | | | | | | | | | | |
| Oil & Gas Development Company Limited | | 2,608,152 | 453,000 | 350,000 | 2,711,152 | 348,528 | 333,553 | (14,975.00) | 7.64 | 7.97 |
| Pakistan Petroleum Limited | | 1,236,417 | 186,000 | 81,000 | 1,341,417 | 189,261 | 182,473 | (6,788.00) | 4.18 | 4.36 |
| Pakistan Oilfields Limited | | 427,548 | 17,500 | 173,400 | 271,648 | 109,874 | 103,199 | (6,675.00) | 2.36 | 2.46 |
| Mari Petroleum Company Limited | | 372,872 | 30,500 | - | 403,372 | 402,975 | 362,696 | (40,279.00) | 8.30 | 8.66 |
| | | | | | | 1,050,638 | 981,921 | (68,717.00) | 22.48 | 23.45 |
| REFINERY | | | | | | | | | | |
| National Refinery Limited | | 58,900 | - | 47,700 | 11,200 | 1,271 | 1,283 | 12.00 | 0.03 | 0.03 |
| | | | | | | 1,271 | 1,283 | 12.00 | 0.03 | 0.03 |
| FERTILIZER | | | | | | | | | | |
| Engro Corporation Limited | | 1,083,426 | 30,000 | 305,400 | 808,026 | 214,630 | 215,654 | 1,024.00 | 4.94 | 5.15 |
| Engro Fertilizers Limited | 5.3 | 1,511,301 | 100,000 | 746,500 | 864,801 | 56,005 | 59,005 | 3,000.00 | 1.35 | 1.41 |
| Fauji Fertilizer Company Limited | | 1,969,409 | 233,000 | 156,000 | 2,046,409 | 179,752 | 190,377 | 10,625.00 | 4.36 | 4.55 |
| Fauji Fertilizer Bin Qasim Limited | | 2,663,924 | - | 1,756,000 | 907,924 | 16,551 | 13,465 | (3,086.00) | 0.31 | 0.32 |
| | | | | | | 466,938 | 478,501 | 11,563.00 | 10.95 | 11.43 |
| CHEMICALS | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | | 4,243,398 | 200,000 | 569,000 | 3,874,398 | 103,479 | 95,116 | (8,363.00) | 2.18 | 2.27 |
| Lotte Chemical Pakistan Limited | | 1,223,000 | - | 400,000 | 823,000 | 12,551 | 11,226 | (1,324.00) | 0.26 | 0.27 |
| | | | | | | 116,030 | 106,342 | (9,687.00) | 2.43 | 2.54 |
| CEMENT | | | | | | | | | | |
| Cherat Cement Company Limited | | 893,955 | - | 869,500 | 24,455 | 757 | 689 | (68.00) | 0.02 | 0.02 |
| Maple Leaf Cement Factory | | 100,000 | - | 100,000 | - | - | - | - | - | 0.00 |
| Kohat Cement Company Limited | | 2,621,710 | 744,000 | 103,000 | 3,262,710 | 165,980 | 150,150 | (15,830.00) | 3.44 | 3.59 |
| Lucky Cement Limited | 5.3 | 303,398 | - | 82,500 | 220,898 | 84,045 | 75,576 | (8,469.00) | 1.73 | 1.80 |
| Pioneer Cement Limited | | 940,500 | - | 940,500 | - | - | - | - | - | 0.00 |
| | | | | | | 250,782 | 226,415 | (24,367.00) | 5.18 | 5.41 |
| PAPER AND BOARD | | | | | | | | | | |
| Century Paper and Board Mills Packages Limited | | 1,454,072 | 83,500 | - | 1,537,572 | 47,799 | 42,283 | (5,516.00) | 0.97 | 1.01 |
| | | 127,600 | - | 13,800 | 113,800 | 34,204 | 34,026 | (178.00) | 0.78 | 0.81 |
| | | | | | | 82,003 | 76,309 | (5,694.00) | 1.75 | 1.82 |
| INSURANCE | | | | | | | | | | |
| Adamjee Insurance Company Limited | | 4,765,015 | 100,000 | - | 4,865,015 | 169,964 | 136,464 | (33,500.00) | 3.12 | 3.26 |
| | | | | | | 169,964 | 136,464 | (33,500.00) | 3.12 | 3.26 |

| Name of Investee Company | | As at July 1, 2019 | Purchased / bonus received during the period | Sold during the period | As at September 30, 2019 | Total carrying value as at September 30, 2019 | Total market value as at September 30, 2019 | Appreciation / (diminution) as at September 30, 2019 | Market value as a percentage of net assets | Market value as a percentage of total value of Investment | Investment as a percentage of paid-up capital of investee company |
|---|------|----------------------------|--|------------------------|--------------------------|---|---|--|--|---|---|
| Quoted investments | Note | -----Number of shares----- | | | -----Rupees in '000----- | | | -----Percentage (%)----- | | | |
| COMMERCIAL BANKS | | | | | | | | | | | |
| Bank Alfalah Limited | | 8,692,589 | 55,000 | 1,778,500 | 6,969,089 | 303,603 | 285,315 | (18,288.00) | 6.53 | 6.81 | 0.39 |
| Habib Bank Limited | | 3,595,099 | 88,300 | 1,343,500 | 2,339,899 | 265,254 | 276,506 | 11,252.00 | 6.33 | 6.60 | 0.16 |
| National Bank Of Pakistan | | 50,326 | - | - | 50,326 | 1,694 | 1,457 | (237.00) | 0.03 | 0.03 | 0.00 |
| MCB Bank Limited | | 1,686 | 100,000 | 100,000 | 1,686 | 286 | 286 | - | 0.01 | 0.01 | 0.00 |
| United Bank Limited | | 3,127,891 | 33,000 | 1,058,500 | 2,102,391 | 309,292 | 290,614 | (18,678.00) | 6.65 | 6.94 | 0.17 |
| Faysal Bank Limited | 5.4 | 44,364 | - | - | 44,364 | 955 | 711 | (244.00) | 0.02 | 0.02 | 0.00 |
| Allied Bank Limited | | 2,854,226 | 89,200 | 52,600 | 2,890,826 | 302,109 | 250,837 | (51,272.00) | 5.74 | 5.99 | 0.25 |
| Bank Al Habib Limited | | 7,000 | 2,772,500 | - | 2,779,500 | 190,780 | 185,698 | (5,082.00) | 4.25 | 4.43 | 0.25 |
| | | | | | | 1,373,973 | 1,291,424 | (82,549.00) | 29.56 | 30.84 | |
| TEXTILE COMPOSITE | | | | | | | | | | | |
| Nishat Mills Limited | | 1,065,031 | 181,000 | 185,500 | 1,060,531 | 96,618 | 89,085 | (7,533.00) | 2.04 | 2.13 | 0.30 |
| Gul Ahmed Textile Mills Limited | | 2,529,121 | - | 810,500 | 1,718,621 | 80,981 | 81,531 | 550.00 | 1.87 | 1.95 | 0.48 |
| Kohinoor Textile Mills Limited | 5.4 | 738,639 | 1,260,000 | - | 1,998,639 | 47,689 | 47,448 | (241.00) | 1.09 | 1.13 | 0.67 |
| | | | | | | 225,288 | 218,064 | (7,224.00) | 4.99 | 5.21 | |
| POWER GENERATION AND DISTRIBUTION | | | | | | | | | | | |
| The Hub Power Company Limited | 5.3 | 4,826,954 | - | 913,000 | 3,913,954 | 308,224 | 276,912 | (31,312.00) | 6.34 | 6.61 | 0.30 |
| Saif Power Limited | | 1,530,316 | 350,000 | - | 1,880,316 | 34,137 | 29,145 | (4,992.00) | 0.67 | 0.70 | 0.49 |
| Lalpir Power limited | | 2,001,643 | - | - | 2,001,643 | 26,021 | 22,979 | (3,042.00) | 0.53 | 0.55 | 0.53 |
| PakGen Power Limited | | 2,355,835 | 475,000 | - | 2,830,835 | 39,044 | 33,092 | (5,952.00) | 0.76 | 0.79 | 0.76 |
| K-Electric Limited (face value Rs. 3.5 per share) | | 6,799,547 | - | 2,545,000 | 4,254,547 | 18,677 | 15,104 | (3,573.00) | 0.35 | 0.36 | 0.02 |
| | | | | | | 426,103 | 377,232 | (48,871.00) | 8.63 | 9.01 | |
| AUTOMOBILE PARTS AND ACCESSORIES | | | | | | | | | | | |
| Thal Limited (face value Rs. 5 per share) | | 285,920 | - | 38,100 | 247,820 | 90,222 | 59,125 | (31,097.00) | 1.35 | 1.41 | 0.31 |
| | | | | | | 90,222 | 59,125 | (31,097.00) | 1.35 | 1.41 | |
| ENGINEERING | | | | | | | | | | | |
| Amreli Steels Limited | | 57 | - | 57 | - | - | - | - | - | - | 0.00 |
| International Steels Limited | | 17,420 | - | 17,420 | - | - | - | - | - | - | 0.00 |
| International Industries Limited | | 240,800 | 26,730 | 248,500 | 19,030 | 1,334 | 1,319 | (15.00) | 0.03 | 0.03 | 0.01 |
| | | | | | | 1,334 | 1,319 | (15.00) | 0.03 | 0.03 | |
| CABLE & ELECTRICAL GOODS | | | | | | | | | | | |
| PAK ELECTRON LIMITED | | 469,500 | - | 65,000 | 404,500 | 8,099 | 6,812 | (1,287.00) | 0.16 | 0.16 | 0.08 |
| | | | | | | 8,099 | 6,812 | (1,287.00) | 0.16 | 0.16 | |
| FOOD AND PERSONAL CARE PRODUCTS | | | | | | | | | | | |
| Al Shaheer Corporation | 5.4 | 2,233,418 | - | - | 2,233,418 | 28,142 | 24,322 | (3,820.00) | 0.56 | 0.58 | 1.57 |
| | | | | | | 28,142 | 24,322 | (3,820.00) | 0.56 | 0.58 | |
| PHARMACEUTICALS | | | | | | | | | | | |
| The Searle Company Limited | 5.4 | 258,426 | - | 166,000 | 92,426 | 13,547 | 12,775 | (772.00) | 0.29 | 0.31 | 0.04 |
| | | | | | | 13,547 | 12,775 | (772.00) | 0.29 | 0.31 | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | |
| Systems Limited | | 1,079,100 | - | 38,500 | 1,040,600 | 99,866 | 86,630 | (13,236.00) | 1.98 | 2.07 | 0.84 |
| | | | | | | 99,866 | 86,630 | (13,236.00) | 1.98 | 2.07 | |
| Total September 30, 2019 | | | | | | 4,513,807 | 4,187,262 | (326,544.00) | | | |
| Total June 30, 2019 | | | | | | 6,183,424 | 5,092,738 | (1,090,685.88) | | | |

5.2 Government securities

| Issue Date | Tenor | Face value | | | | Market value as at September 30, 2019 | Market Value as a percentage of | |
|------------|-------|---------------------|-----------------------------|----------------------------------|--------------------------|---------------------------------------|---------------------------------|-----------------------------------|
| | | As at July 01, 2019 | Purchased during the period | Sold / matured during the period | As at September 30, 2019 | | Net assets | Market value of total investments |

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

Market treasury bills

| | | | | | | |
|-------------|----------|---|----------------|----------------|---|---|
| 18-Jul-2019 | 3 months | - | 300,000 | 300,000 | - | - |
| | | - | 300,000 | 300,000 | - | - |

Carrying value before marked to market as at 30 September 2019

-

5.3 The above equity securities include 1.654 million shares (June 30, 2019: 1.641 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs.129.265 million (June 30, 2019: Rs. 117.475 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

5.4 The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by a shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The honourable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of aforesaid amendment, withheld shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 8.0904 million (June 30, 2019: Rs. 8.792 million) at September 30, 2019. Such shares have not been deposited by the investee companies in CDC account of income tax department. The Fund has included in its investments the withheld shares and recorded them at fair market value at period end. Through Finance Act, 2018, the tax on bonus shares is withdrawn.

6. ADVANCE TAX

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

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

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

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

9. ACCRUED EXPENSES AND OTHER LIABILITIES

9.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at September 30, 2019 amounting to Rs. 34.896 million (June 30, 2019: Rs. 34.896 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 45.195 million. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.428 (June 30, 2019: Re. 0.37).

9.2 Provision for Sindh Workers' Welfare Fund

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 49.389 million (June 30, 2019: 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 0.61 (June 30, 2019: Re. 0.52)

10. CONTINGENCIES AND COMMITMENTS

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

11. TAXATION

According to Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the period. Since the Fund has incurred net loss during the three months period ended September 30, 2019 and no provision for taxation has been made in this condensed interim financial information as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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 for calculating EPU is not practicable.

13. TOTAL EXPENSE RATIO

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

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 0.81% as on September 30, 2019 (June 30, 2019: 3.20%) and this includes 0.08% (June 30, 2019: 0.40%) representing Sindh Workers' Welfare Fund and SECP fee.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

| | (Un-audited) | | | |
|--|------------------------------|---------|---------|-----------|
| | September 30, 2019 | | | |
| | Fair Value | | | |
| ASSETS | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | |
| Investment in securities - financial assets at fair value through profit or loss | | | | |
| - Equity securities | 4,187,262 | - | - | 4,187,262 |

| | (Audited) | | | |
|--|------------------------------|---------|---------|-----------|
| | June 30, 2019 | | | |
| | Fair Value | | | |
| ASSETS | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | |
| Investment in securities - financial assets at fair value through profit or loss | | | | |
| - Equity securities | 5,092,738 | - | - | 5,092,738 |
| | 5,092,738 | - | - | 5,092,738 |

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

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

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (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.
- 15.2** Transactions with connected persons are in the normal course of business, at agreed / contracted rates.
- 15.3** 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.
- 15.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 15.5** Details of transactions with related parties / connected persons during the period and balances held with them at the quarter ended September 30, 2019 are as follows:

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

----- Quarter ended September 30, 2019 -----

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

Transactions during the period

| | | | | | | |
|------------------------------------|--------|---------|-------|---------|---|---|
| Profit on bank deposits | - | 8,293 | - | - | - | - |
| Bank charges | - | 39 | - | - | - | - |
| Value of units issued | - | - | - | - | - | - |
| Value of units redeemed | 438 | - | - | 750 | - | - |
| Purchase of securities | - | 67,944 | - | 4,158 | - | - |
| Sale of securities | - | 542,432 | - | 149,038 | - | - |
| Dividend received | - | 34,456 | - | - | - | - |
| Remuneration (including sales tax) | 25,971 | - | 1,583 | - | - | - |
| Allocation of expenses | 1,149 | - | - | - | - | - |
| CDS expenses | - | - | 71 | - | - | - |
| Listing fee expense | - | 7 | - | - | - | - |
| Selling and marketing expense | 4,597 | - | - | - | - | - |

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

Quarter ended September 30, 2018

(Units in '000)

Transactions during the period

| | | | | | |
|----------------|---|-------|---|-------|---------|
| Units issued | - | - | - | 1,300 | 750,000 |
| Units redeemed | - | 1,850 | - | 1,929 | - |

(Rupees in '000)

| | | | | | |
|---|--------|---------|-------|---|---|
| Profit on bank deposits | - | 1,037 | - | - | - |
| Bank charges | - | 10 | - | - | - |
| Purchase of securities | - | 113,654 | - | - | - |
| Sale of securities | - | 20,433 | - | - | - |
| Remuneration expense (including sales tax) | 42,613 | - | 2,415 | - | - |
| Allocation of expenses | 1,885 | - | - | - | - |
| CDS expenses | - | - | 125 | - | - |
| Selling And Marketing Expense | 7,542 | - | - | - | - |
| Listing fee | - | 7 | - | - | - |

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

As at September 30, 2019

(Units in '000)

Balances held

| | | | | | |
|------------|-------|---|---|-----|--------|
| Units held | 3,054 | 7 | - | 221 | 30,566 |
|------------|-------|---|---|-----|--------|

(Rupees in '000)

| | | | | | |
|--|---------|-----------|-----|--------|-----------|
| Units held | 163,619 | 386 | - | 11,819 | 1,637,433 |
| Bank balances | - | 9,009 | - | - | - |
| Deposits | - | - | 100 | - | - |
| Investments | - | 1,820,892 | - | - | - |
| Profit receivable | - | 4,729 | - | - | - |
| Remuneration payable | 8,054 | - | 496 | - | - |
| Sales load payable | 633 | 48 | - | - | - |
| Conversion charges payable | 73 | - | - | - | - |
| Allocated expenses payable | 1,249 | - | - | - | - |
| Selling and marketing expense payable | 4,597 | - | - | - | - |
| Listing fee payable | - | 28 | - | - | - |
| Other Payable | 17 | - | - | - | - |

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

As at June 30, 2019

(Units in '000)

Balances held

| | | | | | | |
|------------|-------|----|---|---|-----|--------|
| Units held | 3,054 | 16 | - | - | 230 | 20,528 |
|------------|-------|----|---|---|-----|--------|

(Rupees in '000)

| | | | | | | |
|---|---------|---------|-----|---|--------|-----------|
| Units held | 175,177 | 918 | - | - | 13,193 | 1,177,486 |
| Bank balances | - | 15,567 | - | - | - | - |
| Deposits | - | - | 100 | - | - | - |
| Investments | - | 460,989 | - | - | - | - |
| Profit receivable | - | 403 | - | - | - | - |
| Remuneration payable | 10,522 | - | 761 | - | - | - |
| Sales load and conversion charges payable | 516 | 19 | - | - | - | - |
| Allocated expenses payable | 999 | - | - | - | - | - |
| Selling and marketing expense payable | 5,757 | - | - | - | - | - |
| Other Payable | 17 | - | - | - | - | - |

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

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

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

16. GENERAL

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

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

17. DATE OF AUTHORISATION FOR ISSUE

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

For UBL Fund Managers Limited
(Management Company)

--SD--

Chief Executive Officer

--SD--

Chief Financial Officer

--SD--

Director

UDEF

UBL Dedicated Equity Fund

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities.

| | |
|------------------------------|--|
| 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, Chartered Accountants |
| Bankers | United Bank Limited JS Bank Limited Soneri Bank Limited |
| Management Co. Rating | AM1 (VIS) |

