

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.

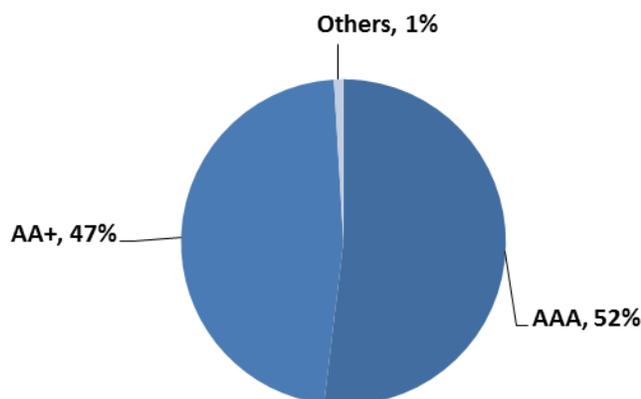
Financial Highlights

	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)

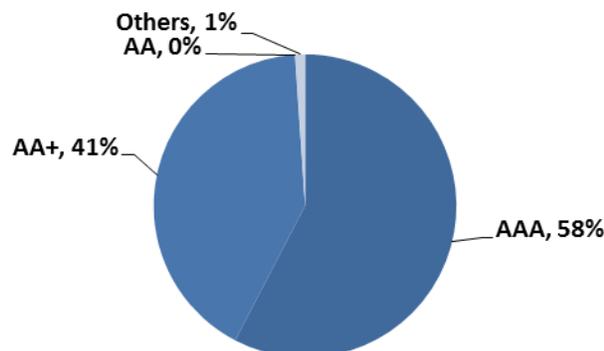
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated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

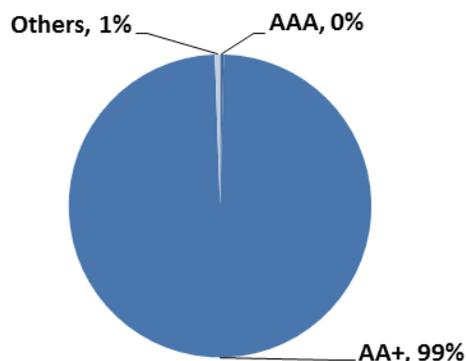
The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated a return of 12.82% p.a. whereas its net assets were PKR 200 mn at the end of 1QFY20.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

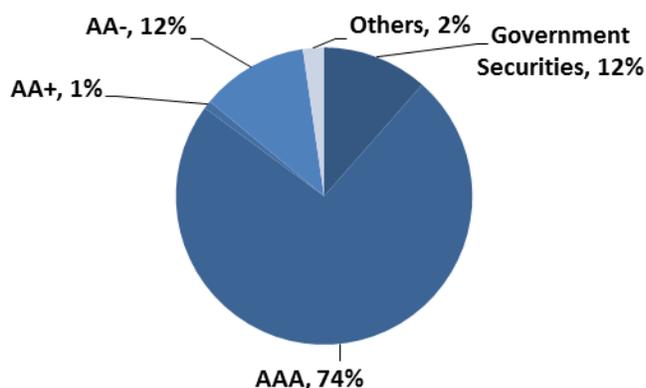
Financial Highlights

	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)

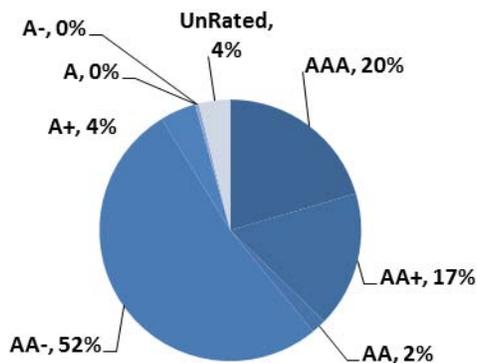
UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted a return of 13.11% 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.

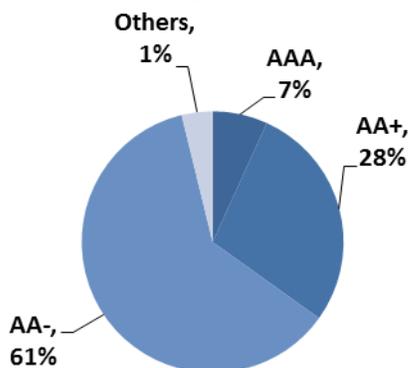
Financial Highlights

	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>284,494</u>	<u>234,822</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	3,895,164	(3,848,732)
Cash and cash equivalents at the beginning of the quarter	6,336,231	14,571,421
Cash and cash equivalents at the end of the quarter	<u>10,231,395</u>	<u>10,722,689</u>
Bank balances	9,301,395	8,922,689
Term Deposit Receipts	930,000	1,800,000
	<u>10,231,395</u>	<u>10,722,689</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 Taraqati 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	131,911	20,927