UBL DEDICATED EQUITY FUND
CONDESED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

| | | (Un-audited) September 30, 2019 (Rupees in '000) | (Audited) June 30, 2019 (Rupees in '000) |
|--|----|---|---|
| ASSETS | | | |
| Bank balances | 4 | 20,600 | 2,697 |
| Investments | 5 | 142,431 | 176,071 |
| Dividend and mark-up receivable | | 1,018 | 1,190 |
| Advance tax | 6 | 42 | 42 |
| Security deposit and other receivable | | 2,565 | 2,500 |
| Preliminary expenses and floatation costs | | 228 | 244 |
| Receivable against sale of investments | | - | 428 |
| Total assets | | 166,884 | 183,172 |
| LIABILITIES | | | |
| Payable to the Management Company | 8 | 443 | 606 |
| Payable to the Trustee | | 59 | 38 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) | 7 | 8 | 156 |
| Accrued and other liabilities | 9 | 822 | 614 |
| Payable against purchase of investments | | 3,331 | 175 |
| Total liabilities | | 4,663 | 1,589 |
| NET ASSETS | | 162,221 | 181,583 |
| Unit holders' fund (as per statement attached) | | 162,221 | 181,583 |
| Contingencies and commitments | 10 | | |
| | | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | 2,144,026 | 2,244,682 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 75.6618 | 80.8948 |

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

For UBL Fund Managers Limited
(Management Company)

SD

 Chief Executive Officer

SD

 Director

SD

 Chief Financial Officer

UBL DEDICATED EQUITY FUND
CONDESED INTERIM INCOME STATEMENT (UN- AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Note | Quarter ended September 30, 2019 (Rupees in '000) | Quarter ended September 30, 2018 (Rupees in '000) |
|--|------|--|--|
| INCOME | | | |
| Financial Income | | 182 | 69 |
| Dividend income | | 1,908 | 603 |
| Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss | | (10,323) | (25) |
| Net loss on sale of investments classified as fair value through profit or loss | | (3,666) | (623) |
| Total (loss) / income | | (11,899) | 24 |
| EXPENSES | | | |
| Remuneration of the Management Company | | 796 | 252 |
| Sales tax on management fee | | 104 | 33 |
| Allocated expenses by the Management Company | 8 | 40 | 13 |
| Selling and marketing expenses | 8 | 159 | 50 |
| Remuneration of the Trustee | | 133 | 25 |
| Sales tax on remuneration of the Trustee | | 17 | 3 |
| Annual fee to SECP | | 8 | 12 |
| Amortization of preliminary expenses and floatation costs | | 16 | 15 |
| Brokerage expenses | | 105 | 72 |
| Auditors' remuneration | | 96 | 89 |
| Custody and settlement charges | | 113 | 21 |
| Other expenses | | 54 | 62 |
| Total expenses | | 1,641 | 647 |
| Net loss for the quarter from operating activities | | (13,540) | (623) |
| Provision for Sindh Workers' Welfare Fund (SWWF) | | - | - |
| Net loss for the quarter before taxation | | (13,540) | (623) |
| Taxation | 11 | - | - |
| Net loss for the quarter after taxation | | (13,540) | (623) |
| <i>Allocation of net income for the period:</i> | | | |
| Net income for the quarter after taxation | | - | - |
| Income already paid on units redeemed | | - | - |
| <i>Accounting income available for distribution</i> | | | |
| - Relating to capital gains | | - | - |
| - Excluding capital gains | | - | - |
| Earnings per unit | 12 | | |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | <u>Quarter ended September 30, 2019</u> (Rupees in '000) | <u>Quarter ended September 30, 2018</u> (Rupees in '000) |
|---|---|---|
| Net loss for the quarter after taxation | (13,540) | (623) |
| Other comprehensive income for the quarter | - | - |
| Total comprehensive loss for the quarter | <u>(13,540)</u> | <u>(623)</u> |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN- AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, 2019 | | | | Quarter ended September 30, 2018 | | | | Total |
|---|----------------------------------|----------------------|--|-----------------|----------------------------------|----------------------|--|----------------|-------|
| | Capital value | Undistributed income | Unrealised appreciation on investments classified as 'fair value through other comprehensive income' - net | Total | Capital value | Undistributed income | Unrealised appreciation on investments classified as 'fair value through other comprehensive income' - net | Total | |
| | (Rupees in '000) | | | | (Rupees in '000) | | | | |
| Net assets at beginning of the quarter | 212,798 | (31,214) | - | 181,583 | 46,598 | - | (788) | 45,810 | |
| Amount received on issuance of 1,198,606 units (30 September 2018: 124,486 units) | | | | | | | | | |
| Capital value | 96,961 | - | - | 96,961 | 12,216 | - | - | 12,216 | |
| Element of loss during the quarter; - Relating to income earned | (5,326) | - | - | (5,326) | (330) | - | - | (330) | |
| | 91,634 | - | - | 91,635 | 11,886 | - | - | 11,886 | |
| Amount paid on redemption of 1,299,262 units (30 September 2018: 104,008 units) | | | | | | | | | |
| Capital value | (105,103) | - | - | (105,103) | (10,206) | - | - | (10,206) | |
| Element of income during the quarter; - Relating to income earned | 7,646 | - | - | 7,646 | 109 | - | - | 109 | |
| | (97,457) | - | - | (97,457) | (10,098) | - | - | (10,098) | |
| Total comprehensive loss for the quarter | - | (13,540) | - | (13,540) | - | (623) | - | (623) | |
| Amount transferred to retained earnings | - | - | - | - | - | (788) | 788 | - | |
| Distribution during the quarter | - | - | - | - | - | - | - | - | |
| Net assets at end of the quarter | 206,975 | (44,754) | - | 162,221 | 48,386 | (1,411) | - | 46,975 | |
| Undistributed income brought forward: | | | | | | | | | |
| - Realised | | (1,923) | - | - | | - | - | - | |
| - Unrealised | | (29,291) | - | - | | - | - | - | |
| | | (31,214) | - | - | | - | - | - | |
| Accounting income available for distribution: | | | | | | | | | |
| - Relating to capital gains | | - | - | - | | - | - | - | |
| - Excluding capital gains | | - | - | - | | - | - | - | |
| Net loss for the quarter after taxation | | (13,540) | - | (13,540) | | (623) | - | (623) | |
| Transferred to retained earnings | | - | - | - | | (788) | 788 | - | |
| Distribution during the quarter | | - | - | - | | - | - | - | |
| Undistributed income carried forward | | (44,754) | - | (44,754) | | (1,411) | - | (623) | |
| Undistributed income carried forward | | | | | | | | | |
| - Realised | | (34,431) | - | (34,431) | | (1,386) | - | (1,386) | |
| - Unrealised | | (10,323) | - | (10,323) | | (25) | - | (25) | |
| | | (44,754) | - | (44,754) | | (1,411) | - | (1,411) | |
| | | | | -- (Rupees) -- | | | | -- (Rupees) -- | |
| Net assets value per unit at beginning of the quarter | | | | 80,8948 | | | | 98,1306 | |
| Net assets value per unit at end of the quarter | | | | 75,6618 | | | | 96,3962 | |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

UBL DEDICATED EQUITY FUND
CONDESED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, 2019 (Rupees in '000) | Quarter ended September 30, 2018 (Rupees in '000) |
|--|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the quarter before taxation | (13,540) | (623) |
| Adjustments for: | | |
| Financial Income | (182) | (69) |
| Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss | 10,323 | 25 |
| Dividend income | (1,908) | (603) |
| Net loss on sale of investments classified as fair value through profit or loss | 3,666 | 623 |
| Amortization of preliminary expenses and floatation costs | 16 | 15 |
| | 11,915 | (9) |
| (Increase) / Decrease in assets | | |
| Investments | 19,651 | (3,463) |
| Advance Tax | - | (13) |
| Security deposit and other receivable | (65) | (14) |
| Receivable against sale of investments | 428 | - |
| | 20,014 | (3,490) |
| Increase / (Decrease) in liabilities | | |
| Payable to the Management Company | (163) | 28 |
| Payable to the Trustee | 21 | (1) |
| Annual fee payable to SECP | (148) | 7 |
| Accrued and other liabilities | 208 | 165 |
| Payable against purchase of investments | 3,156 | - |
| | 3,074 | 199 |
| Mark-up income and dividend received | 2,262 | 268 |
| Net cash generated from operating activities | 23,725 | (3,655) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net receipt from issuance of units | 91,635 | 11,886 |
| Net payment against redemption of units | (97,457) | (10,098) |
| Net (used in) / cash generated from financing activities | (5,822) | 1,788 |
| Net increase in cash and cash equivalents during the quarter | 17,903 | (1,867) |
| Cash and cash equivalents at beginning of the quarter | 2,697 | 3,330 |
| Cash and cash equivalents at end of the quarter | 20,600 | 1,463 |
| CASH AND CASH EQUIVALENTS | | |
| Bank balances | 20,600 | 1,463 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL DEDICATED EQUITY FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Dedicated Equity Fund, was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 02, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 29, 2018.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Fund is an open-ended mutual fund and is in process of listing on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 The investment objective of the fund is to provide other 'Fund-of-Funds' schemes an avenue for investing in Equities.
- 1.5 VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 27, 2018.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim 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 September 30, 2018.
- 2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 BASIS OF MEASUREMENT

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | | (Un-audited) September 30, 2019 (Rupees in '000) | (Audited) June 30, 2019 (Rupees in '000) |
|------------------------|------|---|---|
| | Note | | |
| 4 BANK BALANCES | | | |
| Saving account | 4.1 | <u>20,600</u> | <u>2,697</u> |

4.1 This carries mark-up at the rate ranging from 3.75% to 8% per annum (June 2019: 3.75% to 8%) and maintained with United Bank Limited (a related party).

5. INVESTMENTS

Investments by Category At fair value through profit or loss

| | | | |
|------------------------------|-----|----------------|----------------|
| - Equity securities - listed | 5.1 | 142,431 | 176,071 |
| | | <u>142,431</u> | <u>176,071</u> |

5.1 Equity securities classified at 'Fair Value Through Profit Or Loss'

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

| Name of Investee Company | Note | Number of shares | | | | Balance as at September 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments | Par value as percentage of total paid up capital of the investee company | |
|--|-------|---------------------|-----------------------------|------------------------|---------------|----------------------------------|----------------|---------------|-----------------------------------|--|--|-----------------------------|
| | | As at July 01, 2019 | Purchased during the period | Sold during the period | Bonus / right | As at September 30, 2019 | Carrying value | Market value | | | | (Diminution) / appreciation |
| ----- (Rupees in '000) ----- | | | | | | | | | | | | |
| Cement | | | | | | | | | | | | |
| Pioneer Cement Limited | | 42,000 | - | 42,000 | - | - | - | - | 0.00% | 0.00% | 0.00% | |
| Kohat Cement Company Limited | | 84,440 | - | - | - | 84,440 | 4,436 | 3,886 | (550) | 2.40% | 2.73% | 0.04% |
| Lucky Cement Company Limited | | 10,508 | - | 3,700 | - | 6,808 | 2,590 | 2,329 | (261) | 1.44% | 1.64% | 0.00% |
| | | | | | | | 7,026 | 6,215 | (811) | 3.84% | 4.37% | |
| Oil and gas exploration companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 12,098 | 2,500 | - | - | 14,598 | 14,413 | 13,126 | (1,287) | 8.09% | 9.22% | 0.01% |
| Oil And Gas Development Co. Limited | 5.1.1 | 87,368 | 14,000 | 8,500 | - | 92,868 | 12,036 | 11,426 | (610) | 7.04% | 8.02% | 0.00% |
| Pak Oilfields Limited | | 15,652 | 900 | 7,600 | - | 8,952 | 3,598 | 3,401 | (197) | 2.10% | 2.39% | 0.00% |
| Pak Petroleum Limited | | 43,763 | 3,500 | 6,700 | (-) | 40,563 | 5,809 | 5,518 | (291) | 3.40% | 3.87% | 0.00% |
| | | | | | | | 35,856 | 33,471 | (2,385) | 20.63% | 23.50% | |
| Oil and gas marketing companies | | | | | | | | | | | | |
| Pakistan State Oils Limited | | 25,853 | - | 8,800 | - | 17,053 | 2,893 | 2,686 | (207) | 1.66% | 1.89% | 0.00% |
| | | | | | | | 2,893 | 2,686 | (207) | 1.66% | 1.89% | |
| Food and personal care products | | | | | | | | | | | | |
| Al Shaheer Corporation Limited | | 29,550 | - | - | - | 29,550 | 372 | 322 | (50) | 0.20% | 0.23% | 0.02% |
| | | | | | | | 372 | 322 | (50) | 0.20% | 0.23% | |
| Fertilizer | | | | | | | | | | | | |
| Engro Corporation | | 29,823 | 2,500 | 6,600 | - | 25,723 | 6,824 | 6,865 | 41 | 4.23% | 4.82% | 0.00% |
| Fauji Fertilizer Company Limited | | 59,791 | 20,000 | 9,000 | - | 70,791 | 6,275 | 6,586 | 311 | 4.06% | 4.62% | 0.01% |
| Engro Fertilizer Limited | 5.1.1 | 30,818 | - | 7,500 | - | 23,318 | 1,492 | 1,591 | 99 | 0.98% | 1.12% | 0.00% |
| Fauji Fert Bin Qasim Limited | | 87,076 | - | 86,500 | - | 576 | 11 | 9 | (2) | 0.01% | 0.01% | 0.00% |
| | | | | | | | 14,602 | 15,051 | 449 | 9.28% | 10.57% | |
| Chemicals | | | | | | | | | | | | |
| ICI Pakistan Limited | | 50 | - | - | - | 50 | 27 | 25 | (2) | 0.02% | 0.02% | 0.00% |
| Sitara Chemicals Industries | | 13,100 | - | - | - | 13,100 | 4,007 | 3,363 | (644) | 2.07% | 2.36% | 0.06% |
| Engro Polymer And Chemicals Limited | | 147,613 | - | 38,000 | - | 109,613 | 2,955 | 2,691 | (264) | 1.66% | 1.89% | 0.01% |
| | | | | | | | 6,989 | 6,079 | (910) | 3.75% | 4.27% | |
| Technology and communication | | | | | | | | | | | | |
| Systems Limited | | 41,750 | - | 1,000 | - | 40,750 | 3,911 | 3,392 | (519) | 2.09% | 2.38% | 0.03% |
| | | | | | | | 3,911 | 3,392 | (519) | 2.09% | 2.38% | |
| Automobile parts and accessories | | | | | | | | | | | | |
| Thal Limited * | | 214 | - | - | - | 214 | 78 | 51 | (27) | 0.03% | 0.04% | 0.00% |
| | | | | | | | 78 | 51 | (27) | 0.03% | 0.04% | |

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

| Name of Investee Company | Note | Number of shares | | | | | Balance as at September 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments | Par Value as percentage of total paid up capital of the investee company |
|--|-------|---------------------|-----------------------------|------------------------|---------------|--------------------------|----------------------------------|---------------|-----------------------------|-----------------------------------|--|--|
| | | As at July 01, 2019 | Purchased during the period | Sold during the period | Bonus / right | As at September 30, 2019 | Carrying value | Market value | Appreciation / (diminution) | | | |
| ----- (Rupees in '000) ----- | | | | | | | | | | | | |
| Engineering | | | | | | | | | | | | |
| International Industries Limited | | 5,200 | - | 5,000 | 20 | 220 | 15 | 15 | - | 0.01% | 0.01% | 0.00% |
| | | | | | | | 15 | 15 | - | 0.01% | 0.01% | |
| Insurance | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | | 192,485 | - | 1,000 | - | 191,485 | 6,712 | 5,371 | (1,341) | 3.31% | 3.77% | 0.05% |
| | | | | | | | 6,712 | 5,371 | (1,341) | 3.31% | 3.77% | |
| Leathers and Tanneries | | | | | | | | | | | | |
| Service Industries Limited | | 5,812 | - | 700 | - | 5,112 | 2,522 | 2,753 | 231 | 1.70% | 1.93% | 0.03% |
| | | | | | | | 2,522 | 2,753 | 231 | 1.70% | 1.93% | |
| Miscellaneous | | | | | | | | | | | | |
| Synthetic Products Ltd | | 85,000 | - | - | - | 85,000 | 1,886 | 1,458 | (428) | 0.90% | 1.02% | 0.10% |
| | | | | | | | 1,886 | 1,458 | (428) | 0.90% | 1.02% | |
| Transport | | | | | | | | | | | | |
| Pakistan National Shipping Corporation Ltd | | 26,000 | - | - | - | 26,000 | 1,611 | 1,642 | 31 | 1.01% | 1.15% | 0.02% |
| | | | | | | | 1,611 | 1,642 | 31 | 1.01% | 1.15% | |
| Paper and Board | | | | | | | | | | | | |
| Century Paper And Board Mills Limited | | 56,211 | - | 9,500 | - | 46,711 | 1,455 | 1,285 | (170) | 0.79% | 0.90% | 0.03% |
| Packages Limited | | 5,000 | - | 5,000 | - | - | - | - | - | 0.00% | 0.00% | 0.00% |
| | | | | | | | 1,455 | 1,285 | (170) | 0.79% | 0.90% | |
| Pharmaceuticals | | | | | | | | | | | | |
| Ferozsons Laboratories Limited | | 6,700 | - | - | - | 6,700 | 749 | 826 | 77 | 0.51% | 0.58% | 0.02% |
| The Searle Company Limited | | 6,610 | - | 6,500 | - | 110 | 16 | 15 | (1) | 0.01% | 0.01% | 0.00% |
| | | | | | | | 765 | 841 | 76 | 0.52% | 0.59% | |
| Commercial banks | | | | | | | | | | | | |
| Bank Al-Habib Limited | | - | 67,000 | - | - | 67,000 | 4,527 | 4,476 | (51) | 2.76% | 3.14% | 0.01% |
| Habib Bank Limited | 5.1.1 | 133,501 | 7,000 | 64,500 | - | 76,001 | 8,620 | 8,981 | 361 | 5.54% | 6.31% | 0.01% |
| United Bank Limited | | 107,209 | - | 44,500 | - | 62,709 | 9,242 | 8,668 | (574) | 5.34% | 6.09% | 0.01% |
| Bank Alfalah Limited | | 309,961 | 40,000 | 90,000 | - | 259,961 | 11,174 | 10,643 | (531) | 6.56% | 7.47% | 0.01% |
| Faysal Bank Limited | | 86 | - | - | - | 86 | 2 | 1 | (1) | 0.00% | 0.00% | 0.00% |
| Allied Bank Limited | | 109,674 | - | - | - | 109,674 | 11,518 | 9,516 | (2,002) | 5.87% | 6.68% | 0.01% |
| National Bank Of Pakistan | | 1,174 | - | - | - | 1,174 | 40 | 34 | (6) | 0.02% | 0.02% | 0.00% |
| Meezan Bank Limited | | - | 22,000 | - | - | 22,000 | 1,573 | 1,585 | 12 | 0.98% | 1.11% | 0.00% |
| | | | | | | | 46,696 | 43,904 | (2,792) | 27.07% | 30.82% | |

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

| Name of Investee Company | Note | Number of shares | | | | | Balance as at September 30, 2019 | | | Market value as a % of net assets | Market value as a % of total investments | Par Value as percentage of total paid up capital of the investee company |
|--|------|---------------------|-----------------------------|------------------------|---------------|--------------------------|----------------------------------|----------------|-----------------------------|-----------------------------------|--|--|
| | | As at July 01, 2019 | Purchased during the period | Sold during the period | Bonus / right | As at September 30, 2019 | Carrying value | Market value | Appreciation / (diminution) | | | |
| Textile composite | | | | | | | | | | | | |
| Kohinoor Textile Mills Limited | | 3,636 | 98,000 | - | - | 101,636 | 2,245 | 2,413 | 168 | 1.49% | 1.69% | 0.03% |
| Gul Ahmed Textile Mills Limited | | 69,879 | - | 16,500 | - | 53,379 | 2,515 | 2,532 | 17 | 1.56% | 1.78% | 0.01% |
| Nishat Mills Limited | | 38,890 | 3,000 | 11,000 | - | 30,890 | 2,849 | 2,595 | (254) | 1.60% | 1.82% | 0.01% |
| | | | | | | | 7,609 | 7,540 | (69) | 4.65% | 5.29% | |
| Power generation and distribution | | | | | | | | | | | | |
| K Electric Limited** | | 140,953 | - | 132,000 | - | 8,953 | 39 | 32 | (7) | 0.02% | 0.02% | 0.00% |
| Saif Power Limited | | 64,684 | - | - | - | 64,684 | 1,213 | 1,003 | (210) | 0.62% | 0.70% | 0.02% |
| Lalpir Power Limited | | 21,357 | - | 21,000 | - | 357 | 5 | 4 | (1) | 0.00% | 0.00% | 0.00% |
| Pakgen Power Limited | | 146,165 | - | 35,000 | - | 111,165 | 1,576 | 1,300 | (276) | 0.80% | 0.91% | 0.03% |
| Hub Power Company Limited | | 161,330 | - | 48,000 | - | 113,330 | 8,925 | 8,018 | (907) | 4.94% | 5.63% | 0.01% |
| | | | | | | | 11,758 | 10,357 | (1,401) | 6.38% | 7.26% | |
| Total as at September 30, 2019 | | | | | | | 152,756 | 142,433 | (10,323) | | | |
| Total as at June 30, 2019 | | | | | | | 205,363 | 176,071 | (29,291) | | | |

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

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

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

| | September 30, 2019 | | June 30, 2019 | |
|-------------------------------|--------------------|------------------|--------------------|------------------|
| | (Number of shares) | (Rupees in '000) | (Number of shares) | (Rupees in '000) |
| ENGRO FERTILIZERS LIMITED | 9,000 | 614 | 9,000 | 896 |
| HABIB BANK LIMITED | 14,000 | 1,654 | 14,000 | 1,019 |
| OIL & GAS DEVELOPMENT COMPANY | 14,400 | 1,772 | 14,400 | 1,893 |
| | 37,400 | 4,040 | 37,400 | 3,808 |

6 ADVANCE TAX

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

8 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

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

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

9 ACCRUED EXPENSES AND OTHER LIABILITIES**9.1 Provision for Workers' Welfare Fund (WWF)**

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

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 0.013 million (June 30, 2019: Rs. 0.013 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. 0.01 (June 30, 2019: Re.0.01).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

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

Further, as per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.04% as on September 30, 2019 and this includes 0.09% representing government levy, worker's welfare fund and SECP fee.

14 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen 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 quarter year ended September 30, 2019 are as follows:

| | Management company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|---|------------------------------|-------------------------|---------|-------------------------------------|------------------------------------|--|
| | ----- (Rupees in '000) ----- | | | | | |
| For the period ended September 30, 2019 (Un-audited) | | | | | | |
| Transactions during the period | | | | | | |
| Mark-up on bank account | - | 182 | - | - | - | - |
| Bank charges | - | 6 | - | - | - | - |
| Units issued | - | - | - | 61,395 | - | 13,791 |
| Units redeemed | - | - | - | 95,713 | - | - |
| Central Depository Service expenses (CDS) | - | - | 5 | - | - | - |
| Remuneration * | 900 | - | 150 | - | - | - |
| Allocated expenses by the Management Co. | 40 | - | - | - | - | - |
| Selling & Marketing Expenses | 159 | - | - | - | - | - |
| Listing Fee | - | 7 | - | - | - | - |
| Sales of Securities | - | 7,821 | - | - | - | - |
| Dividend Income | - | 344 | - | - | - | - |

| | | | | | | |
|---|-----|----|----|--------|---|---|
| For the period ended September 30, 2018 (Un-audited) | | | | | | |
| Transactions during the period | | | | | | |
| Mark-up on bank account | - | 68 | - | - | - | - |
| Bank charges | - | 6 | - | - | - | - |
| Units issued | - | - | - | 11,886 | - | - |
| Units redeemed | - | - | - | 10,098 | - | - |
| Central Depository Service expenses (CDS) | - | - | - | - | - | - |
| Remuneration * | 285 | - | 28 | - | - | - |
| Allocated expenses by the Management Co. | 13 | - | - | - | - | - |
| Listing Fee | - | 6 | - | - | - | - |

| | | | | | | |
|--|-----|--------|----|---------|---|--------|
| As at September 30, 2019 (Un-audited) | | | | | | |
| Balances held | | | | | | |
| Units held (units in '000) | - | - | - | 1,362 | - | 366 |
| Units held (Rupees in '000) | - | - | - | 103,050 | - | 27,709 |
| Bank balances | - | 20,587 | - | - | - | - |
| Remuneration payable | 259 | - | 59 | - | - | - |
| Other payable | - | - | - | - | - | - |
| Selling and marketing expenses payable | 159 | - | - | - | - | - |
| Mark-up receivable | - | 166 | - | - | - | - |
| Allocated expenses payable | 25 | - | - | - | - | - |
| Investments | - | 8,677 | - | - | - | - |

* Remuneration for the period is inclusive of sales tax.

| | | | | | | |
|--|-----|--------|----|---------|---|---|
| As at June 30, 2019 (Audited) | | | | | | |
| Balances held | | | | | | |
| Units held (units in '000) | - | - | - | 1,817 | - | - |
| Units held (Rupees in '000) | - | - | - | 146,981 | - | - |
| Bank balances | - | 2,684 | - | - | - | - |
| Remuneration payable | 379 | - | 38 | - | - | - |
| Other payable | - | - | - | - | - | - |
| Selling and marketing expenses payable | 210 | - | - | - | - | - |
| Mark-up receivable | - | 580 | - | - | - | - |
| Allocated expenses payable | 17 | - | - | - | - | - |
| Investments | - | 15,800 | - | - | - | - |

* Remuneration for the period is inclusive of sales tax.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

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

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

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

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

| | September 30, 2019 (Un-audited) | | | |
|---|--|----------------|----------------|----------------|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through profit or loss | | | | |
| Equity securities - listed | <u>142,431</u> | - | - | <u>142,431</u> |
| | <u>142,431</u> | <u>-</u> | <u>-</u> | <u>142,431</u> |

| | June 30, 2019 (Audited) | | | |
|---|--------------------------------|----------------|----------------|----------------|
| | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Equity securities - listed | <u>176,071</u> | - | - | <u>176,071</u> |
| | <u>176,071</u> | <u>-</u> | <u>-</u> | <u>176,071</u> |

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

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

16. GENERAL

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

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

17 DATE OF AUTHORISATION FOR ISSUE

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

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

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UFSF

UBL Financial Sector Fund

INVESTMENT OBJECTIVE

The objective is to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector.

| | |
|------------------------------|---|
| 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 | Allied Bank Limited United Bank Limited Soneri Bank Limited |
| Management Co. Rating | AM 1 (VIS Credit Rating Company Limited) |

**UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

| | | September 30, 2019 (Unaudited) | June 30, 2019 (Audited) |
|---|-------------|---|--|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 34,758 | 64,596 |
| Investments | 5 | 705,127 | 798,595 |
| Mark-up Receivable | | 578 | 3,141 |
| Deposits, prepayments and other receivables | | 2,586 | 2,518 |
| Preliminary expenses and floatation costs | | 841 | 902 |
| Advance tax | 6 | 39 | 39 |
| TOTAL ASSETS | | <u>743,929</u> | <u>869,791</u> |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 8 | 3,575 | 3,957 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 137 | 167 |
| Payable to Securities and Exchange Commission of Pakistan | 7 | 38 | 605 |
| Accrued expenses and other liabilities | 9 | 2,260 | 3,709 |
| TOTAL LIABILITIES | | <u>6,010</u> | <u>8,438</u> |
| NET ASSETS | | <u>737,919</u> | <u>861,353</u> |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | <u>737,919</u> | <u>861,353</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | <u>9,990,546</u> | <u>10,745,730</u> |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | <u>73.8617</u> | <u>80.1577</u> |

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

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

**SD
CHIEF EXECUTIVE OFFICER**

**SD
CHIEF FINANCIAL OFFICER**

**SD
DIRECTOR**

**UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | Quarter ended September 30, 2019 | Quarter ended September 30, 2018 |
|---|--|--|
| Note | ----- (Rupees in '000) ----- | |
| INCOME | | |
| Financial income | 892 | 595 |
| Dividend income | 12,645 | 6,349 |
| Capital gain on sale of investments - net | 159 | 100 |
| Unrealised loss on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net | 5.1 (73,553) | (15,124) |
| Total loss | <u>(59,857)</u> | <u>(8,080)</u> |
| EXPENSES | | |
| Remuneration of UBL Fund Managers Limited - Management Company | 3,838 | 2,289 |
| Sindh Sales Tax on Management Company's remuneration | 499 | 298 |
| Allocated expenses | 192 | 114 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 434 | 259 |
| Annual fee of Securities and Exchange Commission of Pakistan | 38 | 109 |
| Bank charges | 4 | 13 |
| Auditors' remuneration | 51 | 51 |
| Brokerage and settlement expenses | 401 | 550 |
| Listing fee | 7 | 7 |
| Legal and professional charges | 39 | 51 |
| Amortization of preliminary expenses and floatation costs | 61 | 61 |
| Selling and marketing expenses | 768 | 458 |
| Total operating expenses | <u>6,332</u> | <u>4,260</u> |
| Operating loss for the quarter | <u>(66,189)</u> | <u>(12,340)</u> |
| Provision for Sindh Workers' Welfare Fund | 9.1 - | - |
| Net loss for the quarter before taxation | <u>(66,189)</u> | <u>(12,340)</u> |
| Taxation | 11 - | - |
| Net loss for the quarter after taxation | <u>(66,189)</u> | <u>(12,340)</u> |
| Allocation of net income for the quarter | | |
| Income already paid on units redeemed | - | - |
| Net loss for the quarter | <u><u>(66,189)</u></u> | <u><u>(12,340)</u></u> |
| Income available for distribution: | | |
| Relating to capital gains | - | - |
| Excluding capital gains | - | - |
| Earnings per unit | <u><u>-</u></u> | <u><u>-</u></u> |
| | 12 | |

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

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

**SD
CHIEF EXECUTIVE OFFICER**

**SD
CHIEF FINANCIAL OFFICER**

**SD
DIRECTOR**

**UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | Quarter ended September 30, 2019 | Quarter ended September 30, 2018 |
|--|---|---|
| | ----- (Rupees in '000) ----- | |
| Net loss for the quarter | (66,189) | (12,340) |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to income statement | - | - |
| Items that will not be reclassified subsequently to income statement | - | - |
| Total comprehensive loss for the quarter | <u><u>(66,189)</u></u> | <u><u>(12,340)</u></u> |

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

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

**SD
CHIEF EXECUTIVE OFFICER**

**SD
CHIEF FINANCIAL OFFICER**

**SD
DIRECTOR**

**UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

| | Quarter ended September 30, 2019 ----- (Rupees in '000) ----- | Quarter ended September 30, 2018 |
|---|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the quarter before taxation | (66,189) | (12,340) |
| Adjustments for: | | |
| Financial income | (892) | (595) |
| Dividend income | (12,645) | (6,349) |
| Capital (gain) on sale of investments - net | (159) | (100) |
| Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net | 73,553 | 15,124 |
| Amortization of preliminary expenses and floatation costs | 61 | 61 |
| | <u>59,918</u> | <u>8,141</u> |
| Cash used in operations before working capital changes | (6,271) | (4,199) |
| Working capital changes | | |
| Decrease / (Increase) in assets | | |
| Investments - net | 20,074 | (189,266) |
| Advance tax | - | (39) |
| Deposits, prepayments and other receivables | (68) | 943 |
| | 20,006 | (188,362) |
| Decrease in liabilities | | |
| Payable to UBL Fund Managers Limited - Management Company | (382) | (288) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (30) | 48 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | (567) | 69 |
| Accrued expenses and other liabilities | (1,448) | (20,906) |
| | (2,427) | (21,077) |
| Profit received on bank balances | 3,455 | 407 |
| Dividend received | 12,645 | 3,760 |
| Net cash generated from / (used in) operating activities | <u>27,408</u> | <u>(209,471)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 1,948 | 253,577 |
| Payment against redemption of units | (59,193) | (99,127) |
| Net cash (used in) / generated from financing activities | <u>(57,245)</u> | <u>154,450</u> |
| Net decrease in cash and cash equivalents | (29,837) | (55,021) |
| Cash and cash equivalents at the beginning of the quarter | 64,596 | 112,287 |
| Cash and cash equivalents at the end of the quarter | <u><u>34,759</u></u> | <u><u>57,266</u></u> |

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

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

**SD
CHIEF EXECUTIVE OFFICER**

**SD
CHIEF FINANCIAL OFFICER**

**SD
DIRECTOR**

UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | -----Quarter Ended September 30, 2019----- | | | | -----Quarter Ended September 30, 2018----- | | | |
|---|--|--------------------|--|------------------|--|--------------------|--|-----------------|
| | Capital value | Undistributed loss | Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' (September 30, 2019: 'available for sale' - net | Total | Capital value | Undistributed loss | Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' (September 30, 2018: 'available for sale' - net | Total |
| | ----- (Rupees in '000) ----- | | | | ----- (Rupees in '000) ----- | | | |
| Net assets at the beginning of the quarter | 981,918 | (120,565) | - | 861,353 | 387,846 | (119) | (15,574) | 372,153 |
| Issuance of 26,221 units (2018: 2,820,842) | | | | | | | | |
| Capital value of units | 2,102 | - | - | 2,102 | 257,320 | - | - | 257,320 |
| Element of loss | | | | | | | | |
| Due to net loss incurred | (154) | - | - | (154) | (3,743) | - | - | (3,743) |
| Total proceeds on issuance of units | 1,948 | - | - | 1,948 | 253,577 | - | - | 253,577 |
| Redemption of 781,405 units (2018: 1,096,716) | | | | | | | | |
| Capital value of units | (62,636) | - | - | (62,636) | (100,044) | - | - | (100,044) |
| Element of loss | | | | | | | | |
| Due to net loss incurred | 3,443 | - | - | 3,443 | 917 | - | - | 917 |
| Total payments on redemption of units | (59,193) | - | - | (59,193) | (99,127) | - | - | (99,127) |
| Total comprehensive loss for the quarter | - | (66,189) | - | (66,189) | - | (12,340) | - | (12,340) |
| Amount transfer to retained earnings | | | | | | | 15,574 | - |
| Net assets at the end of the period | 924,673 | (186,754) | - | 737,919 | 542,296 | (28,033) | - | 514,263 |
| Undistributed loss / Unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' brought forward comprises of: | | | | | | | | |
| Realised loss | | (9,249) | - | (9,249) | | (119) | - | (119) |
| Unrealised loss | | (111,316) | - | (111,316) | | - | (15,574) | (15,574) |
| Total undistributed loss brought forward | | (120,565) | - | (120,565) | | (119) | (15,574) | (15,693) |
| Income available for distribution: | | | | | | | | |
| Relating to capital gains | | | | | | | | |
| Excluding capital gains | | | | | | | | |
| Total Comprehensive loss for the quarter | | (66,189) | - | (66,189) | | (12,340) | - | (12,340) |
| Transferred to retain earning | | | | | | (15,574) | 15,574 | - |
| Distribution during the quarter | | | | | | | | |
| Undistributed loss carried forward | | (186,754) | - | (186,754) | | (28,033) | - | (28,033) |
| Undistributed loss carried forward comprises of: | | | | | | | | |
| Realised loss | | (113,201) | - | (113,201) | | (12,909) | - | (12,909) |
| Unrealised loss | | (73,553) | - | (73,553) | | (15,124) | - | (15,124) |
| Total undistributed loss carried forward | | (186,754) | - | (186,754) | | (28,033) | - | (28,033) |
| | | | | (Rupees) | | | | (Rupees) |
| Net assets value per unit at the beginning of the quarter | | | | 80,1577 | | | | 91,2211 |
| Net assets value per unit at the end of the quarter | | | | 73,8617 | | | | 88,6079 |

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL FINANCIAL SECTOR FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Financial Sector Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on February 21, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 12, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from April 05, 2018.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3 The Fund is an equity scheme (sector specific) and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units were initially offered to public on IPO dated April 05, 2018 and are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended sector (equity) scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The investment objective of the fund is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential, preferably in financial sector.
- 1.5 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 27, 2018. The Management Company is obliged to obtain a rating of the Fund, once the Fund becomes eligible for rating as per the criteria of the rating agency. However, criteria of rating agency requires a minimum performance history of one year for the funds to become eligible for ranking. Therefore, the Fund is not eligible for the rating.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the audited financial statements of the Fund for the year ended June 30, 2019. The comparative information for condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cashflows and condensed interim statement of movement in unit holders' fund has been extracted from the un-audited financial statements of the Fund for the quarter ended September 30, 2018.
- 2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30 2019 except as explained in note 3.2.

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

- 3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 „Leases“, IFRIC 4 „Determining whether an Arrangement contains a Lease“, SIC-15 „Operating Leases - Incentives“ and SIC-27 „Evaluating the Substance of Transactions Involving the Legal Form of a Lease“. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | September 30, 2019 | June 30, 2019 |
|-------------|-------------------------------------|----------------------|
| | (Unaudited) | (Audited) |
| Note | ----- (Rupees in '000) ----- | |

4 BANK BALANCES

| | | | |
|---------------------|-----|--------|--------|
| Cash at bank | | | |
| In savings accounts | 4.1 | 34,758 | 64,596 |

- 4.1 Profit rates on these savings accounts range between 8% to 14.25% per annum (June 30, 2019: 8% to 10.25%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 34.745 million (June 30, 2019: Rs. 64.583 million).