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
Profit received	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

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

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>
		<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

Note ---- (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	5.1	(8)
Total income		519

Expenses

Allocation of expenses relating to the Fund	6.1	2
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7	2
Annual fee of Securities and Exchange Commission of Pakistan	8	-
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

Provision for Sindh Workers' Welfare Fund	9.1	(10)
Net income for the quarter before taxation		487

Taxation

	11	-
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><u>48,171</u></u>	<u><u>25,230</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 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	<u>(6,965)</u>	<u>(7,104)</u>
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
	30,049	-	30,049	1,125,628	-	1,125,628
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)
	(624,337)	(4,506)	(628,843)	(113,275)	(1,266)	(114,541)
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	227,065	19,748	246,813	1,536,242	31,428	1,567,670
Undistributed income brought forward comprising of :						
- Realised	-	11,907	11,907	-	17,837	17,837
- Unrealised	-	-	-	-	-	-
	-	11,907	11,907	-	17,837	17,837
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
	-	7,841	7,841	-	21,093	21,093
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		19,748	19,748		31,428	31,428
Undistributed income carried forward comprising of :						
- Realised		19,695	19,695		31,411	31,411
- Unrealised (loss)		(53)	(53)		(17)	(17)
		19,748	19,748		31,428	31,428
					----- (Rupees) -----	
Net assets value per unit at beginning of the quarter					110,1983	114,7192
Net assets value per unit at end of the quarter					113,9132	111,7925

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		
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
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		
											----- (Number of certificates) -----	
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, 2007)	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	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
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
Provision during the quarter
Reversal of provision during the quarter
Closing Balance

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%
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
Term deposit receipts
Other placement
Less: Provision for impairment

66,111	68,056
-	-
-	-
66,111	68,056
(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	-	-	-	-	-
Sales load and other payable	171	-	-	-	-
Other payable	224	42	-	-	-
	-	-	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
	32,832	-	-	32,832	52,584	-	-	52,584
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
	(120,986)	-	-	(120,986)	(112,007)	-	-	(112,007)
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	883,345	387,110	-	1,270,455	1,767,044	420,702	-	2,187,746
Undistributed income brought forward:								
- Realised	-	530,798	-	530,798	-	446,226	-	446,226
- Unrealised	-	(128,482)	-	(128,482)	-	(15,207)	(8,237)	(23,444)
	-	402,316	-	402,316	-	431,019	(8,237)	422,782
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	-	387,110	-	387,110	-	420,702	-	420,702
Undistributed income carried forward								
- Realised	-	427,048	-	427,048	-	455,331	-	455,331
- Unrealised	-	(39,938)	-	(39,938)	-	(34,629)	-	(34,629)
	-	387,110	-	387,110	-	420,702	-	420,702
	----- (Rupees) -----							
Net assets value per unit at beginning of the quarter				132.2366				134.5792
Net assets value per unit at end of the quarter				130.8043				134.4712

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						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2019						<u>-</u>	<u>-</u>	<u>-</u>		

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					<u>1,000,000</u>	<u>99,760</u>	<u>100,700</u>	<u>940</u>	<u>7.93%</u>	<u>13.78%</u>
June 30, 2019						<u>99,522</u>	<u>99,760</u>	<u>238</u>		

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 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	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.

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

4. BANK BALANCES

- Profit and loss sharing accounts	4.1	174,102	370,576
- Current account		89	89
		174,191	370,665
		174,191	370,665

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).

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

5. INVESTMENTS

Equity Securities

At fair value through profit or loss

- Equity securities	5.1	4,187,262	5,092,738
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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).

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

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

(Units in '000)

Balances held

Units held	3,054	7	-	221	30,566
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(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
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As at June 30, 2019

(Units in '000)

Balances held

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

	Quarter ended September 30, 2019 (Rupees in '000)	Quarter ended September 30, 2018 (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	(13,540)	(623)

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>34,759</u>	<u>57,266</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	-
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, September 30,
2019 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)
	11,253	94,669

(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
	(1,233)	(181)

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).

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
5	TERM DEPOSIT RECEIPTS		
	Opening balance	254,014	343,883
	Acquired during the year		97,811
	Pre-matured during the period / year	5.1 10,209	187,680
	Closing balance	5.2 <u>243,805</u>	<u>254,014</u>

5.1 These Term Deposit Receipts (TDRs) having face value of Rs. 10.209 million carrying interest rate ranging from 5.60% to 6.60% were pre-matured during the period (June 2019: 5.60% to 6.60%).