5 INVESTMENTS IN EQUITY SHARES

| | | | |
|---|-----|---------|---------|
| Financial assets classified as at fair value through profit or loss | 5.1 | 705,127 | 798,595 |
| | | 705,127 | 798,595 |

5.1 Financial asset classified as Fair value through profit or loss

| Name of investee company | Number of shares | | | | | Balance as at September 30, 2019 | | | As at September 30, 2019 | | | |
|-----------------------------------|-----------------------------|------------------------------|--|-------------------------|--------------------------|---|---------------------------------------|--|----------------------------------|--|---|---|
| | As at July 1, 2019 | Purchased during the quarter | Bonus / right shares received during the quarter | Sold during the quarter | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Unrealised gain / (loss) on revaluation of investments | Market value as at June 30, 2019 | Market value as a percentage of net assets | Market value as a percentage of total value of investment | Investment as percentage of paid up capital of investee company |
| | -----Number of shares ----- | | | | | ----- (Rupees in '000) ----- | | | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | |
| Allied Bank Limited | 1,322,800 | - | - | - | 1,322,800 | 138,920 | 114,779 | (24,141) | 138,920 | 15.55% | 16.28% | 1.00% |
| Bank Al Falah Limited | 3,379,400 | - | - | 579,000 | 2,800,400 | 122,069 | 114,648 | (7,421) | 147,308 | 15.54% | 16.26% | 0.65% |
| United Bank Limited | 543,800 | - | - | 10,500 | 533,300 | 78,598 | 73,718 | (4,880) | 80,145 | 9.99% | 10.45% | 0.60% |
| Habib Bank Limited | 1,246,400 | - | - | 364,300 | 882,100 | 99,907 | 104,238 | 4,331 | 141,168 | 14.13% | 14.78% | 0.71% |
| MCB Bank Limited | 476,600 | - | - | 37,100 | 439,500 | 76,671 | 74,526 | (2,145) | 83,143 | 10.10% | 10.57% | 0.63% |
| Bank Al Habib Limited | 679,000 | 771,500 | - | - | 1,450,500 | 106,408 | 96,908 | (9,500) | 53,220 | 13.13% | 13.74% | 0.87% |
| National Bank of Pakistan | 543,500 | 49,000 | - | - | 592,500 | 19,710 | 17,153 | (2,557) | 18,294 | 2.32% | 2.43% | 0.08% |
| | <u>8,191,500</u> | <u>820,500</u> | <u>-</u> | <u>990,900</u> | <u>8,021,100</u> | <u>642,283</u> | <u>595,970</u> | <u>(46,313)</u> | <u>662,198</u> | <u>80.76%</u> | <u>84.52%</u> | |
| INSURANCE | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | 3,891,500 | - | - | - | 3,891,500 | 136,397 | 109,157 | (27,241) | 136,397 | 14.79% | 15.48% | 3.12% |
| | <u>3,891,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,891,500</u> | <u>136,397</u> | <u>109,157</u> | <u>(27,241)</u> | <u>136,397</u> | <u>14.79%</u> | <u>15.48%</u> | |
| Total - September 30, 2019 | <u>12,083,000</u> | <u>820,500</u> | <u>-</u> | <u>990,900</u> | <u>11,912,600</u> | <u>778,680</u> | <u>705,127</u> | <u>(73,553)</u> | <u>798,595</u> | <u>95.55%</u> | <u>100.00%</u> | |

5.1.1 The above securities include 500,000 shares of Bank Alfalah Limited and 90,000 shares of Habib Bank Limited pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 31.1053 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6 ADVANCE TAX

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

8 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

During the quarter management fee charged is 2%(June 2019:2%). The remuneration is paid to the Management Company on monthly basis in arrears.

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

9 ACCRUED EXPENSES AND OTHER LIABILITIES

9.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the legal proceeding with respect to Sindh Workers Welfare Fund which has been fully disclosed in note 14.1 to the audited financial statements for the year ended June 30 2019. Since the Fund has incurred net loss during the quarter, therefore no provision against Sindh Workers Welfare Fund has been made.

10 CONTINGENCIES AND COMMITMENTS

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

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.83% as on September 30, 2019 and this includes 0.08% representing Government levy, Sindh Workers' Welfare Fund and SECP fee.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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 quarter ended September 30, 2019 are as follows:

| | Management Company | Associated Companies | Trustee | Funds Under Common Management | Directors and Key Executives | Other Connected persons / related parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| | (Rupees in '000) | | | | | |
| Transactions during the quarter ended September 30, 2019 | | | | | | |
| Profit on savings accounts | - | 892 | - | - | - | - |
| Bank charges | - | 5 | - | - | - | - |
| Units issued | - | - | - | - | - | - |
| Units redeemed | - | 793 | - | - | - | - |
| Purchase of equity securities | - | - | - | - | - | - |
| Sale of equity securities | - | 1,397 | - | - | - | - |
| Sales load paid | - | - | - | - | - | - |
| Dividend | - | 1,333 | - | - | - | - |
| Remuneration (including sales tax) | 4,337 | - | 434 | - | - | - |
| CDS Expense | - | - | 8 | - | - | - |
| Allocated expenses | 192 | - | - | - | - | - |
| Selling and marketing expenses | 768 | - | - | - | - | - |
| Listing fee | - | 7 | - | - | - | - |
| Transactions during the quarter ended September 30, 2018 | | | | | | |
| Profit on savings accounts | - | 595 | - | - | - | - |
| Bank charges | - | 8 | - | - | - | - |
| Units issued | 50,000 | - | - | - | 2,652 | - |
| Units redeemed | 25,395 | - | - | - | 1,274 | - |
| Purchase of equity securities | - | 24,043 | - | - | - | - |
| Sale of equity securities | - | 5,781 | - | - | - | - |
| Sales load paid | 1,979 | - | - | - | - | - |
| Dividend income | - | 840 | - | - | - | - |
| Remuneration (including sales tax) | 2,587 | - | 259 | - | - | - |
| Allocated expenses | 114 | - | - | - | - | - |
| Selling and marketing expenses | 458 | - | - | - | - | - |
| Listing fee | - | 7 | - | - | - | - |
| Balances held as at September 30, 2019 | | | | | | |
| Units held (in Units '000) | 1,496 | 5,085 | - | - | 67 | - |
| Units held (in Rupees '000) | 110,527 | 375,605 | - | - | 4,953 | - |
| Bank balances | - | 34,745 | - | - | - | - |
| Profit receivable | - | 578 | - | - | - | - |
| Investments | - | 73,718 | - | - | - | - |
| Remuneration payable | 1,368 | - | 137 | - | - | - |
| Allocated expenses payable | 122 | - | - | - | - | - |
| Selling and marketing expense payable | 768 | - | - | - | - | - |
| Sales load payable | 1,311 | - | - | - | - | - |
| Dividend Receivable | - | - | - | - | - | - |
| Conversion charges payable | - | 6 | - | - | - | - |
| Listing fee | - | 28 | - | - | - | - |
| Balances held as at June 30, 2019 | | | | | | |
| Units held (in Units '000) | 1,496 | 5,096 | - | - | 67 | - |
| Units held (in Rupees '000) | 119,948 | 408,484 | - | - | 5,375 | - |
| Bank balances | - | 64,883 | - | - | - | - |
| Profit receivable | - | 3,141 | - | - | - | - |
| Investments | - | 80,145 | - | - | - | - |
| Remuneration payable | 1,671 | - | 167 | - | - | - |
| Other payables | - | - | - | - | - | - |
| Allocated expenses payable | 74 | - | - | - | - | - |
| Selling and marketing expense payable | 917 | - | - | - | - | - |
| Sales load payable | 1,290 | - | - | - | - | - |
| Conversion charges payable | 5 | - | - | - | - | - |
| Listing fee | - | - | - | - | - | - |

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

| | Carrying Amount | | | Fair value | | |
|---|--------------------------------------|---|----------------|--------------------------------------|---------|---------|
| | ----- As at September 30, 2019 ----- | | | ----- As at September 30, 2019 ----- | | |
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Level 1 | Level 2 | Level 3 |
| ----- Rupees in '000 ----- | | | | | | |
| Financial assets measured at fair value | | | | | | |
| Investments | 705,127 | - | - | 705,127 | - | - |
| Financial assets not measured at fair value | | | | | | |
| Bank balances | - | - | 34,758 | - | - | - |
| Mark-up / interest receivable | - | - | 578 | - | - | - |
| Deposits and other receivables | - | - | 2,586 | - | - | - |
| | - | - | 37,922 | - | - | - |
| | 705,127 | - | 37,922 | 705,127 | - | - |
| Financial liabilities not measured at fair value | | | | | | |
| Payable to UBL Fund Managers Limited Management Company | - | - | 1,211 | - | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | - | 121 | - | - | - |
| Accrued expenses and other liabilities | - | - | 2,260 | - | - | - |
| | - | - | 3,592 | - | - | - |

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

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

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

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

16 GENERAL

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

17 DATE OF AUTHORIZATION FOR ISSUE

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

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

**SD
CHIEF EXECUTIVE OFFICE**

**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) |
| Auditor | BDO Ebrahim & Co. Chartered Accountants |
| Bankers | Bank Alfalah Limited National Bank of Pakistan United Bank Limited |
| Management Co.Rating | AMI (VIS) |

UBL CAPITAL PROTECTED FUND - III
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

| | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Balances with banks | 4 | 1,451 | 2,709 |
| Term deposit receipts | 5 | 243,805 | 254,014 |
| Investments | 6 | 11,351 | 14,095 |
| Markup / interest receivable | | 42,795 | 40,460 |
| Advance income tax | 7 | 329 | 328 |
| Dividend receivable | | 51 | - |
| Preliminary expenses and floatation costs | | 239 | 433 |
| Deposits, prepayments, and other receivables | | 2,693 | 2,651 |
| TOTAL ASSETS | | 302,714 | 314,690 |
| LIABILITIES | | | |
| Payable to UBL Fund Managers Limited - Management Company | 9 | 279 | 260 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | 36 | 38 |
| Annual Fee Payable to the Securities and Exchange Commission of Pakistan | 8 | 15 | 242 |
| Accrued expenses and other liabilities | 10 | 1,093 | 2,083 |
| TOTAL LIABILITIES | | 1,423 | 2,623 |
| NET ASSETS | | 301,291 | 312,067 |
| Unit Holders' Fund (As Per Statement Attached) | | 301,291 | 312,067 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | | |
| | | --- (Number of units) --- | |
| Number of Units in Issue | | 2,995,198 | 3,119,525 |
| | | ----- (Rupees) ----- | |
| Net Asset Value Per Unit | | 100.5913 | 100.0366 |

The annexed notes 1 to 18 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 INCOME STATEMENT (UN - AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,2019

For the Three Month
Period ended **Period ended**
September 30, **September 30,**
2019 **2018**
Note -----(Rupees in '000)-----

INCOME

| | | |
|--|--------------|--------------|
| Financial income | 4,193 | 4,724 |
| Dividend income | 59 | 138 |
| Net realised loss on sale of investments | (146) | (332) |
| Unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net | (1,511) | (904) |
| Other income | 373 | 3,025 |
| TOTAL INCOME / (LOSS) | 2,968 | 6,651 |

EXPENSES

| | | |
|--|--------------|--------------|
| Remuneration of UBL Fund Managers Limited - Management Company | 576 | 644 |
| Sindh sales tax on remuneration of the Management Company | 75 | 84 |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 113 | 126 |
| Annual fee - Securities and Exchange Commission of Pakistan | 15 | 64 |
| Auditors' remuneration | 77 | 73 |
| Brokerage and settlement charges | 95 | 17 |
| Allocated expenses | 77 | 86 |
| Listing and supervisory fees | 7 | 7 |
| Bank and other charges | - | 125 |
| Legal and professional charges | 39 | 51 |
| Amortization of preliminary expenses and floatation costs | 188 | 188 |
| Other Expenses | 22 | - |
| | 1,284 | 1,465 |

Net income from operating activities

1,684 5,186

Provision for Sindh Workers' Welfare Fund

10.1 (33) (102)

Net income for the period before taxation

1,651 5,084

Taxation

12 -

Net income for the period after taxation

1,651 5,084

Allocation of net income / (loss) for the period

Income already paid on units redeemed

(9) (306)

Net income for the period available for distribution

1,642 4,778

Accounting income available for distribution

Relating to capital gains

-

Excluding capital gains

1,642 4,778

1,642 4,778

Earnings per unit

13

The annexed notes 1 to 18 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 STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,2019

| | For the Three Month Period ended | |
|---|-------------------------------------|-----------------------|
| | September 30, 2019 | September 30, 2018 |
| | ------(Rupees in '000)----- | |
| Net income for the quarter after taxation | 1,651 | 5,084 |
| Other comprehensive income | - | - |
| Unrealised loss on revaluation of investments classified as at fair value through other comprehensive income | - | - |
| Total comprehensive income for the quarter | <u>1,651</u> | <u>5,084</u> |

The annexed notes 1 to 18 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 QUARTER ENDED SEPTEMBER 30, 2019**

**For the Three Month Period ended
September 30, 2019 September 30, 2018 ni**
------(Rupees in '000)-----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the quarter before taxation 1,651 5,084

Adjustments for non-cash charges and other items:

| | | |
|--|---------|---------|
| Profit on saving accounts with banks | (4,193) | (4,724) |
| Dividend income | (59) | (138) |
| Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held for trading - net | 1,511 | 904 |
| Capital loss on sale of investment- net | 146 | 332 |
| Provision for Sindh Workers' Welfare Fund | 33 | 102 |
| Amortization of preliminary expenses and floatation costs | 194 | 194 |

Cash used in operations before working capital changes (2,368) (3,330)
(717) 1,754

Working capital changes

Increase / (Decrease) in assets

| | | |
|---|---------------|---------------|
| Investments - net | 8,552 | 11,276 |
| Term deposit receipts | 2,744 | 84,309 |
| Advanced Income Tax | (1) | (1) |
| Security deposits, advances and other receivables | (42) | (915) |
| | <u>11,253</u> | <u>94,669</u> |

(Decrease) / Increase in liabilities

| | | |
|---|----------------|--------------|
| Payable to UBL Fund Managers Limited - Management Company | 19 | (111) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (2) | (12) |
| Payable to the Securities and Exchange Commission of Pakistan | (227) | (251) |
| Accrued expenses and other liabilities | (1,023) | 193 |
| | <u>(1,233)</u> | <u>(181)</u> |

Profit received on bank balances and term deposit receipts 1,858 8,235

Dividend received 8 210

Net cash generated from operating activities 11,169 104,687

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units - 1,733

Payments against redemption of units (12,427) (100,836)

Dividend Paid - (2,010)

Net cash used in financing activities (12,427) (101,113)

Net increase in cash and cash equivalents during the quarter (1,258) 3,574

Cash and cash equivalents at the beginning of the quarter 2,709 221

Cash and cash equivalents at the end of the quarter 1,451 3,795

The annexed notes 1 to 18 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

| | 30 September 2019 | | | | 30 September 2018 | | | |
|--|-------------------|--------------------|---|-----------------|-------------------|----------------------|---|-----------------|
| | Capital value | Undistributed Loss | Unrealised appreciation / (diminution) Investments at fair value through other comprehensive income | Total | Capital value | Undistributed income | Unrealised appreciation / (diminution) 'available-for-sale' investments | Total |
| | (Rupees in '000) | | | | (Rupees in '000) | | | |
| Net assets at beginning of the quarter | 312,157 | (90) | - | 312,067 | 410,162 | 2,604 | 55 | 412,821 |
| Transfer of unrealised appreciation on re-measurement of investments classified as available for sale - net to undistributed income upon adoption of IFRS-9 | - | - | - | - | - | - | - | - |
| Inflow on issuance of nil units (2018: 17,320 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | 1,735 | - | - | 1,735 |
| - Element of loss | | | | | | | | |
| Relating to other comprehensive income for the quarter | - | - | - | - | - | - | - | - |
| Relating to net income for the quarter after taxation | - | - | - | - | (2) | - | - | (2) |
| Total proceeds on issuance of units | - | - | - | - | 1,733 | - | - | 1,733 |
| Outflow on redemption of 124,327 units (2018: 1,007,089 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (12,437) | - | - | (12,437) | (100,871) | - | - | (100,871) |
| - Element of income during the year | | | | | | | | |
| Due to deficit in available for sale securities | - | - | - | - | - | - | - | - |
| Due to net loss incurred / (net income) earned | 19 | (9) | - | 10 | 341 | (306) | - | 35 |
| Total payments on redemption of units | (12,418) | (9) | - | (12,427) | (13,888) | (306) | - | (100,836) |
| Element of loss and capital losses included in prices of units issued less those in units redeemed - net | - | - | - | - | - | - | - | - |
| Total comprehensive income for the quarter | - | 1,651 | - | 1,651 | - | 5,084 | - | 5,084 |
| Amount transferred to retained earnings | - | - | - | - | - | 55 | (55) | - |
| Distribution during the quarter | - | - | - | - | - | (2,010) | - | (2,010) |
| | - | 1,651 | - | 1,651 | - | 3,129 | - | 3,074 |
| Net assets during the quarter | 299,739 | 1,552 | - | 301,291 | 311,365 | 5,427 | - | 316,792 |
| Undistributed income brought forward | | | | | | | | |
| - Realised | - | 4,754 | - | 4,754 | - | 10,462 | - | 1,443 |
| - Unrealised | - | (4,844) | - | (4,844) | - | (7,858) | - | (755) |
| Total undistributed income brought forward | - | (90) | - | (90) | - | 2,604 | - | 688 |
| Net income / (loss) for the quarter after taxation | | | | | | 4,778 | | |
| Transferred to retained earning | - | - | - | - | - | 55 | - | - |
| Income available for distribution | | | | | | | | |
| - Relating to capital gain | | | | | | | | |
| - Excluding capital gains | | 1,642 | | 1,642 | | | | |
| | | 1,642 | | 1,642 | | | | |
| Final cash distribution for the year ended 30 June 2018: Re. 0.49 date of distribution 02, July 2018. [2017: ICD Rs 1.55 per unit, date of distribution: 19 June 2017] | | | | | | (2,010) | | |
| Undistributed income carried forward | - | 1,552 | - | 1,552 | - | 5,427 | - | 3,650 |
| Undistributed income carried forward | | | | | | | | |
| - Realised | - | 3,063 | - | 3,063 | - | 6,331 | - | 6,331 |
| - Unrealised | - | (1,511) | - | (1,511) | - | (904) | - | (904) |
| | - | 1,552 | - | 1,552 | - | 5,427 | - | 5,427 |
| Net assets value per unit at beginning of the quarter | | | | 100.0366 | | | | 100.6508 |
| Net assets value per unit at end of the quarter | | | | 100.5913 | | | | 101.8051 |

The annexed notes 1 to 18 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
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Capital Protected Fund III (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated October 21, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on January 26, 2017 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is a capital protected scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended capital protected scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to protect the principal investment of investors upon maturity by placing the significant portion of trust property as TDR with a minimum AA- rated bank, and remaining in equity market or any other SECP permitted investments to provide investor with better return.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 27, 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the quarter ended September 30, 2018.
- 2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019 except as explained in note 3.2.

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

3.2 IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | Note | September 30, 2019 (Unaudited) | June 30, 2019 (Audited) |
|------------------------|------|--------------------------------------|-------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 4 BANK BALANCES | | | |
| Cash at bank | | | |
| In savings accounts | | 1,451 | 2,709 |

4.1 Profit rates on these savings accounts range between 3.75 % to 9.25% per annum (June 30, 2019: 3.75% to 9.25%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 0.360 million (June 30, 2019: Rs. 0.386 million).

6.1 Financial assets classified as at fair value through profit or loss

| Name of investee company | Number of shares | | | | | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net | Market value as a percentage of net assets | Market value as a percentage of total value of investments | |
|--|---------------------|--|------------------------|--|------------------------------|---|---------------------------------------|--|--|--|-------------|
| | As at July 01, 2019 | Purchased / bonus received during the period | Sold during the period | Transferred in during the period due to adoption of IFRS 9 | As at September 30, 2019 | | | | | | |
| -----Number of shares ----- | | | | | ----- (Rupees in '000) ----- | | | | | | |
| CEMENT | | | | | | | | | | | |
| Lucky Cement Limited | 6.1.2 | 3,500 | - | 1,700 | - | 1,800 | 685 | 616 | (69) | 0.20% | 5.43% |
| | | 3,500 | - | 1,700 | - | 1,800 | 685 | 616 | (69) | 0.20% | 5.43% |
| FERTILIZER | | | | | | | | | | | |
| Engro Fertilizers Limited | | 5,000 | - | - | - | 5,000 | 320 | 341 | 21 | 0.11% | 3.01% |
| Fauji Fertilizer Company Limited | | 3,000 | - | - | - | 3,000 | 262 | 279 | 18 | 0.09% | 2.46% |
| | | 8,000 | - | - | - | 8,000 | 581 | 620 | 39 | 0.21% | 5.46% |
| PHARMACEUTICALS | | | | | | | | | | | |
| Highnoon Laboratories Limited | 6.1.1 | 1,063 | - | - | - | 1,063 | 269 | 340 | 71 | 0.11% | 3.00% |
| The Searle Company Limited | | 542 | - | - | - | 542 | 79 | 75 | (5) | 0.02% | 0.66% |
| | | 1,605 | - | - | - | 1,605 | 349 | 415 | 66 | 0.14% | 3.66% |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | |
| The Hub Power Company Limited | | 7,174 | - | 2,000 | - | 5,174 | 407 | 366 | (41) | 0.12% | 3.22% |
| Pakgen Power Limited | | 102,000 | - | - | - | 102,000 | 1,446 | 1,192 | (254) | 0.40% | 10.50% |
| K-Electric Limited | | 160,000 | - | - | - | 160,000 | 702.4 | 568 | (134) | 0.19% | 5.00% |
| | | 269,174 | - | 2,000 | - | 267,174 | 2,556 | 2,126 | (429) | 0.71% | 18.73% |
| ENGINEERING | | | | | | | | | | | |
| International Steels Limited | 6.1.2 | 11,400 | - | 11,400 | - | - | 0 | 0 | - | 0.00% | 0.00% |
| | | 11,400 | - | 11,400 | - | - | - | - | - | 0.00% | 0.00% |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 4,950 | - | - | - | 4,950 | 4,996 | 4,451 | (545) | 0 | 0 |
| | | 4,950 | - | - | - | 4,950 | 4,996 | 4,451 | (545) | 1.48% | 39.21% |
| TEXTILE COMPOSITE | | | | | | | | | | | |
| Nishat Mills Limited | | 20,000 | 4,000 | - | - | 24,000 | 2,174 | 2,016 | (158) | 0 | 0 |
| | | 20,000 | 4,000 | - | - | 24,000 | 2,174 | 2,016 | (158) | 0.67% | 17.76% |
| BANKING SECTOR | | | | | | | | | | | |
| Habib Bank Limited | | 5,000 | - | 2,500 | - | 2,500 | 283 | 295 | 12 | 0 | 0 |
| | | 5,000 | - | 2,500 | 5,000 | 2,500 | 283 | 295 | 12 | 0.10% | 2.60% |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | | | |
| Thal Limited * | | 3,400 | - | - | - | 3,400 | 1,238 | 811 | (427) | 0.27% | 7.15% |
| | | 3,400 | - | - | - | 3,400 | 1,238 | 811 | (427) | 0.27% | 7.15% |
| Total March 31, 2019 | | 327,029 | 4,000 | 17,600 | 5,000 | 313,429 | 12,862 | 11,351 | (1,511) | 4% | 100% |
| As at June 30, 2019 (audited) | | | | | | | 18,939 | 14,095 | (4,844) | | |

- 6.1.1 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. In prior year, the investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5 % of bonus entitlement of the Fund having fair market value of Rs. 0.044 million at period end. Such shares have not been deposited by the investee companies in CDC account of Income Tax department. The Fund has included in its investment the shares withheld and recorded these at fair market value at year end. Moreover, during the period, the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.
- 6.1.2 The above securities include 18,100 shares pledged with the National Clearing Company of Pakistan Limited (NCCPL) having a market value (in aggregate) amounting to Rs. 2.150 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

7 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Income Tax Ordinance, 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under sections 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing Income Tax Return for Tax Year 2019.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

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

During the period management fee charged is 0.75%(June 2019: 0.75%). The remuneration is paid to the Management Company on monthly basis in arrears.

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

10.1 Provision for Sindh Workers' Welfare Fund

As disclosed in note 15.1 to the annual financial statements for the year ended June 30, 2019, the Provision for Workers' Welfare Fund (WWF) held in the books of accounts till June 30, 2015 was reversed on January 12, 2017. There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.1 to the annual audited financial statements for the year ended

Further, this includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2019 amounting to Rs. 0.33 million (June 30, 2019: Rs.0.371 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.0.0111 (June 30, 2019: Re.0.1189).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019.

12 TAXATION

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

13 EARNINGS PER UNIT

Earnings per unit (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.

14 TOTAL EXPENSE RATIO

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

Further, as per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.43% as on September 30, 2019 and this includes 0.04% representing government levy, worker's welfare fund and SECP fee.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

15.1 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.

15.2 Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.

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

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

15.5 Details of transactions with related parties / connected persons during the period and balances held with them at the quarter year ended September 30, 2019 are as follows

| | Management Company | Associated Companies | Trustee | Other Connected persons / related parties |
|---|-----------------------|-------------------------|---------|---|
| ----- (Rupees in '000) ----- | | | | |
| Transactions during the three months period ended September, 2019 | | | | |
| Profit on savings accounts | - | 25 | - | - |
| Profit on Term deposit receipts | - | 4,133 | - | - |
| Bank charges | - | - | - | - |
| Units issued | - | - | - | - |
| Remuneration (including Sindh sales tax) | 651 | - | 113 | - |
| Allocated expenses | 77 | - | - | - |
| CDS expense | - | - | 2 | - |
| Dividend paid | - | - | - | - |
| Listing fee | - | 7 | - | - |
| Transactions during the three months period ended September 30, 2018 | | | | |
| Profit on savings accounts and TDRs | - | 4,682 | - | - |
| Bank charges | - | 1 | - | - |
| Units issued | - | 758 | - | - |
| Dividend paid | - | 876 | - | - |
| Remuneration (including sindh sales tax) | 728 | - | 126 | - |
| Allocated expenses | 86 | - | - | - |
| Listing Fee | - | 6 | - | - |
| CDS expense | - | - | 2 | - |
| | Management Company | Associated Companies | Trustee | Other Connected persons / related parties |
| ----- (Rupees in '000) ----- | | | | |
| Balances held as at September 30, 2019 | | | | |
| Units held (in Units '000) | - | 1,760 | - | - |
| Units held (in Rupees '000) | - | 177,028 | - | - |
| Bank balances | - | 360 | - | - |
| Term Deposit Receipt | - | 243,805 | - | - |
| Deposits | - | - | 100 | - |
| Remuneration payable | 211 | - | 36 | - |
| Other payables | 17 | - | - | - |
| Profit receivable on saving account | - | 4 | - | - |
| Profit receivable on Term deposit receipts | - | 42,780 | - | - |
| Allocated expenses | 51 | - | - | - |
| Listing fee payable | - | 28 | - | - |

Balances held as at June 30, 2019

| | | | | |
|-----------------------------|-----|---------|-----|---|
| Units held (in Units '000) | - | 1,760 | - | - |
| Units held (in Rupees '000) | - | 176,052 | - | - |
| Bank balances | - | 386 | - | - |
| Term Deposit Receipt | - | 254,014 | - | - |
| Deposits | - | - | 100 | - |
| Remuneration payable | 218 | - | 38 | - |
| Other payables | 16 | - | - | - |
| Profit receivable | - | 40,440 | - | - |
| Allocated expenses | 26 | - | - | - |

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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 the IFRS7 (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) inactive 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) (level 2); and

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

As of the reporting date, the following financial instruments of the Fund are carried at fair value:

| As at September 30, 2019 | | | |
|--|----------------|----------------|---------------|
| Fair Value | | | |
| Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | |
| Financial assets measured at fair value | 11,351 | | 11,351 |
| | 11,351 | | 11,351 |

| As at June 30, 2019 | | | |
|---|----------------|----------------|--------------|
| Fair Value | | | |
| Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | |
| Financial assets measured at fair value | 14,095 | | 14,095 |
| | 14,095 | | 14,095 |

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

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

17 GENERAL

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

18 DATE OF AUTHORIZATION FOR ISSUE

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

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

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UFPF

UBL Financial Planning Fund

INVESTMENT OBJECTIVE

The objective of the fund is to generate returns on investments as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the Investor

| | |
|-----------------------------|--|
| 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 | EY Ford Rhodes |
| Bankers | United Bank Limited |
| Management Co.Rating | AMI (VIS) |

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

| | September 30, 2019 (Un-audited) | | | | Total | June 30, 2019 (Audited) | | | Total |
|---|--|---|--|----------------|------------------|--|---|--|-------|
| | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | | | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | |
| ASSETS | | | | | | | | | |
| Bank balances | 26 | 8 | 66 | 100 | 1,195 | 521 | 1,751 | 3,467 | |
| Investments | 96,532 | 221,949 | 188,005 | 506,486 | 168,177 | 309,837 | 190,265 | 668,279 | |
| Mark-up and other receivables | 121 | 216 | 9 | 346 | 46 | 188 | 21 | 255 | |
| Advance tax | 1 | - | - | 1 | 1 | - | - | 1 | |
| Preliminary expenses and floatation costs | 123 | 170 | 22 | 315 | 167 | 203 | - | 370 | |
| TOTAL ASSETS | 96,803 | 222,343 | 188,102 | 507,248 | 169,586 | 310,749 | 192,037 | 672,372 | |
| LIABILITIES | | | | | | | | | |
| Payable to the Management Company | 467 | 585 | 36 | 1,088 | 463 | 570 | 21 | 1,054 | |
| Payable to the Trustee | 6 | 15 | 12 | 33 | 16 | 29 | 18 | 63 | |
| Annual fee payable to Securities and Exchange Commission of Pakistan (SECP) | 6 | 13 | 9 | 28 | 129 | 240 | 104 | 473 | |
| Accrued and other liabilities | 367 | 572 | 1,483 | 2,422 | 226 | 1,194 | 1,447 | 2,867 | |
| TOTAL LIABILITIES | 846 | 1,185 | 1,540 | 3,571 | 834 | 2,033 | 1,590 | 4,457 | |
| NET ASSETS | 95,957 | 221,158 | 186,562 | 503,677 | 168,752 | 308,716 | 190,447 | 667,915 | |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 95,957 | 221,158 | 186,562 | 503,677 | 168,752 | 308,716 | 190,447 | 667,915 | |
| CONTINGENCIES AND COMMITMENTS | | | | | | | | | |
| NUMBER OF UNITS IN ISSUE | 910,338 | 2,154,046 | 1,855,576 | | 1,636,777 | 3,042,371 | 1,898,372 | | |
| NET ASSETS VALUE PER UNIT (RUPEES) | 105.4078 | 102.6711 | 100.5411 | | 103.1001 | 101.4723 | 100.3210 | | |

The annexed notes from 1 to 17 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| For The Quarter Ended September 30, 2019 | | | | For The Quarter Ended September 30, 2018 | | |
|---|--|---|-------|---|--|-------|
| UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | Total | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | Total |

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

INCOME

| | | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| Mark-up on bank accounts | 125 | 52 | 49 | 226 | 95 | 26 | 121 |
| Dividend income | - | - | - | - | 74 | 440 | 514 |
| Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss' | 1,678 | 747 | 1,920 | 4,345 | 1,595 | 2,289 | 3,884 |
| Income from term deposit receipt (TDR) | - | 2,097 | - | 2,097 | - | 2,097 | 2,097 |
| Net gain/loss on sale of investments classified as classified as 'at fair value through profit or loss' | (1,099) | (1,547) | (1,613) | (4,259) | 88 | 88 | 176 |
| Other income | 1,497 | 1,801 | 170 | 3,468 | 129 | 89 | 218 |
| Total income | 2,201 | 3,150 | 526 | 5,877 | 1,981 | 5,029 | 7,010 |

EXPENSES

| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|--------------|
| Remuneration of the Management Company | - | 312 | - | 312 | - | 312 | 312 |
| Sales tax on management fee | - | 41 | - | 41 | - | 41 | 41 |
| Allocated expenses by the Management Company | 32 | 63 | 47 | 142 | 44 | 82 | 126 |
| Remuneration of the Trustee | 23 | 44 | 33 | 100 | 43 | 82 | 125 |
| Sales tax on remuneration of the Trustee | 3 | 6 | 4 | 13 | 6 | 11 | 17 |
| Annual fee - Securities and Exchange Commission of Pakistan | 6 | 13 | 9 | 28 | 33 | 62 | 95 |
| Amortization of preliminary expenses and floatation costs | 65 | 56 | - | 121 | 65 | 56 | 121 |
| Auditors' remuneration | 31 | 31 | 31 | 93 | 46 | 46 | 92 |
| Legal and professional charges | 13 | 12 | 13 | 38 | 38 | 19 | 57 |
| Bank charges and other charges | 6 | 47 | 10 | 63 | 12 | 5 | 17 |
| Total expenses | 179 | 625 | 147 | 951 | 287 | 716 | 1,003 |

Net operating income for the period

| | | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | 2,022 | 2,525 | 379 | 4,926 | 1,694 | 4,313 | 6,007 |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|

Provision for Sindh Workers' Welfare Fund (SWWF) 7.1

| | | | | | | | |
|--|-----------|-----------|----------|-----------|-----------|-----------|------------|
| | 40 | 50 | 8 | 98 | 33 | 85 | 118 |
|--|-----------|-----------|----------|-----------|-----------|-----------|------------|

Net income for the period before taxation

| | | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | 1,982 | 2,475 | 371 | 4,828 | 1,661 | 4,228 | 5,889 |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|

Taxation 11

| | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|
| | - |
|--|----------|----------|----------|----------|----------|----------|----------|

Net income for the period after taxation

| | | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | 1,982 | 2,475 | 371 | 4,828 | 1,661 | 4,228 | 5,889 |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|

Allocation of net income for the period:

| | | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| Net income for the period after taxation | 1,982 | 2,475 | 371 | 4,828 | 1,661 | 4,228 | 5,889 |
| Income already paid on units redeemed * | (79) | (25) | - | (104) | (39) | (25) | (64) |
| | 1,903 | 2,450 | 371 | 4,724 | 1,622 | 4,203 | 5,825 |

Accounting income available for distribution

| | | | | | | | |
|-----------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| - Relating to capital gains | 516 | - | 307 | 822 | 1,642 | 2,358 | 4,000 |
| - Excluding capital gains | 1,387 | 2,450 | 64 | 3,902 | (20) | 1,845 | 1,825 |
| | 1,903 | 2,450 | 371 | 4,724 | 1,622 | 4,203 | 5,825 |

Earnings per unit

12

The annexed notes from 1 to 17 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

| | For The Quarter Ended September 30, 2019 | | | Total | For The Quarter Ended September 30, 2018 | | Total |
|--|---|--|---|--------------|---|--|--------------|
| | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | |
| | (Rupees in '000) | | | | | | |
| Net income for the period after taxation | 1,982 | 2,475 | 371 | 4,829 | 1,661 | 4,228 | 5,889 |
| Other comprehensive income for the period | - | - | | - | | | |
| Total comprehensive income for the period | 1,982 | 2,475 | 371 | 4,829 | 1,661 | 4,228 | 5,889 |

The annexed notes from 1 to 17 form an integral part of these financial statements.