5.2 These Term Deposit Receipts (TDRs) carry profit of 6.60% having maturity till January 2020.

		September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
6	INVESTMENTS		
	Investment in equity shares		
	Financial assets classified as at fair value through profit or loss	6.1 <u>11,351</u>	<u>14,095</u>
		<u>11,351</u>	<u>14,095</u>

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	(Rupees in '000)								
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
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Provision for Sindh Workers' Welfare Fund (SWWF) 7.1

	40	50	8	98	33	85	118
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Net income for the period before taxation

	1,982	2,475	371	4,828	1,661	4,228	5,889
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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)		
- 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		
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
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5.2 At Amortised Cost

Term Deposits Receipts	5.2.1	-	134,627	-	134,627	-	132,531	-	132,531
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		96,532	221,949	188,005	506,486	168,177	309,837	190,265	668,279
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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
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----- (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
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----- (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
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----- (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
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----- (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
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----- (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
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(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
As at September 30, 2019 (Un-audited)	----- (Rupees in '000) -----			
Financial assets measured at fair value				
Units of mutual fund	371,859	-	-	371,859

	Fair Value			
	Level 1	Level 2	Level 3	Total
As at June 30, 2019 (Audited)	----- (Rupees in '000) -----			
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	
Note	----- (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								
17	----- (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
		----- (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						
----- (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
Income Statement
For the Quarter Ended September 30 2019

	Note	Quarter Ended September, 2019				For the period	For the period	Total
		USSP-I	USSP-II	USSP-III	USSP-IV	from 13 Sep 2019 to 30 Sep 2019	from 09 Aug 2019 to 30 Sep 2019	
(Rupees in '000)								
Income								
Financial income		14,018	29,033	9,306	7,131	28,327	1,397	89,212
Loss on sale of investments - net		(4,084)	(1)	-	(32)	(128)	-	(4,245)
Other income		230	332	9	6	-	-	577
		10,164	29,364	9,315	7,105	28,199	1,397	85,544
Expenses								
Remuneration of the Management Company	10.1	1,069	2,226	678	509	198	97	4,777
Sindh sales tax on the Management Company's remuneration		139	289	88	66	26	13	621
Selling and marketing expenses	10.2	427	-	-	-	-	-	427
Allocated Expense		-	-	-	-	206	-	206
Remuneration of Central Depository Company of Pakistan Limited - Trustee		72	151	46	35	135	7	446
Annual fee of Securities and Exchange Commission of Pakistan	12	21	45	13	10	40	2	131
Auditors' remuneration	16	21	21	21	21	3	5	92
Formation cost		95	-	-	-	-	-	95
Bank charges		9	8	1	5	-	-	23
Listing fees		2	2	2	2	-	-	8
Legal and professional charges		9	9	9	9	1	3	40
Brokerage expenses		26	7	-	10	19	-	62
Other expenses		4	1	-	1	2	-	8
Total operating expenses		1,894	2,759	858	668	630	127	6,936
Net income from operating activities		8,270	26,605	8,457	6,437	27,569	1,270	78,608
Provision for Sindh Workers' Welfare Fund	13.1	(3)	(522)	(166)	(126)	(541)	(25)	(1,383)
Net income for the quarter & period before taxation		8,267	26,083	8,291	6,311	27,028	1,245	77,225
Taxation	20	-	-	-	-	-	-	0
Net income for the quarter & period after taxation		8,267	26,083	8,291	6,311	27,028	1,245	77,225
Net income for the period after taxation		8,267	26,083	8,291	6,311	27,028	1,245	77,225
Income already paid on units redeemed		-	-	-	-	-	-	0
Accounting income available for distribution		8,267	26,083	8,291	6,311	27,028	1,245	77,225
Accounting income available for distribution								
- Relating to capital gains		-	-	-	-	-	-	0
- Excluding capital gains		8,267	26,083	8,291	6,311	27,028	1,245	77,225
		8,267	26,083	8,291	6,311	27,028	1,245	77,225

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	-	-	-	-	-	-	-	-	-	-	-	-
	9,038	-	-	9,038	1,285	-	-	1,285	10,608	-	-	10,608
Total proceeds on issuance of units	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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(5)	-	-	(5)	(4,265)	-	-	(4,265)
Total payments on redemption of units	-	-	-	-	(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	-				-				-			
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		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	As at 30 Sep 2019	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		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	As at 30 Sep 2019	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

Profit receivable on bank deposits	2019						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
Profit accrued on government securities	20	121	116	3,192	351	1,288	5,088
	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
USSP I ----- (Rupees in '000) -----						
-----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	-	-	-	-	-
Balances held						
-----For the quarter ended 30 September 2019-----						
Remuneration payable*	375	-	23	-	-	-
Sales load and other payables	970	-	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	427	-	-	-	-	-
Balances held						
-----As at 30 June 2019-----						
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



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