For UBL Fund Managers Limited
' (Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 20

| | For The Quarter Ended September 30, 2019 | | | Total | For The Quarter Ended September 30,2018 | | Total |
|---|---|--|---|------------------|---|--|----------------|
| | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | |
| (Rupees in '000) | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net income for the period before taxation | 1,982 | 2,475 | 371 | 4,828 | 1,661 | 4,228 | 5,889 |
| Adjustments for: | | | | | | | |
| Mark-up on bank accounts | (125) | (52) | (49) | (226) | (95) | (26) | (121) |
| Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss - | (1,678) | (747) | (1,920) | (4,345) | (1,595) | (2,289) | (3,884) |
| Income from term deposit receipt (TDR) | - | (2,097) | - | (2,097) | - | (2,097) | (2,097) |
| Dividend income | - | - | - | - | (74) | (440) | (514) |
| Net gain on sale of investments classified as classified as 'at fair value through profit or loss' | 1,099 | 1,547 | 1,613 | 4,259 | (88) | (88) | (176) |
| Amortization of preliminary expenses and floatation costs | 65 | 56 | - | 121 | 65 | 56 | 121 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 40 | 50 | 8 | 98 | 33 | 85 | 118 |
| | (599) | (1,243) | (348) | (2,190) | (1,754) | (4,799) | (6,553) |
| (Increase) / decrease in assets | | | | | | | |
| Investments | 72,223 | 87,088 | 2,567 | 161,878 | 3,302 | 10,652 | 13,954 |
| Mark-up and other receivables | (75) | (28) | 12 | (91) | - | - | - |
| Advance tax | - | - | - | - | 39 | (36) | 3 |
| Preliminary expenses and floatation costs | (21) | (23) | (22) | (66) | (425) | (425) | (850) |
| | 72,127 | 87,037 | 2,557 | 161,721 | 2,916 | 10,191 | 13,107 |
| (Decrease) / Increase in liabilities | | | | | | | |
| Payable to the Management Company | 4 | 15 | 15 | 34 | 416 | (2,456) | (2,040) |
| Payable to the Trustee | (10) | (14) | (6) | (30) | 1 | 2 | 3 |
| Annual fee payable to SECP | (123) | (227) | (95) | (445) | (13) | 41 | 28 |
| Accrued and other liabilities | 102 | (672) | 28 | (542) | 84 | (4,837) | (4,753) |
| | (27) | (898) | (58) | (983) | 488 | (7,250) | (6,762) |
| Mark-up received | 125 | 2,149 | 49 | 2,323 | 95 | 3 | 98 |
| Dividend income received | - | - | - | - | 74 | 440 | 514 |
| Net cash flows generated from operating activities | 73,608 | 89,520 | 2,571 | 165,699 | 3,480 | 2,813 | 6,293 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Net receipt from issuance of units | 9,906 | - | - | 9,906 | - | 363 | 363 |
| Cash dividend paid to unit holders | - | - | - | - | - | (405) | (405) |
| Net payment against redemption of units | (84,683) | (90,033) | (4,256) | (178,972) | (3,228) | (2,227) | (5,455) |
| Net cash flows used in from financing activities | (74,777) | (90,033) | (4,256) | (169,066) | (3,228) | (2,269) | (5,497) |
| Net Decrease/Increase in cash and cash equivalent during the quarter | (1,169) | (513) | (1,685) | (3,367) | 252 | 544 | 796 |
| Cash and cash equivalents at beginning of the quarter | 1,195 | 521 | 1,751 | 3,467 | 749 | 80 | 829 |
| Cash and cash equivalents at end of the Quarter | 26 | 8 | 66 | 100 | 1,001 | 624 | 1,625 |
| Cash and cash equivalents | | | | | | | |
| Bank balances | 26 | 8 | 66 | 100 | 1,001 | 624 | 1,625 |

The annexed notes from 1 to 17 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | For The Quarter Ended September 30, 2019 | | | | | | | | | Total | For The Quarter Ended September 30, 2018 | | | | | | |
|---|--|----------------------|-----------------|---|----------------------|-----------------|--|----------------------|-----------------|----------------|--|----------------------|----------------|---|----------------------|----------------|----------------|
| | UBL Active Principal Preservation Plan I | | | UBL Active Principal Preservation Plan II | | | UBL Active Principal Preservation Plan III | | | | UBL Active Principal Preservation Plan I | | | UBL Active Principal Preservation Plan II | | | Total |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | |
| (Rupees in '000) | | | | | | | | | | | | | | | | | |
| Net assets at beginning of the quarter | 163,614 | 5,138 | 168,752 | 304,219 | 4,497 | 308,716 | 189,616 | 831 | 190,447 | 667,915 | 171,657 | 1,508 | 173,165 | 322,086 | 2,032 | 324,118 | 497,283 |
| Issuance of units: | | | | | | | | | | | | | | | | | |
| UBL Active Principal Preservation Plan I (2019: 96,848 UNITS), (2018: Nil Units) | | | | | | | | | | | | | | | | | |
| - Capital value | 9,985 | - | 9,985 | - | - | - | - | - | - | 9,985 | - | - | - | - | - | - | - |
| - Element relating to the income for the year after taxation | (79) | - | (79) | - | - | - | - | - | - | (79) | - | - | - | - | - | - | - |
| UBL Active Principal Preservation Plan II (2019: Nil UNITS), (2018: 3,606 units) | | | | | | | | | | | | | | | | | |
| - Capital value | - | - | - | - | - | - | - | - | - | - | - | - | 363 | - | - | 363 | 363 |
| - Element relating to the income for the year after taxation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| UBL Active Principal Preservation Plan III (2019: Nil UNITS) | | | | | | | | | | | | | | | | | |
| - Capital value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Element relating to the income for the year after taxation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 9,906 | - | 9,906 | - | - | - | - | - | - | 9,906 | - | - | - | 363 | - | 363 | 363 |
| Redemption of units | | | | | | | | | | | | | | | | | |
| UBL Active Principal Preservation Plan I (2019: 823,286 units) (2018: 31,632 Units) | | | | | | | | | | | | | | | | | |
| - Capital value | (84,881) | - | (84,881) | - | - | - | - | - | - | (84,881) | (3,191) | - | (3,191) | - | - | - | (3,191) |
| - Element relating to the income for the year after taxation | 277 | (79) | 198 | - | - | - | - | - | - | 198 | 2 | (39) | (37) | - | - | - | (37) |
| UBL Active Principal Preservation Plan II (888,324 units) (2018: 21,919 units) | | | | | | | | | | | | | | | | | |
| - Capital value | - | - | - | (90,140) | - | (90,140) | - | - | - | (90,140) | - | - | (2,203) | - | (2,203) | (2,203) | (2,203) |
| - Element relating to the income for the year after taxation | - | - | - | 132 | (25) | 107 | - | - | - | 107 | - | - | 1 | (25) | (24) | (24) | (24) |
| UBL Active Principal Preservation Plan III (42,796 units) | | | | | | | | | | | | | | | | | |
| - Capital value | - | - | - | - | - | - | (4,293) | - | (4,293) | (4,293) | - | - | - | - | - | - | - |
| - Element relating to the income for the year after taxation | - | - | - | - | - | - | 37 | - | 37 | 37 | - | - | - | - | - | - | - |
| | (84,604) | (79) | (84,683) | (90,008) | (25) | (90,033) | (4,256) | - | (4,256) | (178,972) | (3,189) | (39) | (3,228) | (2,202) | (25) | (2,227) | (5,455) |
| Total comprehensive income for the period | - | 1,982 | 1,982 | - | 2,475 | 2,475 | - | 371 | 371 | 4,829 | - | 1,661 | 1,661 | 4,228 | 4,228 | 5,889 | 5,889 |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | - | - | - | (405) | (405) | (405) | (405) |
| Net income for the quarter less distribution | - | 1,982 | 1,982 | - | 2,475 | 2,475 | - | 371 | 371 | 4,829 | - | 1,661 | 1,661 | 3,823 | 3,823 | 5,484 | 5,484 |
| Net assets at end of the quarter | 88,916 | 7,041 | 95,957 | 214,211 | 6,947 | 221,158 | 185,360 | 1,202 | 186,562 | 503,677 | 168,468 | 3,130 | 171,598 | 320,247 | 5,830 | 326,077 | 497,675 |
| Undistributed income brought forward: | | | | | | | | | | | | | | | | | |
| - Realised | - | 9,274 | 9,274 | - | 10,714 | 10,714 | - | 6,511 | 6,511 | 26,499 | - | 330 | 330 | 1,509 | 1,509 | 1,839 | 1,839 |
| - Unrealised | - | (4,136) | (4,136) | - | (6,217) | (6,217) | - | (5,680) | (5,680) | (16,033) | - | 1,178 | 1,178 | 523 | 523 | 1,701 | 1,701 |
| | - | 5,138 | 5,138 | - | 4,497 | 4,497 | - | 831 | 831 | 10,466 | - | 1,508 | 1,508 | 2,032 | 2,032 | 3,540 | 3,540 |
| Accounting income available for distribution: | | | | | | | | | | | | | | | | | |
| - Relating to capital gains | - | 516 | 516 | - | - | - | - | 307 | 307 | 823 | - | 1,642 | 1,642 | 2,358 | 2,358 | 1,901 | 1,901 |
| - Excluding capital gains | - | 1,387 | 1,387 | - | 2,450 | 2,450 | - | 64 | 64 | 3,902 | - | (20) | (20) | 1,845 | 1,845 | (13) | (13) |
| | - | 1,903 | 1,903 | - | 2,450 | 2,450 | - | 371 | 371 | 4,725 | - | 1,622 | 1,622 | 4,203 | 4,203 | 5,825 | 5,825 |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | - | - | - | (405) | (405) | (405) | (405) |
| Undistributed income carried forward | - | 7,041 | 7,041 | - | 6,947 | 6,947 | - | 1,202 | 1,202 | 15,191 | - | 3,130 | 3,130 | 5,830 | 5,830 | 6,230 | 6,230 |
| Undistributed income carried forward | | | | | | | | | | | | | | | | | |
| - Realised | - | 5,363 | 5,363 | - | 6,200 | 6,200 | - | (718) | (718) | 10,846 | - | 1,535 | 1,535 | 3,541 | 3,541 | 5,076 | 5,076 |
| - Unrealised | - | 1,678 | 1,678 | - | 747 | 747 | - | 1,920 | 1,920 | 4,345 | - | 1,595 | 1,595 | 2,289 | 2,289 | 3,884 | 3,884 |
| | - | 7,041 | 7,041 | - | 6,947 | 6,947 | - | 1,202 | 1,202 | 15,191 | - | 3,130 | 3,130 | 5,830 | 5,830 | 8,960 | 8,960 |
| | | | -- (Rupees) -- | | | -- (Rupees) -- | | | -- (Rupees) -- | | | | | | | | |
| Net assets value per unit at end of the Quarter | | | 105.4078 | | | 102.6711 | | | 100.5411 | | | | | | | | |

The annexed notes from 1 to 17 form an integral part of these financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

UBL FINANCIAL PLANNING FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Financial Planning Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 07, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 29, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from September 28, 2017.

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

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

The objective of the Fund is to generate returns on Investments as per respective Allocation Plans by investing in Mutual Funds in line with the risk tolerance of the Investor. The duration of the Fund and Allocation Plans initially launched therein is perpetual, however, additional Allocation Plans may have a set time frame. Presently, the fund offers only UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III

VIS Credit Rating Company has reaffirmed management quality rating of 'AM1' (stable outlook) to the management company as on December 27, 2018.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2018.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3.1 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1** The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2.

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

- 3.2** IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

| | Note | September 30, 2019 (Un-audited) | | | | June 30, 2019 (Audited) | | | |
|---|--|--|---|--|----------------|--|---|--|----------------|
| | | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | Total | UBL Active Principal Preservation Plan I | UBL Active Principal Preservation Plan II | UBL Active Principal Preservation Plan III | Total |
| 4. BANK BALANCES | | | | | | | | | |
| Bank accounts - savings | 4.1 | 26 | 8 | 66 | 100 | 1,195 | 521 | 1,751 | 3,467 |
| 4.1 | Profit rates on profit and loss savings accounts range between 8% to 8.25% (June 30, 2019: 8% to 8.25%) per annum and these include a balance of Rs.0.1 (June 30, 2019: Rs.3.467) million held with United Bank Limited (a related party). | | | | | | | | |
| 5. INVESTMENTS | | | | | | | | | |
| 5.1 Investments by Category | | | | | | | | | |
| At fair value through profit or loss | | | | | | | | | |
| Units of mutual funds | 5.1.1 | 96,532 | 87,322 | 188,005 | 371,859 | 168,177 | 177,306 | 190,265 | 535,748 |
| 5.2 At Amortised Cost | | | | | | | | | |
| Term Deposits Receipts | 5.2.1 | - | 134,627 | - | 134,627 | - | 132,531 | - | 132,531 |
| | | 96,532 | 221,949 | 188,005 | 506,486 | 168,177 | 309,837 | 190,265 | 668,279 |

5.1.1 Units of mutual funds classified as 'at fair value through profit or loss'

| Name of investee Fund (funds under common management) | Number of Units | | | | Balance as at September 30, 2019 | | | Market value as a % of net assets of each plan | Market value as a % of total value of Investment |
|---|---------------------|-----------------------------|-----------------------------------|--------------------------|----------------------------------|----------------|--------------|--|--|
| | As at July 01, 2019 | Purchased during the period | Sold / Redeemed during the period | As at September 30, 2018 | Carrying Value | Market Value | Appreciation | | |
| Held by UBL Active Principal Preservation Plan I | | | | | | | | | |
| UBL Dedicated Equity Fund | 455,644 | 93,500 | 341,332 | 207,812 | 16,221 | 15,723 | (497) | 16.39% | 16.29% |
| UBL Money Market Fund | 1,304,352 | 161,829 | 686,993 | 779,188 | 78,633 | 80,809 | 2,176 | 84.21% | 83.71% |
| | | | | | 94,854 | 96,532 | 1,678 | 100.60% | 100.00% |
| Held by UBL Active Principal Preservation Plan II | | | | | | | | | |
| UBL Dedicated Equity Fund | 689,972 | 495,995 | 585,919 | 600,048 | 45,753 | 45,401 | (353) | 20.53% | 20.46% |
| UBL Money Market Fund | 1,206,745 | 175,813 | 978,337 | 404,221 | 40,822 | 41,921 | 1,099 | 18.96% | 18.89% |
| | | | | | 86,575 | 87,322 | 746 | 39.48% | 39.34% |
| Held by UBL Active Principal Preservation Plan III | | | | | | | | | |
| UBL Dedicated Equity Fund | 671,331 | 232,414 | 349,627 | 554,118 | 43,825 | 41,926 | (1,899) | 22.47% | 22.30% |
| UBL Money Market Fund | 1,350,445 | 254,249 | 196,139 | 1,408,555 | 142,260 | 146,079 | 3,819 | 78.30% | 77.70% |
| | | | | | 186,085 | 188,005 | 1,920 | 100.77% | 100.00% |
| As at September 30, 2019 | | | | | 367,514 | 371,859 | 4,344 | | |
| Total as at June 30, 2019 | | | | | 551,781 | 535,748 | (16,033) | | |

6. ADVANCE TAX

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

7 ACCRUED EXPENSES AND OTHER LIABILITIES

7.1 Provision for Workers' Welfare Fund (WWF)

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

The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2019. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has recommended its members to provide for SWWF on daily basis with effect from May 21, 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs.0.044 (June 30, 2019: Rs.0.046) in UBL Active Principal Preservation Plan I, Rs. 0.023 (June 30, 2019: Rs.0.065) in UBL Active Principal Preservation Plan II and Rs. 0.004 in UBL Active Principal Preservation Plan III (June 30,2019: 0.011).

8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.07% of net assets.

10. CONTINGENCIES AND COMMITMENTS

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

11. TAXATION

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

12. EARNINGS PER UNIT

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

13. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III is 0.17%, 0.27% and 0.08% as on September 30, 2019 and this includes 0.04%, 0.04% and 0.01% representing government levy, worker's welfare fund and SECP fee respectively.

14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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 three months period ended September 30, 2019 and balance held at Sep 30, 2019 are as follows:

| UBL Active Principal Preservation Plan I | Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| Transactions for the period ended September 30, 2019 | | | | | | |
| Mark-up on bank accounts | - | 125 | - | - | - | - |
| Bank and other charges | - | 4 | - | - | - | - |
| Remuneration (Inclusive of SST) | - | - | 26 | - | - | - |
| Units issued | - | - | - | - | - | - |
| Units redeemed | - | - | - | - | - | - |
| Purchase of Investment | - | - | - | 23,496 | - | - |
| Sale of Investment | - | - | - | 95,721 | - | - |
| Allocated Expenses | 32 | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Dividend received | - | - | - | - | - | - |
| Listing Fee | - | 2 | - | - | - | - |
| Transactions for the period ended September 30, 2018 | | | | | | |
| Mark-up on bank accounts | - | 95 | - | - | - | - |
| Bank charges | - | 9 | - | - | - | - |
| Remuneration (Inclusive of SST) | - | - | 49 | - | - | - |
| Units issued | - | - | - | - | - | - |
| Units redeemed | - | - | - | - | - | - |
| Purchase of securities | - | - | - | 117,841 | - | - |
| Sale of securities | - | - | - | 120,960 | - | - |
| Allocated Expenses | 44 | - | - | - | - | - |
| Dividend Received | - | - | - | 7,293 | - | - |

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|

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

Balances as at September 30, 2019

| | | | | | |
|-----------------------------|-----|-----|--------|---|--------|
| Bank balance | - | 26 | - | - | - |
| Remuneration payable | - | - | 6 | - | - |
| Sales load payable | - | - | - | - | - |
| Allocated expenses payable | 18 | - | - | - | - |
| Other payable | 449 | - | - | - | - |
| Mark-up receivable | - | 120 | - | - | - |
| Units held (in Units '000) | - | - | - | - | 387 |
| Units held (in Rupees '000) | - | - | - | - | 40,793 |
| Units of mutual funds held | - | - | 96,532 | - | - |
| Listing fee payable | - | 9 | 0 | - | 0 |

UBL Active Principal Preservation Plan II

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|

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

Transactions for the period ended September 30, 2019

| | | | | | |
|--|-----|-------|---------|---|---|
| Income from term deposit receipt (TDR) | - | 2,097 | - | - | - |
| Mark-up on bank accounts | - | 52 | - | - | - |
| Bank and other charges | - | 45 | - | - | - |
| Remuneration (Inclusive of SST) | 353 | - | 50 | - | - |
| Units issued | - | - | - | - | - |
| Units redeemed | - | - | - | - | - |
| Purchase of Investment | - | - | 54,981 | - | - |
| Sale of Investment | - | - | 144,165 | - | - |
| Allocated Expenses | 63 | - | - | - | - |
| Dividend paid | - | - | - | - | - |
| Dividend received | - | - | - | - | - |
| Listing fee | - | 2 | - | - | - |

Transactions for the period ended September 30, 2018

| | | | | | |
|--|-----|------|---------|---|----|
| Income from term deposit receipt (TDR) | - | 2097 | - | - | - |
| Bank and other charges | - | 4 | - | - | - |
| Remuneration (Inclusive of SST) | 353 | - | 93 | - | - |
| Units issued | - | - | - | - | 69 |
| Units redeemed | - | - | - | - | - |
| Purchase of Investment | - | - | 133,579 | - | - |
| Sale of Investment | - | - | 144,036 | - | - |
| Allocated Expenses | 82 | - | - | - | - |
| Dividend paid | - | - | - | - | 78 |
| Dividend received | - | - | 9,885 | - | - |

Balances as at September 30, 2019

| | | | | | |
|--|-----|---------|--------|---|--------|
| Bank balance | - | 8 | - | - | - |
| Term deposit receipt (TDR) | - | 123,663 | - | - | - |
| Remuneration payable | 115 | - | 15 | - | - |
| Sales load payable | - | - | - | - | - |
| Allocated expenses payable | 40 | - | - | - | - |
| Other payable | 430 | - | - | - | - |
| Mark-up receivable | - | 50 | - | - | - |
| Units held (in Units '000) | - | - | - | - | 887 |
| Units held (in Rupees '000) | - | - | - | - | 91,069 |
| Units of mutual funds held | - | - | 87,322 | - | - |
| Mark-up receivable on term deposit receipt (| - | 10,965 | - | - | - |
| Listing fee payable | - | 9 | - | - | - |

**UBL Active Principal Preservation
Plan III**

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|

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

**Transactions for the period
ended September 30, 2019**

| | | | | | |
|---------------------------------|----|----|--------|---|---|
| Mark-up on bank accounts | - | 48 | - | - | - |
| Bank and other charges | - | 7 | - | - | - |
| Remuneration (Inclusive of SST) | - | - | 37 | - | - |
| Units issued | - | - | - | - | - |
| Units redeemed | - | - | - | - | - |
| Purchase of Investment | - | - | 43,462 | - | - |
| Sale of Investment | - | - | 46,030 | - | - |
| Allocated Expenses | 47 | - | - | - | - |
| Dividend paid | - | - | - | - | - |
| Dividend received | - | - | - | - | - |
| Listing fee | - | 2 | - | - | - |

Balances as at September 30, 2019

| | | | | | |
|-----------------------------|----|-------|---------|---|--------|
| Bank balance | - | 66 | - | - | - |
| Remuneration payable | - | - | 12 | - | - |
| Sales load payable | - | 1,300 | - | - | - |
| Allocated expenses payable | 31 | - | - | - | - |
| Other payable | 5 | - | - | - | - |
| Mark-up receivable | - | 9 | - | - | - |
| Units held (in Units '000) | - | - | - | - | 391 |
| Units held (in Rupees '000) | - | - | - | - | 39,312 |
| Units of mutual funds held | - | - | 188,005 | - | - |
| Listing fee payable | - | 9 | - | - | - |

**UBL Active Principal Preservation
Plan I**

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|

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

Balances as at June 30, 2019

| | | | | | |
|-----------------------------|-----|-------|---------|---|--------|
| Bank balance | - | 1,195 | - | - | - |
| Remuneration payable | - | - | 16 | - | - |
| Sales load payable | - | - | - | - | - |
| Allocated expenses payable | 14 | - | - | - | - |
| Other payable | 449 | - | - | - | - |
| Mark-up receivable | - | 46 | - | - | - |
| Units held (in Units '000) | - | - | - | - | 535 |
| Units held (in Rupees '000) | - | - | - | - | 55,159 |
| Units of mutual funds held | - | - | 168,177 | - | - |

**UBL Active Principal Preservation
Plan II**

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
|--------------------|----------------------|---------|-------------------------------|------------------------------|---|

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

Balances as at June 30, 2019

| | | | | | |
|--|-----|---------|---------|---|--------|
| Bank balance | - | 521 | - | - | - |
| Term deposit receipt | - | 123,663 | - | - | - |
| Remuneration payable | 115 | - | 29 | - | - |
| Sales load payable | - | - | - | - | - |
| Allocated expenses payable | 26 | - | - | - | - |
| Other payable | 430 | - | - | - | - |
| Mark-up receivable | - | 23 | - | - | - |
| Units held (in Units '000) | - | - | - | - | 635 |
| Units held (in Rupees '000) | - | - | - | - | 64,435 |
| Units of mutual funds held | - | - | 177,306 | - | - |
| Mark-up receivable on term deposit receipt (TDR) | - | 8,868 | - | - | - |

**UBL Active Principal Preservation
Plan III**

| Management Company | Associated Companies | Trustee | Funds under Common Management | Directors and Key Executives | Other Connected Persons / Related Parties |
|-------------------------------|---------------------------------|----------------|--|---|--|
|-------------------------------|---------------------------------|----------------|--|---|--|

(Rupees in '000)

Balances as at June 30, 2019

| | | | | | | |
|-----------------------------|----|-------|----|---------|---|--------|
| Bank balance | - | 1,751 | - | - | - | - |
| Remuneration payable | - | - | 18 | - | - | - |
| Sales load payable | - | 1,300 | - | - | - | - |
| Allocated expenses payable | 16 | - | - | - | - | - |
| Other payable | 5 | - | - | - | - | - |
| Mark-up receivable | - | 21 | - | - | - | - |
| Units held (in Units '000) | - | - | - | - | - | 391 |
| Units held (in Rupees '000) | - | - | - | - | - | 39,226 |
| Units of mutual funds held | - | - | - | 190,265 | - | - |

15. Fair value of financial instruments

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

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

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

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

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

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

| | Fair Value | | | |
|--|------------------------------|---------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | |
| As at September 30, 2019 (Un-audited) | | | | |
| Financial assets measured at fair value | | | | |
| Units of mutual fund | 371,859 | - | - | 371,859 |

| | Fair Value | | | |
|--|------------------------------|---------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | |
| As at June 30, 2019 (Audited) | | | | |
| Financial assets measured at fair value | | | | |
| Units of mutual fund | 535,748 | - | - | 535,748 |

15.1 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.

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

16. GENERAL

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

17. DATE OF AUTHORISATION FOR ISSUE

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

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

SD

SD

SD

Chief Executive Officer

Director

Chief Financial Officer

USSF

UBL Special Savings Fund

INVESTMENT OBJECTIVE

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

| | |
|-----------------------------|--|
| Management Company | UBL Fund Managers Limited |
| Trustee | Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi. Tel: (9221) 111-111-500 |
| Distribution Company | United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk) |
| Auditor | KPMG - Taseer Hadi & Co |
| Bankers | JS Bank Limited Soneri Bank Limited Soneri Bank Limited |
| Management Co.Rating | AMI (VIS) |

UBL Special Savings Fund
Statement of Assets and Liabilities
As at 30 September 2019

| | | (Un-audited) September 30, 2019 | | | | | | |
|---|----|------------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| | | USSP-I | USSP-II | USSP-III | USSP-IV | USSP-V | USSP-VI | Total |
| | | ----- (Rupees in '000) ----- | | | | | | |
| Assets | | | | | | | | |
| Bank balances | 4 | 3,009 | 3,049 | 8,608 | 28,752 | 77,729 | 156,605 | 277,752 |
| Investments | 5 | 396,763 | 823,841 | 264,363 | 181,994 | 4,615,612 | - | 6,282,573 |
| Profit receivables | 6 | 7,097 | 14,932 | 4,989 | 3,762 | 351 | 1,288 | 32,419 |
| Prepayments and other receivables | | 11 | 11 | 11 | 12 | 11 | 310 | 366 |
| Preliminary expenses and floatation cost | 8 | 795 | - | - | - | - | - | 795 |
| Advance tax | 9 | 214 | 41 | 35 | 4 | - | - | 294 |
| Total assets | | 407,889 | 841,874 | 278,006 | 214,524 | 4,693,703 | 158,203 | 6,594,199 |
| Liabilities | | | | | | | | |
| Payable to the Management Company | 10 | 2,909 | 1,802 | 1,991 | 422 | 450 | 930 | 8,504 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 23 | 49 | 16 | 12 | 135 | 6 | 241 |
| Payable to Securities and Exchange Commission of Pakistan | 12 | 21 | 44 | 14 | 10 | 40 | 2 | 131 |
| Dividend payable | | - | 627 | - | - | - | - | 627 |
| Accrued expenses and other payables | 13 | 2,076 | 6,640 | 391 | 365 | 590 | 75 | 10,137 |
| Total liabilities | | 5,029 | 9,162 | 2,412 | 809 | 1,215 | 1,013 | 19,640 |
| Net assets | | 402,860 | 832,712 | 275,594 | 213,715 | 4,692,488 | 157,190 | 6,574,559 |
| Unit holders' fund (as per statement attached) | | 402,860 | 832,712 | 275,594 | 213,715 | 4,692,488 | 157,190 | 6,574,559 |
| Contingencies and commitments | | | | | | | | |
| | | ----- (Number of units) ----- | | | | | | |
| Number of units in issue | | 3,935,572 | 8,151,809 | 2,650,273 | 2,059,740 | 46,569,415 | 1,546,650 | |
| | | ----- (Rupees in '000) ----- | | | | | | |
| Net assets value per unit | | 102.3639 | 102.1506 | 103.9870 | 103.7584 | 100.7633 | 101.6326 | |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Special Savings Fund
Statement of Assets and Liabilities
As at 30 June 2019

| | | (Audited) June 30, 2019 | | | | | |
|--------------------|---|------------------------------|-------------------------------|------------------|------------------|------------------|------------------|
| | | USSP-I | USSP-II | USSP-III | USSP-IV | Total | |
| Note | | ----- (Rupees in '000) ----- | | | | | |
| Assets | | | | | | | |
| | Bank balances | 4 | 23,311 | 39,497 | 543 | 37,274 | 100,625 |
| | Investments | 5 | 426,850 | 840,705 | 255,564 | 130,003 | 1,653,122 |
| | Profit receivables | 6 | 16,294 | 33,486 | 11,179 | 6,212 | 67,171 |
| | Prepayments and other receivables | 7 | - | 22,152 | 191 | 9,894 | 32,237 |
| | Preliminary expenses and floatation cost | 8 | 890 | - | - | - | 890 |
| | Advance tax | 9 | 214 | 39 | 36 | 3 | 292 |
| | Total assets | | <u>467,559</u> | <u>935,879</u> | <u>267,513</u> | <u>183,386</u> | <u>1,854,337</u> |
| Liabilities | | | | | | | |
| | Payable to the Management Company | 10 | 2,447 | 983 | 1,957 | 219 | 5,606 |
| | Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 40 | 77 | 22 | 14 | 153 |
| | Payable to Securities and Exchange Commission of Pakistan | 12 | 229 | 213 | 23 | 10 | 475 |
| | Dividend payable | | - | 627 | - | - | 627 |
| | Accrued expenses and other payables | 13 | 5,123 | 32,160 | 686 | 356 | 38,325 |
| | Total liabilities | | <u>7,839</u> | <u>34,060</u> | <u>2,688</u> | <u>599</u> | <u>45,186</u> |
| | Net assets | | <u>459,720</u> | <u>901,819</u> | <u>264,825</u> | <u>182,787</u> | <u>1,809,151</u> |
| | Unit holders' fund (as per statement attached) | | <u>459,720</u> | <u>901,819</u> | <u>264,825</u> | <u>182,787</u> | <u>1,809,151</u> |
| | Contingencies and commitments | 17 | ----- (Number of units) ----- | | | | |
| | Number of units in issue | | <u>4,709,959</u> | <u>9,257,824</u> | <u>2,678,767</u> | <u>1,833,947</u> | |
| | | | ----- (Rupees in '000) ----- | | | | |
| | Net assets value per unit | | <u>97.6060</u> | <u>97.4116</u> | <u>98.8607</u> | <u>99.6688</u> | |

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

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Special Savings Fund
Statement of Comprehensive Income
For the Quarter Ended September 30 2019

| | Quarter Ended September, 2019 | | | | For The Period From 13 Sep 2019 To 30 Sep 2019 | For the period from 09 Aug 2019 to 30 Sep 2019 | Total |
|--|-------------------------------|---------------|---------------|--------------|---|---|----------------|
| | USSP-I | USSP-II | USSP-III | USSP-IV | USSP V | USSP VI | |
| | (Rupees in '000) | | | | | | |
| Net income for the quarter & period after taxation | 8,267 | 26,083 | 8,291 | 6,311 | 27,028 | 1,245 | 77,225 |
| Other comprehensive income for the period | | | | | | | |
| <i>Items to be reclassified to income statement in subsequent periods:</i> | | | | | | | |
| Unrealised loss on re-measurement of investments - classified at fair value through other comprehensive income | 11,471 | 15,577 | 5,353 | 1,990 | (519) | - | 33,872 |
| Reclassification adjustment relating to investments - at fair value through other comprehensive income sold during the period. | - | - | - | - | - | - | - |
| | 11,471 | 15,577 | 5,353 | 1,990 | (519) | - | 33,872 |
| Total comprehensive income for the quarter & period | 19,738 | 41,660 | 13,644 | 8,301 | 26,509 | 1,245 | 111,097 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Special Savings Fund
Statement of Movement in Unit Holders' Fund
For the Quarter Ended September 30 2019

| | Quarter Ended September, 2019 | | | | | | | | | | | | | | | |
|--|-------------------------------|----------------------|--|------------------|----------------|----------------------|--|------------------|----------------|----------------------|--|------------------|-----------------|----------------------|--|-----------------|
| | USSP-I | | | | USSP-II | | | | USSP-III | | | | USSP-IV | | | |
| | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total |
| (Rupees in '000) | | | | (Rupees in '000) | | | | (Rupees in '000) | | | | (Rupees in '000) | | | | |
| At beginning of the period | 471,249 | 136 | (11,665) | 459,720 | 925,449 | 1,024 | (24,654) | 901,819 | 267,855 | (60) | (2,970) | 264,825 | 183,380 | (78) | (515) | 182,787 |
| Issuance of 3,000 , 0, 15,313, 387,109, 46,569,414, 1,577,260 units | | | | | | | | | | | | | | | | |
| - Capital value | 293 | - | - | 293 | - | - | - | - | 1,514 | - | - | 1,514 | 38,583 | - | - | 38,583 |
| - Element of income during the period relating to other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - relating to net income for the period after taxation | 13 | - | - | 13 | - | - | - | - | 78 | - | - | 78 | 194 | - | - | 194 |
| Total proceeds on issuance of units | 306 | - | - | 306 | - | - | - | - | 1,592 | - | - | 1,592 | 38,777 | - | - | 38,777 |
| Redemption of 777,386 , 1,106,015 , 43,807, 161,316 , 0, 10,609 units | | | | | | | | | | | | | | | | |
| - Capital value | (75,878) | - | - | (75,878) | (107,739) | - | - | (107,739) | (4,331) | - | - | (4,331) | (16,078) | - | - | (16,078) |
| - Element of income during the period relating to other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - relating to net income for the period after taxation | (1,026) | - | - | (1,026) | (3,028) | - | - | (3,028) | (136) | - | - | (136) | (72) | - | - | (72) |
| Total payments on redemption of units | (76,904) | - | - | (76,904) | (110,767) | - | - | (110,767) | (4,466) | - | - | (4,467) | (16,150) | - | - | (16,150) |
| Total comprehensive income for the period | - | 8,267 | 11,471 | 19,738 | - | 26,083 | 15,577 | 41,660 | - | 8,291 | 5,353 | 13,644 | - | 6,311 | 1,990 | 8,301 |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net income for the period less distribution | - | 8,267 | 11,471 | 19,738 | - | 26,083 | 15,577 | 41,660 | - | 8,291 | 5,353 | 13,644 | - | 6,311 | 1,990 | 8,301 |
| Net assets at end of the period | 394,651 | 8,403 | (194) | 402,860 | 814,682 | 27,107 | (9,077) | 832,712 | 264,981 | 8,231 | 2,383 | 275,594 | 206,007 | 6,233 | 1,475 | 213,715 |
| | | 136 | | | | 1,024 | | | | (60) | | | | (78) | | |
| Accounting income available for distribution : | | | | | | | | | | | | | | | | |
| - Relating to capital gains | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Excluding capital gains | 8,267 | 8,267 | | | 26,083 | 26,083 | | | 8,291 | 8,291 | | | 6,311 | 6,311 | | |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Undistributed income carried forward | 8,403 | | | | 27,107 | | | | 8,231 | | | | 6,233 | | | |
| Undistributed income carried forward comprise of : | | | | | | | | | | | | | | | | |
| - Realised income | 8,403 | | | | 27,107 | | | | 8,231 | | | | 6,233 | | | |
| - Unrealised income | - | | | | - | | | | - | | | | - | | | |
| | 8,403 | | | | 27,107 | | | | 8,231 | | | | 6,233 | | | |
| | | | (Rupees) | | | | | | | | | | | | | |
| Net assets value per unit at end of the quarter | | | | 102.3639 | | | | 102.1506 | | | | | 103.9870 | | | 103.7584 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Special Savings Fund
Statement of Movement in Unit Holders' Fund
For the Quarter Ended September 30 2019

| | For the period from 13 Sep 2019 to 30 Sep 2019 | | | | For the period from 09 Aug 2019 to 30 Sep 2019 | | | | Total | | | |
|---|---|----------------------|--|------------------|---|----------------------|--|-----------------|------------------|----------------------|--|------------------|
| | USSP-V | | | | USSP-VI | | | | | | | |
| | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total | Capital value | Undistributed income | Unrealised diminution on revaluation of fair value through OCI | Total |
| (Rupees in '000) | | | | | | | | | | | | |
| At beginning of the period | - | - | - | - | - | - | - | - | 1,847,933 | 1,022 | (39,804) | 1,809,151 |
| Issuance of 3,000 , 0, 15,313, 387,109, 46,569,414, 1,577,260 units | | | | | | | | | | | | |
| - Capital value | 4,656,941 | - | - | 4,656,941 | 155,726 | - | - | 155,726 | 4,853,057 | - | - | 4,853,057 |
| - Element of income during the period relating to other comprehensive income relating to net income for the period after taxation | - | - | - | - | - | - | - | - | - | - | - | - |
| Total proceeds on issuance of units | 9,038 | - | - | 9,038 | 1,285 | - | - | 1,285 | 10,608 | - | - | 10,608 |
| | 4,665,980 | - | - | 4,665,979 | 157,011 | - | - | 157,011 | 4,863,665 | - | - | 4,863,665 |
| Redemption of 777,386 , 1,106,015 , 43,807, 161,316 , 0, 10,609 units | | | | | | | | | | | | |
| - Capital value | - | - | - | - | (1,061) | - | - | (1,061) | (205,087) | - | - | (205,087) |
| - Element of income during the period relating to other comprehensive income relating to net income for the period after taxation | - | - | - | - | - | - | - | - | - | - | - | - |
| Total payments on redemption of units | - | - | - | - | (5) | - | - | (5) | (4,265) | - | - | (4,265) |
| | - | - | - | - | (1,066) | - | - | (1,066) | (209,352) | - | - | (209,352) |
| Total comprehensive income for the period | - | 27,028 | (519) | 26,509 | - | 1,245 | - | 1,245 | - | 77,225 | 33,872 | 111,097 |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | - | - |
| Net income for the period less distribution | - | 27,028 | (519) | 26,509 | - | 1,245 | - | 1,245 | - | 77,225 | 33,872 | 111,097 |
| Net assets at end of the period | 4,665,980 | 27,028 | (519) | 4,692,488 | 155,945 | 1,245 | - | 157,190 | 6,502,246 | 78,247 | (5,932) | 6,574,559 |
| | | | | | | | | | | | | |
| Accounting income available for distribution : | | | | | | | | | | | | |
| - Relating to capital gains | - | | | | - | | | | - | | | |
| - Excluding capital gains | 27,028 | | | | 1,245 | | | | 78,247 | | | |
| Distribution during the period | 27,028 | | | | 1,245 | | | | 78,247 | | | |
| | - | | | | - | | | | - | | | |
| Undistributed income carried forward | 27,028 | | | | 1,245 | | | | 78,247 | | | |
| Undistributed income carried forward comprise of : | | | | | | | | | | | | |
| - Realised income | 27,028 | | | | 1,245 | | | | 78,247 | | | |
| - Unrealised income | - | | | | - | | | | - | | | |
| | 27,028 | | | | 1,245 | | | | 78,247 | | | |
| Net assets value per unit at end of the period | | | | 100.7633 | | | | 101.6326 | | | | |

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL Special Savings Fund
Cash Flow Statement
For the Quarter Ended September 30 2019

| Note | Quarter Ended September, 2019 | | | | | | Total |
|---|-------------------------------|------------------|----------------|-----------------|--------------------|----------------|--------------------|
| | USSP-I | USSP-II | USSP-III | USSP-IV | USSP V | USSP VI | |
| | (Rupees in '000) | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net income for the period before taxation | 8,267 | 26,083 | 8,291 | 6,311 | 27,028 | 1,245 | 77,225 |
| Adjustments for non cash and other items: | | | | | | | |
| Financial income | (14,018) | (29,033) | (9,306) | (7,131) | (28,327) | (1,397) | (89,212) |
| Provision for Sindh Workers' Welfare Fund | 3 | 522 | 166 | 126 | 541 | 25 | 1,383 |
| Formation cost | 95 | - | - | - | - | - | 95 |
| Loss on sale of investments - net | 4,084 | 1 | - | 32 | 128 | - | 4,245 |
| | (9,836) | (28,510) | (9,140) | (6,973) | (27,658) | (1,372) | (83,489) |
| Net cash generated from operations before working capital changes | (1,569) | (2,427) | (849) | (662) | (630) | (127) | (6,264) |
| Working capital changes | | | | | | | |
| <i>Movement in working capital</i> | | | | | | | |
| Investments | 37,474 | 32,440 | (3,446) | (50,033) | (4,616,259) | - | (4,599,824) |
| Prepayments and other receivables | (11) | 22,141 | 180 | 9,882 | (11) | (310) | 31,871 |
| Advance tax | - | (2) | 1 | (1) | - | - | (2) |
| Payable to the Management Company | 462 | 819 | 34 | 203 | 450 | 930 | 2,898 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (17) | (28) | (6) | (2) | 135 | 6 | 88 |
| Payable to Securities and Exchange Commission of Pakistan | (208) | (169) | (9) | - | 40 | 2 | (344) |
| Dividend payable | - | - | - | - | - | - | - |
| Accrued expenses and other payables | (3,050) | (26,042) | (459) | (117) | 49 | 50 | (29,569) |
| | 34,650 | 29,159 | (3,705) | (40,068) | (4,615,596) | 678 | (4,594,882) |
| Profits received during the quarter & period | 23,215 | 47,587 | 15,496 | 9,581 | 27,976 | 109 | 123,964 |
| Net cash flows used in operating activities | 56,296 | 74,319 | 10,942 | (31,149) | (4,588,250) | 660 | (4,477,182) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Proceeds from issuance of units | 306 | - | 1,592 | 38,777 | 4,665,979 | 157,011 | 4,863,665 |
| Payments on redemption of units | (76,904) | (110,767) | (4,469) | (16,150) | - | (1,066) | (209,356) |
| Total distribution to unit holders | - | - | - | - | - | - | - |
| Net cash flows generated from financing activities | (76,598) | (110,767) | (2,877) | 22,627 | 4,665,979 | 155,945 | 4,654,309 |
| Cash and cash equivalents at beginning of the quarter & period | 23,311 | 39,497 | 543 | 37,274 | - | - | 100,625 |
| Cash and cash equivalents at end of the quarter & period | 3,009 | 3,049 | 8,608 | 28,752 | 77,729 | 156,605 | 277,752 |
| CASH AND CASH EQUIVALENTS | | | | | | | |
| Bank balances | 3,009 | 3,049 | 8,608 | 28,752 | 77,729 | 156,605 | 277,752 |

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL Special Savings Fund

Notes to the Financial Statements

For the Quarter Ended September 30 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund (the Fund) was established under the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan ("SECP"). It was constituted under a Trust Deed, dated 19 October 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The registered office of the Management Company is situated at 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi. The Fund commenced its operations from 09 November 2018.

The Fund has been categorized by the Management Company as Capital protected fund. The Fund consists of four plans namely, UBL Special Savings Fund - Plan I ("USSP I"), UBL Special Savings Fund - Plan II ("USSP II"), UBL Special Savings Fund - Plan III ("USSP III"), UBL Special Savings Fund - Plan IV ("USSP IV"), UBL Special Savings Fund - Plan V ("USSP V") and

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

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

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

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

The "UBL Special Savings Plan-V (USSP-V)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twelve (12) months & beyond from (commencement of life of Plan)

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2018.

2.1.4 'In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019 except as disclosed in note 3.2 .

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

3.2 The following new standards became applicable to the Company during the period:

IFRS 16 'Leases' is effective for accounting periods beginning on or after January 1, 2019 and accordingly this standard is effective for the period. IFRS 16 has replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Application of IFRS 16 is not relevant to the Fund's operations and is, therefore, not expected to have significant impact on the Fund's financial statements, except as otherwise disclosed.

4. BANK BALANCES

| | Note | September 30, 2019 | | | | | | |
|------------------|------|--------------------|--------------|--------------|---------------|---------------|----------------|----------------|
| | | USSP I | USSP II | USSP III | USSP IV | USSP V | USSP VI | Total |
| | | (Rupees in '000) | | | | | | |
| Savings accounts | 4.1 | <u>3,009</u> | <u>3,049</u> | <u>8,608</u> | <u>28,752</u> | <u>77,729</u> | <u>156,605</u> | <u>277,752</u> |

4.1 These carry profit rates ranging from 7% to 14% per annum.

5. INVESTMENTS

| Investments by category | | 2019 | | | | | | Total |
|--|---------------------------|------------------|----------------|----------------|----------------|------------------|----------|------------------|
| | | USSP-I | USSP-II | USSP-III | USSP-IV | USSP-V | USSP-VI | |
| At fair value through other comprehensive income | | (Rupees in '000) | | | | | | |
| Government securities | | | | | | | | |
| 5.1 | Pakistan investment bonds | 396,763 | 823,841 | 264,363 | 181,994 | - | - | 1,666,961 |
| 5.2 | Treasury bills | - | - | - | - | 4,615,612 | - | 4,615,612 |
| | | <u>396,763</u> | <u>823,841</u> | <u>264,363</u> | <u>181,994</u> | <u>4,615,612</u> | <u>-</u> | <u>6,282,573</u> |

| 5.1 | Issue date | Tenor | Face value | | As at 30 Sep 2019 | Amortised Cost as at 30 Sep 2019 | Market value as at 30 Sep 2019 | Market value as a percentage of | | |
|------------------|---------------|---------|--------------------|-----------------------------|-------------------|----------------------------------|--------------------------------|----------------------------------|---------------------------|------------------------|
| | | | As at 30 June 2019 | Purchased during the period | | | | Sold / matured during the period | Total investments of plan | Net assets of the Plan |
| (Rupees in '000) | | | | | | | | | | |
| -----%----- | | | | | | | | | | |
| Held by USSP I | | | | | | | | | | |
| | July 12, 2018 | 5 years | - | 100,000 | - | 100,000 | 82,883 | 86,918 | 21.91 | 21.58 |
| | July 12, 2018 | 3 years | 480,500 | - | 140,000 | 340,500 | 315,065 | 309,845 | 78.09 | 76.91 |
| | | | <u>480,500</u> | <u>100,000</u> | <u>140,000</u> | <u>440,500</u> | <u>397,948</u> | <u>396,763</u> | <u>100</u> | <u>98</u> |
| Held by USSP II | | | | | | | | | | |
| | July 12, 2018 | 3 years | 761,000 | - | 40,000 | 721,000 | 666,710 | 656,088 | 79.64 | 78.79 |
| | July 12, 2018 | 5 years | 200,000 | - | 7,000 | 193,000 | 167,236 | 167,753 | 20.36 | 20.15 |
| | | | <u>961,000</u> | <u>-</u> | <u>47,000</u> | <u>914,000</u> | <u>833,946</u> | <u>823,841</u> | <u>100.00</u> | <u>98.94</u> |
| Held by USSP III | | | | | | | | | | |
| | July 12, 2018 | 3 years | 195,000 | - | - | 195,000 | 178,366 | 177,444 | 67.12 | 64.39 |
| | July 12, 2018 | 5 years | 100,000 | - | - | 100,000 | 83,743 | 86,919 | 32.88 | 31.54 |
| | | | <u>295,000</u> | <u>-</u> | <u>-</u> | <u>295,000</u> | <u>262,109</u> | <u>264,363</u> | <u>100.00</u> | <u>95.93</u> |
| Held by USSP IV | | | | | | | | | | |
| | July 12, 2018 | 3 years | 100,000 | 100,000 | - | 200,000 | 180,570 | 181,994 | 100.00 | 85.16 |
| | July 12, 2018 | 5 years | 50,000 | - | 50,000 | - | - | - | - | - |
| | | | <u>150,000</u> | <u>100,000</u> | <u>50,000</u> | <u>200,000</u> | <u>180,570</u> | <u>181,994</u> | <u>100.00</u> | <u>85.16</u> |

Held by USSP V

| 5.2 | Issue date | Tenor | Face value | | As at 30 Sep 2019 | Carrying value as at 30 Sep 2019 | Market value as at 30 Sep 2019 | percentage of | | |
|-----|--------------------|----------|--------------------|-----------------------------|-------------------|----------------------------------|--------------------------------|----------------------------------|---------------------------|------------------------|
| | | | As at 30 June 2019 | Purchased during the period | | | | Sold / matured during the period | Total investments of plan | Net assets of the Plan |
| | September 12, 2019 | 1 years | - | 2,500,000 | - | 2,500,000 | 2,212,986 | 2,212,418 | 47.93 | 47.15 |
| | September 26, 2019 | 1 years | - | 1,656,000 | - | 1,656,000 | 1,458,773 | 1,458,715 | 31.60 | 31.09 |
| | September 12, 2019 | 6 Months | - | 500,000 | - | 500,000 | 470,962 | 471,059 | 10.21 | 10.04 |
| | July 18, 2019 | 3 Months | - | 1,975,000 | 1,500,000 | 475,000 | 473,410 | 473,420 | 10.26 | 10.09 |
| | | | <u>-</u> | <u>6,631,000</u> | <u>1,500,000</u> | <u>5,131,000</u> | <u>4,616,131</u> | <u>4,615,612</u> | <u>100</u> | <u>98</u> |

6. PROFIT RECEIVABLES

| | 2019 | | | | | | Total |
|---|--------------|---------------|--------------|--------------|------------|--------------|---------------|
| | USSP I | USSP II | USSP III | USSP IV | USSP V | USSP VI | |
| Profit receivable on bank deposits | 20 | 121 | 116 | 3,192 | 351 | 1,288 | 5,088 |
| Profit accrued on government securities | 7,077 | 14,811 | 4,873 | 570 | - | - | 27,331 |
| | <u>7,097</u> | <u>14,932</u> | <u>4,989</u> | <u>3,762</u> | <u>351</u> | <u>1,288</u> | <u>32,419</u> |

7. PREPAYMENTS AND OTHER RECEIVABLES

| | | | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Prepaid Expense | 11 | 11 | 11 | 12 | 11 | 11 | 67 |
| Receivable against issuance of units | - | - | - | - | - | 299 | 299 |
| | <u>11</u> | <u>11</u> | <u>11</u> | <u>12</u> | <u>11</u> | <u>310</u> | <u>366</u> |

8. PRELIMINARY EXPENSES AND FLOATATION COST

| | 2019 USSP I (Rupees in '000) |
|---|------------------------------------|
| Deferred formation cost | 890 |
| Amortisation during the period | <u>(95)</u> |
| Unamortised formation cost at end of the period | <u>795</u> |

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

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing of Income Tax Return for Tax year 2019.

10. PAYABLE TO THE MANAGEMENT COMPANY

'SECP vide S.R.O. 639 (I)/2019 has substitute regulation 61 where by Management Company may charge variable fee or fixed fee or the combination of both

During the period management fee charged is 10% of the gross earnings (June 2019: 10%). The remuneration is paid to the Management Company on monthly basis in arrears.

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

'Management Company has charged allocated expense at the rate of 0.1% of the average annual net assets and selling and marketing expense at the rate of 0.1% of daily net assets, to the Fund.

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

- 11.1. The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee during the quarter ended 30 Sep 2019, is 0.6 % of net asset.

- 11.2. The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2016.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

13. ACCRUED EXPENSES AND OTHER PAYABLES

- 13.1 Provision for Sindh Workers Welfare Fund (SWWF) is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) going forward letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 and hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the management has recorded SWWF. Had the provision not been made, Net Asset Value per unit of the USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI as at 30 Sep 2019 would have been higher by Re. 0.14, Re. 0.14, Re. 0.09, Re. 0.08, Re. 0.01 and Re. 0.02 per unit respectively.

14. TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (all the expenses, including government levies, incurred during the year divided by average net assets value for the year) in the periodic financial statements of CIS / the Fund.

| | 2019 | | | | | |
|------------------------------------|--------|---------|----------|---------|--------|---------|
| | USSP I | USSP II | USSP III | USSP IV | USSP V | USSP VI |
| Total expense ratio | 0.45% | 0.37% | 0.38% | 0.38% | 0.03% | 0.24% |
| Government levy, SWWF and SECP fee | 0.04% | 0.10% | 0.10% | 0.10% | 0.02% | 0.06% |

15. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the 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 at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund has distributed more than ninety percent of the Fund's accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders during the period. Accordingly, no provision has been made in the financial statements for the quarter & period ended 30 Sep 2019.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| | Management Company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|---|--------------------|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| USSP I | | | | | | |
| -----For the quarter ended 30 September 2019----- | | | | | | |
| Transactions during the period | | | | | | |
| Units issued | - | - | - | - | - | - |
| Units redeemed | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Sale of securities | - | 44,330 | - | - | - | - |
| Remuneration | 1,069 | - | 64 | - | - | - |
| Sindh sales tax on remuneration | 139 | - | 8 | - | - | - |
| Selling and marketing expense | 427 | - | - | - | - | - |
| -----For the quarter ended 30 September 2019----- | | | | | | |
| Balances held | | | | | | |
| Remuneration payable* | 375 | - | 23 | - | - | - |
| Sales load and other payables | 970 | - | - | - | - | - |
| Formation cost payable | 1,137 | - | - | - | - | - |
| Payable against selling and marketing | 427 | - | - | - | - | - |
| -----As at 30 June 2019----- | | | | | | |
| Balances held | | | | | | |
| Remuneration payable* | 451 | - | 40 | - | - | - |
| Sales load and other payables | 363 | - | - | - | - | - |
| Formation cost payable | 1,137 | - | - | - | - | - |
| Payable against selling and marketing | 496 | - | - | - | - | - |

* These balances are inclusive of Sindh Sales Tax.

| | Management Company | Associated companies | Trustee | Funds under common management | Directors and key executives | Other connected persons / related parties |
|--|---|----------------------|---------|-------------------------------|------------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| USSP II | | | | | | |
| Transactions during the period | -----For the quarter ended 30 September 2019----- | | | | | |
| Remuneration | 2,226 | - | 134 | - | - | - |
| Sindh sales tax on remuneration | 289 | - | 17 | - | - | - |
| Balances held | -----For the quarter ended 30 September 2019----- | | | | | |
| Remuneration payable* | 797 | - | 49 | - | - | - |
| Sales load and other payables | 1,005 | - | - | - | - | - |
| Balances held | -----As at 30 June 2019----- | | | | | |
| Remuneration payable* | 855 | - | 77 | - | - | - |
| Sales load and other payables | 128 | - | - | - | - | - |
| * These balances are inclusive of Sindh Sales Tax. | | | | | | |
| USSP III | | | | | | |
| Transactions during the period | -----For the quarter ended 30 September 2019----- | | | | | |
| Value of units issued | - | - | - | - | - | - |
| Value of units redeemed | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Remuneration | 678 | - | 41 | - | - | - |
| Sindh sales tax on remuneration | 88 | - | 5 | - | - | - |
| Balances held | -----For the quarter ended 30 September 2019----- | | | | | |
| Units held (units in '000) | - | - | - | - | - | 1,069 |
| Units held (Rupees in '000) | - | - | - | - | - | 111,162 |
| Remuneration payable* | 255 | - | 14 | - | - | - |
| Sales load and other payables | 1,736 | - | 2 | - | - | - |
| Balances held | -----As at 30 June 2019----- | | | | | |
| Units held (units in '000) | - | - | - | - | - | 1,069 |
| Units held (Rupees in '000) | - | - | - | - | - | 105,682 |
| Remuneration payable* | 244 | - | 22 | - | - | - |
| Sales load and other payables | 1,713 | - | - | - | - | - |
| * These balances are inclusive of Sindh Sales Tax. | | | | | | |
| USSP IV | | | | | | |
| Transactions during the period | -----For the quarter ended 30 September 2019----- | | | | | |
| Value of units issued | - | - | - | - | - | - |
| Value of units redeemed | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Remuneration | 509 | - | 58 | - | - | - |
| Sindh sales tax on remuneration | 66 | - | 8 | - | - | - |
| Balances held | -----For the quarter ended 30 September 2019----- | | | | | |
| Units held (units in '000) | - | - | - | - | - | 652 |
| Units held (Rupees in '000) | - | - | - | - | - | 67,650 |
| Remuneration payable* | 197 | - | 11 | - | - | - |
| Sales load and other payables | 225 | - | 1 | - | - | - |

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

* These balances are inclusive of Sindh Sales Tax.

USSP V

| Transactions during the period | -----For the period ended 30 September 2019----- | | | | |
|---------------------------------------|---|---|-----|---|-----------|
| Value of units issued | - | - | - | - | 4,660,000 |
| Value of units redeemed | - | - | - | - | - |
| Dividend paid | - | - | - | - | - |
| Remuneration | 198 | - | 175 | - | - |
| Sindh sales tax on remuneration | 26 | - | 23 | - | - |

| Balances held | -----For the period ended 30 September 2019----- | | | | |
|-------------------------------|---|---|-----|---|-----------|
| Units held (units in '000) | - | - | - | - | 46,510 |
| Units held (Rupees in '000) | - | - | - | - | 4,686,501 |
| Remuneration payable* | 224 | - | 135 | - | - |
| Sales load and other payables | 226 | - | - | - | - |

USSP VI

| Transactions during the period | -----For the period ended 30 September 2019----- | | | | |
|---------------------------------------|---|---|----|-----|--------|
| Value of units issued | - | - | - | 600 | 35,934 |
| Value of units redeemed | - | - | - | - | - |
| Dividend paid | - | - | - | - | - |
| Remuneration | 97 | - | 86 | - | - |
| Sindh sales tax on remuneration | 13 | - | 11 | - | - |

| Balances held | -----For the period ended 30 September 2019----- | | | | |
|-------------------------------|---|---|---|-----|--------|
| Units held (units in '000) | - | - | - | 6 | 353 |
| Units held (Rupees in '000) | - | - | - | 610 | 35,876 |
| Remuneration payable* | 99 | 6 | - | - | - |
| Sales load and other payables | 832 | - | - | - | - |

17 CREDIT RATING

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 27 December 2018 (30 June 2018: AM1).

18. GENERAL

18.1 This financial statement 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.

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

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices