



Half Yearly Report - December 2020



CORPORATE INFORMATION

Board of Directors

Azhar Hamid (Chairman)

Yasir Qadri (Chief Executive Officer)

Syed Furrukh Zaeem

Huma Pasha

Arif Akmal Saifie

Sadia Saeed

Imran Sarwar

Audit Committee

Huma Pasha (Chair)

Imran Sarwar

Sadia Saeed

Arif Akmal Saifie

Risk and Compliance Committee

Imran Sarwar (Chairman)

Syed Furrukh Zaeem

Yasir Qadri

Azhar Hamid

Arif Akmal Saifie

HR & Compensation Committee

Azhar Hamid (Chairman)

Huma Pasha

Syed Furrukh Zaeem

Sadia Saeed

Yasir Qadri

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Bilal Javaid

Registered Office

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

Head Office

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

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

Fax: (92-21) 32214930

Date of incorporation of the Management Company/ Pension Fund Manager

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

Management Quality Rating

AM1 by VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund

Launch Date: 21 June 2009

UBL Government Securities Fund

Launch Date: 27 July 2011

UBL Money Market Fund

Launch Date: 14 October 2010

UBL Income Opportunity Fund

Launch Date: 29 March 2013

UBL Growth & Income Fund

Launch Date: 2 March 2006

UBL Asset Allocation Fund

Launch Date: 20 August 2013

UBL Stock Advantage Fund

Launch Date: 4 August 2006

Al-Ameen Islamic Sovereign Fund

Launch Date: 07 November 2010

Al-Ameen Islamic Aggressive Income Fund

Launch Date: 20 October 2007

Al-Ameen Islamic Cash Fund

Launch Date: 17 September 2012

Al-Ameen Shariah Stock Fund

Launch Date: 24 December 2006

Al-Ameen Islamic Asset Allocation Fund

Launch Date: 10 December 2013

Al-Ameen Islamic Dedicated Equity Fund

Launch Date: 05 Jan 2016

Al-Ameen Islamic Cash Plan-I

Launch Date: 29 May 2020

UBL Pakistan Enterprise Exchange Traded Fund

Launch Date: 24 March 2020

UBL Financial Planning Fund

Launch Date: 28 September 2017

Al- Ameen Islamic Financial Planning Fund - III

Launch Date: 28 May 2018

UBL Dedicated Equity Fund

Launch Date: 29 May 2018

UBL Financial Sector Fund

Launch Date: 06 April 2018

UBL Special Saving Fund

Launch Date: 09 November 2018

UBL Cash Fund

Launch Date: 23 September 2019

UBL Retirement Savings Fund

Launch Date: 10 May 2010

Al-Ameen Islamic Retirement Savings Fund

Launch Date: 10 May 2010

Al-Ameen Islamic Energy Fund

Launch Date: 13 December 2019

Al-Ameen Islamic Special Saving Plan-II

Launch Date: 09 March 2020

Al-Ameen Islamic Aggressive Income Plan-I

Launch Date: 16 April 2020

Conventional Investment Plans

UBL Mahana Munafa Plan

UBL Children Savings Plan

UBL Equity Builder Plan

UBL Wealth Builder Plan

Islamic Investment Plans

Al-Ameen Mahana Munafa Plan

Al-Ameen Children Savings Plan

Al-Ameen Equity Builder Plan

Al-Ameen Wealth Builder Plan

Al-Ameen Hajj Savings Plan



Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its **UBL Liquidity Plus Fund (ULPF)**, **UBL Money Market Fund (UMMF)**, **UBL Cash Fund (UCF)**, **UBL Government Securities Fund (UGSF)**, **UBL Income Opportunity Fund (UIOF)**, **UBL Growth and Income Fund (UGIF)**, **UBL Asset Allocation Fund (UAAF)**, **UBL Stock Advantage Fund (USF)**, **UBL Dedicated Equity Fund (UDEF)**, **UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF)**, **UBL Financial Sector Fund (UFSF)**, **UBL Financial Planning Fund** [comprising UBL Active Principal Preservation Plan I (UAPPP-I), UBL Active Principal Preservation Plan II (UAPPP-II), UBL Active Principal Preservation Plan III (UAPPP-III)], and **UBL Special Saving Fund (USSF)** [comprising UBL Special Savings Plan - I (USSP-I), UBL Special Savings Plan - II (USSP-II), UBL Special Savings Plan - III (USSP-III), UBL Special Savings Plan - IV (USSP-IV), UBL Special Savings Plan - V (USSP-V) and UBL Special Savings Plan - VI (USSP-VI)], **UBL Special Savings Fund-II** [comprising UBL Special Savings Plan – VIII (USSP-VIII)] for the period ended December 31, 2020.

Economic Review 1HFY21

The economy witnessed decent recovery in 1HFY21 due to significant decline in Corona virus cases after peaking in Jun'20. This was demonstrated through healthy numbers such as LSM growth, which increased by 8.2% YoY in the 1HFY21 as compared to a decline of 2.7% in SPLY. The major increase came from Food, Mineral products, Pharmaceutical, Textile, Automobiles, Chemicals, Fertilizers and Paper & Board sectors. We expect strong growth in LSM during 2HFY21 due to low base effect. In the agriculture sector, all major Kharif crops, except for cotton, exceeded their respective production targets. Similarly, preliminary indicators of services sector also showed optimistic numbers during the 1HFY21. Growth in commodity producing sectors along with increase in imports and demand for credit from the services industry underscore recovery in the services sector. Overall, the economy is expected to grow in the range of 3.5-4.5% in FY21, with agriculture and services expected to grow by ~3% each while industry is expected to post a growth of 7.6% primarily driven by LSM.

The average headline inflation during 7MFY21 was 8.2% as compared to 11.6% in SPLY. Inflation has already bottomed out in Jan'21 and will start increasing from here onwards on account of hike in utility tariffs, reversal of base effect and possible rise in oil and commodity prices.

The central bank kept policy rate unchanged at 7.0% during 1HFY21 citing that these levels were appropriate in supporting ongoing economic recovery. In Jan'21 MPC meeting, the central bank for the first time shared forward looking guidance about the interest rates. The MPC does not expect any rate hike in near term and it expects any adjustments in the policy rate to be gradual to achieve mildly positive real interest rates.

On the external front, remarkable improvement was observed on a year over year basis. During 1HFY21, current account recorded a surplus in five of the six months taking the current account number to a cumulative surplus of USD 1.13bn (+0.4% of GDP) compared to a deficit of USD 2.03bn (-0.8% of GDP) in SPLY. During 1HFY21, the first monthly current account deficit was registered in Dec'20 which was primarily attributable to widening trade deficit which increased from USD1.8bn in Nov'20 to USD 2.8bn in Dec'20 (highest trade deficit in 24 months). Overall, improvement in current account during 1HFY21 was driven by increase in remittances (28%) and other current transfers (94%) respectively. The decline in services deficit (42%) also contributed positively in current account surplus during 1HFY21. For the full fiscal year, we anticipate current account balance to post a deficit of less than 1% of GDP and the overall balance of payments position should be comfortable due to an adequate surplus in the financial account.

On the fiscal front, the fiscal deficit stood at 2.5% of GDP during 1HFY21 as compared to 2.4% of GDP in



SPLY. The primary balance remained in surplus of PKR 337bn (0.74% of GDP) during 1HFY21 as compared to surplus of PKR 286bn (0.69% of GDP) in SPLY. FBR collected PKR 2570bn during 7MFY21, slightly above the target of PKR 2550bn. We foresee strong revenue collection during the remaining period of the current fiscal year on account of higher economic activity. FBR collection in the second half has historically been around ~20% more than the first half. We believe FBR will manage to collect PKR4.7trn during the ongoing fiscal year and overall fiscal deficit is expected to be 7.5%, slightly higher than the target deficit of 7.1% of GDP due to absence of one-offs such as abnormally high profit of SBP, telecom license fee and lower than budgeted provincial surplus etc.

Stock Market Review for 1HFY21

The benchmark KSE-100 index continued with the positive momentum, gaining 25% during the 1HFY21. This notable performance was driven by; major decline in domestic Covid-19 infection rate and increase in recovery rates, improvement in macro-economic indicators (LSM growth, remittances and FX reserves) and significant decline in interest rates (625bps). Moreover, encouraging developments on Covid vaccines also acted as a catalyst for the market.

Local participants led the rally with individuals mopping up shares worth USD 159mn, companies USD 91mn, Insurance USD 83mn and Mutual funds USD20mn respectively, while foreigners continued to remain net sellers offloading shares worth USD 279mn.

Fixed Income Review 1HFY21

During 1HFY21, market expectation of further rate cut faded away. As the inflation outlook started to change, the short term yields started to rise. Moreover, long term yields had already started to reverse since May'20 MPS. As a result, the market preferred remaining on the shorter end and investing in 3M T-Bills and floater rate PIBs.

During 1HFY21, the market participation was ~PKR 9 trillion in treasury bills auctions, major participation was witnessed in 3M tenor which constituted ~70% of the total participation. Government accepted ~PKR 4.6 trillion in T-bill auctions.

A strong demand was witnessed in floater rate PIBs (particularly in 3Y), a participation of PKR 2.3 trillion took place in the floater rate PIB auctions, out of which the government accepted PKR 1.23 trillion. Ministry further introduced quarterly resetting PIBs of 3Y,5Y and 10Y PIBs along with the fortnightly resetting rate of 2Y PIB in addition to the existing semi-annually resetting floater rate PIBs. In contrast, participation in the fixed rate PIBs remained on the lower side. The market participated ~PKR 650 billion in PIBs, out of which government accepted ~PKR 300 billion.

As observed on conventional side, same trend was witnessed in case of GoP Ijara Sukuk. The market remained inclined towards variable rate Ijara sukuk. Total participation was PKR515 billion in six variable rate Ijara sukuk auctions and the government accepted PKR 316 billion. In contrast, only PKR 56 billion participation was witnessed in the fixed rate Ijara sukuk out of which, the government accepted PKR 31 billion.



Yield curve comparison is given below:

Tenors	PKRV as at 31st Dec 2020	PKRV as at 30th June 2020	Change
3 Months	7.08	7.15	-0.07
6 Months	7.17	7.09	0.08
1 Year	7.26	7.05	0.21
3 years	8.28	7.55	0.73
5 Years	9.25	8.14	1.11
10 Years	10.00	8.71	1.29

Fund-wise performance is as follows:

1) UBL LIQUIDITY PLUS FUND (ULPF)

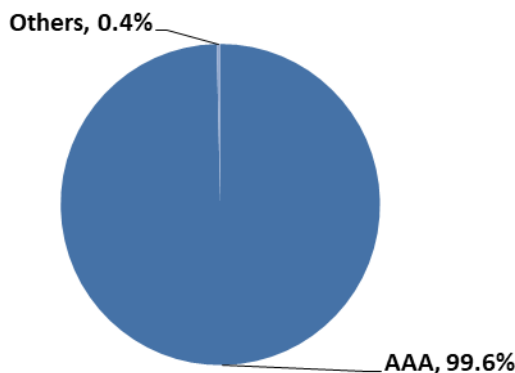
UBL Liquidity Plus Fund (ULPF) is an open end Money Market Fund with investment objective to provide attractive daily returns while maintaining comparatively high liquidity. ULPF yielded return of 6.77%p.a. during 1HFY21. Major exposure was maintained in cash at the end of Dec20, thus maintaining high portfolio quality. The net assets of the fund were PKR 24,111mn at the end of 1HFY21. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 1 day at the end 1HFY21.

	ULPF	Benchmark
1HFY'21 Return:	6.77%	6.68%
Standard Deviation (12m Rolling):	0.37%	2.43%
Sharpe Ratio (12m Rolling):	1.55	(0.10)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Cash	2.6%	1.7%	99.6%
T-Bills	87.0%	98.3%	0.0%
Others	10.4%	0.1%	0.4%
Leverage	Nil	Nil	Nil



ULPF-Portfolio Quality



ULPF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ULPF (p.a)	6.99%	6.77%	9.43%	9.12%	7.81%	8.77%
Benchmark	6.63%	6.68%	8.63%	8.83%	7.38%	8.19%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 658.452 million for the half year ended Dec 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 53.589 million, the Fund managed to earn a net income of PKR 604.863 million. The net assets of the Fund were PKR 24,111.486 million as at December 31, 2020 representing the net asset value of PKR 101.1941 per unit.

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

2) UBL MONEY MARKET FUND (UMMF)

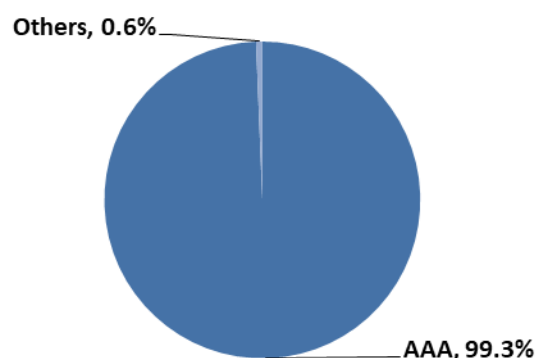
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 6.12% p.a. whereas its net assets were PKR 2,523 mn at the end of 1HFY21. The Fund Manager maintained a high-quality liquid profile during the period with major allocation of 99.4% to cash & cash equivalents. The weighted average time to maturity of the Fund was 1 day at the end of 1HFY21.

	UMMF	Benchmark
1HFY'21 Return:	6.12%	6.68%
Standard Deviation (12m Rolling):	0.35%	2.43%
Sharpe Ratio (12m Rolling):	(0.22)	(0.10)



Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Cash	6.7%	4.0%	99.4%
T-Bills	91.3%	95.5%	0.0%
Others	2.0%	0.6%	0.6%
Leverage	Nil	Nil	Nil

UMMF - Portfolio Quality



UMMF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	6.47%	6.12%	8.78%	8.79%	7.31%	8.31%
Benchmark	6.63%	6.68%	8.63%	8.83%	7.44%	8.79%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 117.442 million for the half year ended December 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 18.046 million, the Fund managed to earn a net income of PKR 99.396 million. The net assets of the Fund were PKR 2,522.754 million as at December 31, 2020 representing the net asset value of PKR 103.7762 per unit. VIS Credit Rating Company Limited (VIS) has maintained the stability rating of AA+(f) assigned to the Fund.

3) UBL CASH FUND (UCF)

The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review,

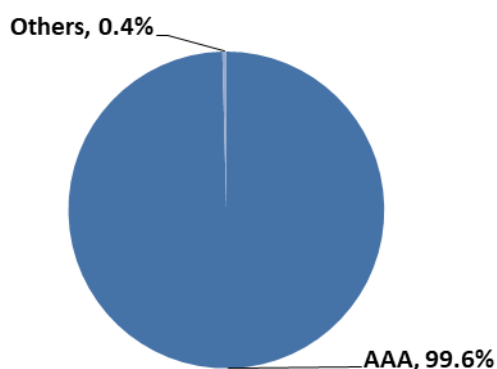


UCF generated a return of 6.92% p.a. whereas its net assets were PKR 4,944mn at the end of 1HFY21. The weighted average time to maturity of the fund was 1 day at the end of 1HFY21.

	UCF	Benchmark
1HFY'21 Return:	6.92%	6.68%
Standard Deviation (12m Rolling):	0.38%	1.20%
Sharpe Ratio (12m Rolling):	0.03	0.00

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Cash	14.7%	0.5%	99.6%
T-Bills	84.6%	99.3%	0.0%
Others	0.8%	0.3%	0.4%
Leverage	Nil	Nil	Nil

UCF - Portfolio Quality



UCF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UCF (p.a)	7.19%	6.92%	9.83%	-	-	10.70%
Benchmark	6.63%	6.68%	7.31%	-	-	7.76%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 59.309 million for the half year ended December 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 3.505 million, the Fund managed to earn a net income of PKR 55.804 million. The net assets of the Fund were PKR 4.943.906 million as at December 31, 2020 representing the net asset value of PKR 103.4748 per unit.

Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of AA+(f) to the Fund.



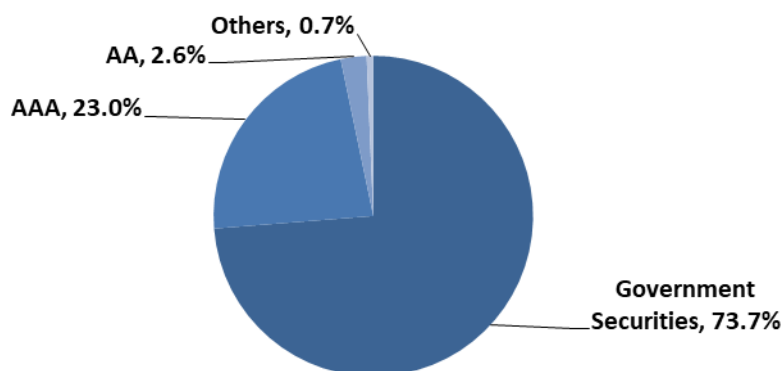
4) UBL GOVERNMENT SECURITIES FUND (UGSF)

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted a return of 4.55% p.a whereas its net assets were PKR 4,647 mn at the end of 1HFY21. The fund has 73.7% exposure in PIBs at the end of 1HFY21. The weighted average maturity of the Fund was 2.92 years at the end of 1HFY21.

	UGSF	Benchmark
1HFY'21 Return:	4.55%	7.07%
Standard Deviation (12m Rolling):	1.64%	2.51%
Sharpe Ratio (12m Rolling):	1.08	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Floater	64.2%	81.9%	73.7%
Cash	3.5%	5.2%	25.6%
T-Bills	23.8%	9.8%	0.0%
Others	8.5%	3.2%	0.7%
Leverage	Nil	Nil	Nil

UGSF - Portfolio Quality



UGSF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGSF (p.a)	4.81%	4.55%	10.64%	8.98%	7.65%	9.27%
Benchmark	7.19%	7.07%	8.82%	9.60%	8.08%	8.41%

Returns are annualized using the Morningstar Methodology



The Fund earned total income of PKR 161.382 million for the half year ended December 31, 2020 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 39.604 million, the Fund managed to earn a net income of PKR 121.778 million. The net assets of the Fund were PKR 4,647.050 million as at December 31, 2020 representing the net asset value of PKR 105.6431 per unit.

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

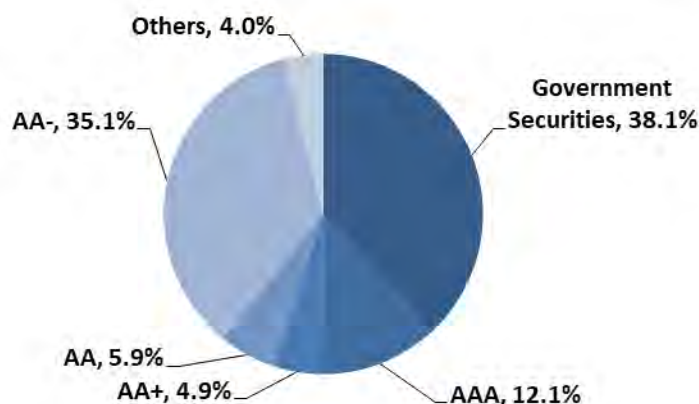
5) UNITED GROWTH & INCOME FUND (UGIF)

UGIF is an open end Aggressive Fixed Income Fund, investing in medium to long term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted a return of 7.25% p.a. during 1HFY21. Its fund size stood at PKR 1,359 mn at end of Dec20. The fund manager had major exposure in Cash and PIBs, weighted average time to maturity of the fund was 2.08 years at the end of 1HFY21.

	UGIF	Benchmark
1HFY'21 Return:	7.25%	7.26%
Standard Deviation (12m Rolling):	1.51%	2.42%
Sharpe Ratio (12m Rolling):	2.03	(0.01)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Cash	10.6%	0.6%	42.8%
PIB - Floater	19.4%	15.4%	20.8%
T-Bills	38.7%	55.4%	17.2%
Term Finance Certificates/ Sukuks	12.8%	10.1%	13.7%
Placements with Banks	0.0%	1.4%	1.9%
Spread Transaction	5.8%	7.4%	0.0%
Others	12.7%	9.7%	3.6%
Leverage	Nil	Nil	Nil

UGIF Portfolio Quality





UGIF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGIF (p.a)	6.09%	7.25%	11.93%	9.50%	8.83%	6.92%
Benchmark	7.42%	7.26%	8.84%	9.82%	8.38%	10.09%

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 43.503 million for the half year ended December 31, 2020. The net assets were PKR 1,359.387 million as at December 31, 2020 representing a net asset value of PKR 88.0185 per unit. VIS Credit Rating Company Limited (VIS) has assigned A+(f) rating to the Fund.

6) UNITED STOCK ADVANTAGE FUND (USF)

USF is an open-end Equity Fund, investing primarily in equities listed on the KSE. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. During the period under review, the Fund posted a return of 25.16%. The fund manager maintained the exposure in local equity market of around 95.5% while exposure in cash stood at 3.7% at the end of Dec20. The net assets of the fund were PKR 7,446 mn as at December 31, 2020.

	USF	Benchmark
1H FY'21 Return:	25.16%	27.11%
Standard Deviation (12m Rolling):	25.31%	24.20%
Sharpe Ratio (12m Rolling):	0.01	(0.06)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Equities	95.8%	95.0%	95.5%
Cash	1.3%	3.7%	3.7%
Others	2.5%	0.8%	0.7%
Leverage	Nil	Nil	Nil

USF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USF	7.19%	25.16%	9.00%	13.30%	38.02%	456.78%
Benchmark	7.85%	27.11%	7.41%	8.11%	30.25%	251.90%

Returns are on absolute basis

The Fund earned a net gain of PKR 1,496.686 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 1,200.209 million on revaluation of investments) as compared to a



net gain of PKR 987.738 million (including an unrealized gain of PKR 945.112 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 317.817 million (December 31, 2019: capital loss amounting to PKR 19.109 million) and dividend income amounting to PKR 167.817 million (December 31, 2019: PKR 139.987 million). As at December 31, 2019, net assets of the Fund were PKR 7,446.441 million representing the net asset value of PKR 75.31 per unit.

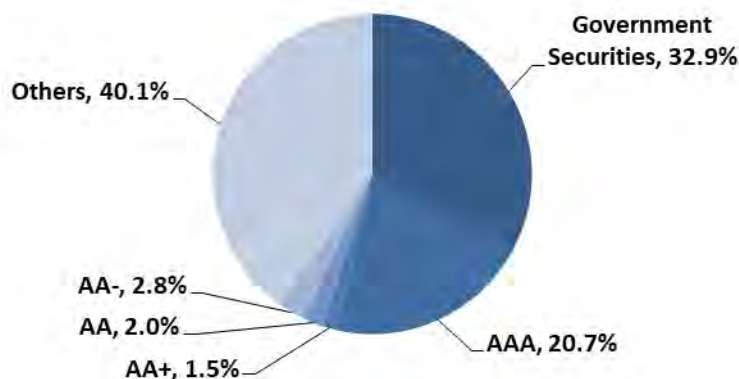
7) UBL INCOME OPPORTUNITY FUND (UIOF)

The objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments. The Fund posted a return of 5.89% p.a. during 1HFY21. The weighted average maturity of the fund was 1.25 year at the end of Dec'20. The Fund's Asset Size stood at PKR 1,324 mn as at Dec 31, 2020.

	UIOF	Benchmark
1HFY'21 Return:	5.89%	7.10%
Standard Deviation (12m Rolling):	1.85%	2.51%
Sharpe Ratio (12m Rolling):	1.45	(0.01)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Spread Transaction	2.2%	8.0%	34.6%
PIB - Floater	26.4%	30.1%	32.9%
Cash	39.3%	20.6%	20.0%
Term Finance Certificates/ Sukuks	3.5%	4.0%	4.4%
Placements with Banks	0.0%	2.4%	2.6%
T-Bills	17.9%	25.0%	0.0%
Others	10.7%	9.9%	5.5%
Leverage	Nil	Nil	Nil

UIOF Portfolio Quality





UIOF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UIOF (p.a)	6.01%	5.89%	11.54%	9.93%	8.11%	8.23%
Benchmark	7.22%	7.10%	8.84%	9.65%	8.16%	8.25%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 48.741 million for the half year ended December 31, 2020 which mainly includes markup / interest income on bank balances, govt. securities and TDRs. After accounting for the expenses of PKR 11.664 million, the Fund managed to earn a net income of PKR 37.077 million. The net assets of the Fund were PKR 1,324.050 million as at December 31, 2020 representing the net asset value of PKR 113.32 per unit. VIS Credit Rating Company Limited (VIS) has assigned AA-(f) rating to the Fund

8) UBL Asset Allocation Fund (UAAF)

The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the Fund posted a return of 12.08%. The fund manager maintained the exposure in local equity market of around 38.6% while exposure in cash stood at 29.6% at the end of Dec20. The net assets of the fund were PKR 1,103 mn as at Dec 31, 2020.

	UAAF	Benchmark
1H FY'21 Return:	12.08%	12.95%
Standard Deviation (12m Rolling):	10.35%	9.45%
Sharpe Ratio (12m Rolling):	0.21	0.25

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Equities	35.3%	35.5%	38.6%
Cash	22.8%	12.9%	29.6%
PIB - Floater	14.9%	15.6%	17.6%
Term Finance Certificates/ Sukuks	6.9%	7.2%	8.1%
Placements with Banks	0.0%	3.5%	4.0%
T-Bills	18.3%	19.3%	0.0%
Others	1.7%	6.1%	2.1%
Leverage	Nil	Nil	Nil



UAAF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAAF	3.91%	12.08%	11.02%	26.98%	51.58%	119.08%
Benchmark	4.60%	12.95%	11.21%	26.17%	53.98%	97.44%

Returns are on absolute basis

The Fund earned a net income of PKR 117.479 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 59.720 million on revaluation of investments) as compared to a net gain of PKR 142.447 million (including an unrealized gain of PKR 78.502 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 38.248 million (December 31, 2019: capital gain amounting to PKR 10.856 million) and dividend income amounting to PKR 11.688 million (December 31, 2019: PKR 17.501 million). As at December 31, 2020, net assets of the Fund were PKR 1,103.115 million representing the net asset value of PKR 152.7503 per unit.

9) UBL Financial Sector Fund (UFSF)

The objective is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the Financial Sector. During the period under review, the fund posted a return of 19.13%. The fund manager maintained the exposure in local equity market of around 91.6% while exposure in cash stood at 4.1% at the end of Dec20. The net assets of the Fund were PKR 1,104mn as at Dec 31, 2020.

	UFSF	Benchmark
1H FY'21 Return:	19.13%	27.11%
Standard Deviation (12m Rolling):	25.88%	24.20%
Sharpe Ratio (12m Rolling):	(0.74)	(0.06)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Equities	94.5%	91.9%	91.6%
Cash	4.1%	7.3%	4.1%
Others	1.4%	0.8%	4.3%
Leverage	Nil	Nil	Nil



UFSF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UFSF	3.41%	19.13%	-10.26%	-	-	-19.10%
Benchmark	7.85%	27.11%	7.41%	-	-	-6.03%

Returns are on absolute basis

The Fund earned a net income of PKR 127.514 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 119.852 million on revaluation of investments)). As at December 31, 2020, net assets of the Fund were PKR 1.104.491 million representing the net asset value of PKR 80.9050 per unit.

10) UBL Dedicated Equity Fund (UDEF)

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the Fund posted a return of 25.38% as compared to the benchmark return of 27.11%, the fund size stood at PKR 30mn at the end of Dec20. The fund manager maintained the exposure in local equity market of around 66.3% at the end of 1HFY21.

	UDEF	Benchmark
1HFY'21 Return:	25.38%	27.11%
Standard Deviation (12m Rolling):	24.67%	24.20%
Sharpe Ratio (12m Rolling):	0.06	(0.06)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Equities	91.7%	90.8%	66.3%
Cash	0.3%	1.8%	2.0%
Others	8.1%	7.5%	31.7%
Leverage	Nil	Nil	Nil

UDEF vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UDEF	5.75%	25.38%	10.24%	-	-	8.10%
Benchmark	7.85%	27.11%	7.41%	-	-	3.84%

Returns are on absolute basis

The Fund earned a net income of PKR 8.729 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 4.797 million on revaluation of investments)). As at December 31, 2020, net assets of the Fund were PKR 30.089 million representing the net asset value of PKR 108.0959 per unit.



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

The objective of the newly launched UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) is to track the performance of the benchmark index in order to provide long- term capital appreciation and dividend yields to its investors. During the period under review, the fund posted a return of 18.58%. The fund manager maintained the exposure in local equity market of around 94.5% while exposure in cash stood at 4.4% at the end of Dec20. The net assets of the Fund were PKR 47mn as at Dec 31, 2020.

	UBLP-ETF	Benchmark
1HFY'21 Return:	18.58%	19.87%
Standard Deviation (12m Rolling):	N/A	N/A
Sharpe Ratio (12m Rolling):	N/A	N/A

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Equities	95.2%	94.5%	94.5%
Cash	1.4%	1.9%	4.4%
Others	3.4%	3.6%	1.1%
Leverage	Nil	Nil	Nil

UBLP-ETF vs. Benchmark

	Return vs Benchmark					
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UBLP-ETF	4.86%	18.58%	-	-	-	25.93%
Benchmark	5.48%	19.87%	-	-	-	27.70%

Returns are on absolute basis

The Fund earned a net income of PKR 0.691 million for the half year ended December 31, 2020 (including dividend income of PKR 1.349 million). As at December 31, 2020, net assets of the Fund were PKR 47.041 million representing the net asset value of PKR 13.6748 per unit.

12) UBL Financial Planning Fund (UFPF)

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

The Plan was matured on 30 Nov 2020 and yielded return of 8.36% since inception. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 195mn at the time of maturity.

	UAPPP-II	Benchmark
1HFY'21 Return:	2.30%	2.84%
Standard Deviation (12m Rolling):	5.79%	5.42%
Sharpe Ratio (12m Rolling):	(2.22)	(1.71)



Asset Allocation (% of Total Assets)			
	Sep'20	Oct'20	Nov'20
Money Market Funds	93.7%	93.8%	93.8%
Cash	6.1%	6.0%	6.0%
Others	0.2%	0.2%	0.2%
Leverage	Nil	Nil	Nil

UAPPP-II vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-II	1.42%	2.80%	-3.43%	-	-	8.36%
Benchmark	1.67%	3.51%	0.16%	-	-	16.19%

Returns are on absolute basis | The figures are as at Nov 30, 2020, as the fund matured on that date

The Plan earned a net income of PKR 4.631 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 4.758 million on revaluation of investments)). The Plan was matured on 30 Nov 2020.

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

The Plan yielded return of 2.86% during 1HFY21 against benchmark return of 3.42%. Major exposure was maintained in Money Market funds. The net assets of the Plan were PKR 136mn as at the Dec'20.

	UAPPP-III	Benchmark
1HFY'21 Return:	2.86%	3.42%
Standard Deviation (12m Rolling):	7.10%	6.55%
Sharpe Ratio (12m Rolling):	(2.14)	(2.21)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
Money Market Funds	98.6%	98.9%	98.9%
Cash	0.4%	0.1%	0.0%
Others	1.0%	1.0%	1.0%
Leverage	Nil	Nil	Nil



UAPPP-III vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-III	1.54%	2.86%	-6.34%	-	-	4.29%
Benchmark	1.69%	3.42%	-5.58%	-	-	7.17%

Returns are on absolute basis

The Plan earned a net income of PKR 4.211 million for the half year ended December 31, 2020 (including an unrealized gain of PKR 0.466 million on revaluation of investments)). As at December 31, 2020, net assets of the Plan were PKR 135.969 million representing the net asset value of PKR 104.1758 per unit.

13) UBL Special Savings Fund

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

The “UBL Special Savings Plan-I (USSP-I)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-I yielded return of 4.25%. Major exposure was maintained in PIBs at the end of Dec'20, thus maintaining high portfolio quality. The net assets of the fund were PKR 307mn as at the Dec 31, 2020.

	USSP-I	Benchmark
1HFY'21 Return:	4.25%	7.07%
Standard Deviation (12m Rolling):	2.74%	2.51%
Sharpe Ratio (12m Rolling):	2.11	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	96.5%	96.6%	96.1%
Cash	1.2%	0.5%	0.4%
Others	2.4%	3.0%	3.5%
Leverage	Nil	Nil	Nil

USSP-I vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-I (p.a)	5.85%	4.25%	14.66%	-	-	12.72%
Benchmark	7.19%	7.07%	8.82%	-	-	10.59%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 16.880 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 3.276 million, the Plan managed to earn a net income of PKR 13.605



million. As at December 31, 2020, net assets of the Plan were PKR 306.615 million representing a net asset value of PKR 104.9507 per unit.

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

The “UBL Special Savings Plan-II (USSP-II)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-II yielded return of 4.68%. Major exposure was maintained in PIBs at the end of Dec'20. The net assets of the Plan were PKR 647mn as at 31 Dec 2020.

	USSP-II	Benchmark
1H FY'21 Return:	4.68%	7.07%
Standard Deviation (12m Rolling):	2.66%	2.51%
Sharpe Ratio (12m Rolling):	2.31	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	97.3%	97.0%	96.4%
Cash	0.4%	0.2%	0.2%
Others	2.2%	2.8%	3.4%
Leverage	Nil	Nil	Nil

USSP-II vs. Benchmark

	Return vs Benchmark					
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-II (p.a)	6.14%	4.68%	14.99%	-	-	13.49%
Benchmark	7.19%	7.07%	8.82%	-	-	10.62%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 40.421 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 6.117 million, the Plan managed to earn a net income of PKR 34.304 million. As at December 31, 2020, net assets of the Fund were PKR 646.889 million representing the net asset value of PKR 104.2680 per unit.

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

The “UBL Special Savings Plan-III (USSP-III)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-III yielded return of 3.91%. Major exposure was in PIBs at the end of Dec'20. The net assets of the Plan were PKR 73mn as at the 31 Dec 2020.



	USSP-III	Benchmark
1HFY'21 Return:	3.91%	7.07%
Standard Deviation (12m Rolling):	3.24%	2.51%
Sharpe Ratio (12m Rolling):	2.10	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	95.2%	95.0%	94.5%
Cash	2.3%	1.9%	1.8%
Others	2.5%	3.1%	3.7%
Leverage	Nil	Nil	Nil

USSP-III vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-III (p.a)	6.49%	3.91%	15.66%	-	-	15.52%
Benchmark	7.19%	7.07%	8.82%	-	-	10.60%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 5.591 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 1.000 million, the Plan managed to earn a net income of PKR 4.591 million. As at December 31, 2020, net assets of the Plan were PKR 72.864 million representing the net asset value of PKR 108.0550 per unit.

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

The “UBL Special Savings Plan-IV (USSP-IV)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-IV yielded return of 4.54%. Major exposure was maintained in PIBs at the end of Dec'20, thus maintaining high portfolio quality. The net assets of the Plan were PKR 185mn as at the 31 Dec 2020.

	USSP-IV	Benchmark
1HFY'21 Return:	4.54%	7.07%
Standard Deviation (12m Rolling):	2.06%	2.51%
Sharpe Ratio (12m Rolling):	2.16	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	95.5%	95.1%	94.6%
Cash	2.3%	2.2%	2.1%
Others	2.2%	2.7%	3.3%
Leverage	Nil	Nil	Nil



USSP-IV vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-IV (p.a)	4.91%	4.54%	13.31%	-	-	13.80%
Benchmark	7.19%	7.07%	8.82%	-	-	10.53%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 12.188 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 2.364 million, the Plan managed to earn a net income of PKR 9.824 million. As at December 31, 2020, net assets of the Plan were PKR 184.712 million representing the net asset value of PKR 103.4554 per unit.

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

The “UBL Special Savings Plan V (USSP-V)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty-six (36) Months from commencement of life of plan. USSP-V yielded return of 6.44%. The net assets of the Plan were PKR 2,101mn as at 31 Dec 2020. Major exposure was maintained in PIBs at the end of Dec'20, thus maintaining high portfolio quality.

	USSP-V	Benchmark
1HFY'21 Return:	6.44%	7.07%
Standard Deviation (12m Rolling):	1.53%	2.51%
Sharpe Ratio (12m Rolling):	2.03	(0.02)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Floater*	51.4%	51.2%	50.8%
Cash*	0.2%	0.1%	36.7%
PIB - Fixed*	40.4%	40.1%	12.0%
T-Bills	5.7%	5.7%	0.0%
Others	2.3%	2.9%	0.5%
Leverage	Nil	Nil	Nil

USSP-V vs. Benchmark

Return vs Benchmark						
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-V (p.a)	7.02%	6.44%	11.97%	-	-	12.54%
Benchmark	7.19%	7.07%	8.82%	-	-	9.89%

Returns are annualized using the Morningstar Methodology



The Plan earned total income of PKR 145.628 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 6.978 million, the Plan managed to earn a net income of PKR 138.651 million. As at December 31, 2020, net assets of the Plan were PKR 2,101.394 million representing the net asset value of PKR 101.7056 per unit.

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

The “UBL Special Savings Plan VI (USSP-VI)” is an Allocation Plan under “UBL Special Savings Fund”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for twenty-four (24) Months from commencement of life of plan. USSP-VI yielded return of 5.49%. The net assets for the Plan were PKR 137 mn as at 31 Dec 2020. Major exposure was maintained in PIBs at the end of Dec'20, thus maintaining high portfolio quality.

	USSP-VI	Benchmark
1HFY'21 Return:	5.49%	7.07%
Standard Deviation (12m Rolling):	3.05%	2.51%
Sharpe Ratio (12m Rolling):	0.02	(0.00)

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	87.7%	87.2%	86.8%
Cash	10.7%	10.5%	10.4%
Others	1.7%	2.2%	2.8%
Leverage	Nil	Nil	Nil

USSP-VI vs. Benchmark

	Return vs Benchmark					
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-VI (p.a)	6.50%	5.49%	14.59%	-	-	13.14%
Benchmark	7.19%	7.07%	8.82%	-	-	10.18%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 8.355 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 1.111 million, the Plan managed to earn a net income of PKR 7.244 million. As at December 31, 2020, net assets of the Plan were PKR 136.959 million representing the net asset value of PKR 101.05 per unit.

14) UBL Special Savings Fund-II (UBL Special Savings Plan – VIII)

The “UBL Special Savings Plan-VIII (USSP-VIII)” is an Allocation Plan under “UBL Special Savings Fund - II”. The objective is to earn competitive regular return with capital preservation for unit holders who hold their investment for thirty (30) Months & beyond from commencement of life of plan. USSP-VIII yielded return of 2.39%. The net assets for the Plan were PKR 145 mn as at 31 Dec 2020. Major exposure was maintained in PIBs at the end of Dec'20, thus maintaining high portfolio quality.



	USSP-VIII	Benchmark
1HFY'21 Return:	2.39%	7.07%
Standard Deviation (12m Rolling):	N/A	N/A
Sharpe Ratio (12m Rolling):	N/A	N/A

Asset Allocation (% of Total Assets)			
	Oct'20	Nov'20	Dec'20
PIB - Fixed*	89.8%	55.2%	55.0%
T-Bills	2.7%	39.1%	36.6%
Cash	4.7%	2.8%	5.5%
Others	2.9%	2.9%	2.9%
Leverage	Nil	Nil	Nil

USSP-VIII vs Benchmark

	Return vs Benchmark					
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-VIII (p.a)	6.29%	2.39%	-	-	-	9.39%
Benchmark	7.19%	7.07%	-	-	-	8.27%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 5.383 million for the half year ended December 31, 2020. After accounting for the expenses of PKR 1.605 million, the Plan managed to earn a net income of PKR 3.778 million. As at December 31, 2020, net assets of the Plan were PKR 144.920 million representing the net asset value of PKR 101.8495 per unit.

Future outlook

After witnessing negative real GDP growth (-0.4%) in FY20 for the first time since 1952, the country witnessed decent recovery in the current fiscal year. The outlook also remains positive as the policy makers focus seems to have shifted toward the revival of economy and supporting growth and employment. Broad macroeconomic indicators, including an improved current account position, revival in industrial activity and low interest rates continue to remain supportive and we believe economy is expected to recover from here and GDP growth is expected to be in the range of 3.5% to 4.5% in FY21. Moreover, re-entry in IMF program albeit will have its own challenges, they may create a positive impact on overall macro indicators.

From a fundamental perspective, despite the recent run-up, the equity market still holds a huge potential as corporate earnings are expected to witness a decent growth in CY21 and beyond. Earnings yield differential from 10Y PIB yield is 3.2% (13.2% vs. 10.0%) which is still much higher than the average yield difference of 1.1% over the last 15 years. In the short-term, the market will take direction from evolving domestic political situation, progress on Covid-19, result of impending FATF review and upcoming results season. We continue to hold a sanguine view on equities on the back of improving economic activity and indicators coupled with attractive valuations especially for larger listed sectors. There is ample liquidity available that we think may enter in equity market due to waning investor interest in alternative avenues that should support strong performance for equities.



Acknowledgments

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 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: 25 February 2020

----- SD -----

Azhar Hamid
CHAIRMAN

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	Yousuf Adil, 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 (VIS)
Fund Rating	AA+(f)

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Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

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TRUSTEE REPORT TO THE UNIT HOLDERS

UBL LIQUIDITY PLUS FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Liquidity Plus Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE UNITHOLDERS' OF UBL LIQUIDITY PLUS FUND****Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL LIQUIDITY PLUS FUND** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Management Company (**UBL Fund Managers Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

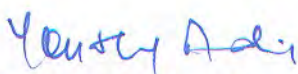
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim income statement, condensed interim statement of comprehensive income and related notes for the quarter ended December 31, 2020 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2020.

The engagement partner on the engagement resulting in this independent auditor's review report is Nadeem Yousuf Adil.

**Chartered Accountants****Place:** Karachi**Date:** February 25, 2021

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	24,192,540	15,825,752
Placements, commercial papers, certificate of investments and term deposit receipts	5	-	650,000
Investments - net	6	-	3,120,183
Mark-up / interest receivable		81,306	37,341
Security deposits, prepayments and other receivables		2,130	6,298
Advance income tax	7	4,414	1,994
Total assets		24,280,390	19,641,568
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	6,954	7,672
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,333	746
Payable to Securities and Exchange Commission of Pakistan	10	1,832	1,954
Accrued expenses and other liabilities	11	158,785	165,915
Total liabilities		168,904	176,287
Net Assets		24,111,486	19,465,281
Unit Holders' Fund (as per statement attached)		24,111,486	19,465,281
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
Number of Units in Issue	13	238,269,620	192,766,885
		----- (Rupees) -----	
Net Asset Value Per Unit		101.1941	100.9783
Face Value per Unit		100.0000	100.0000

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
 (Management Company)

-SD-
 Chief Executive Officer

-SD-
 Chief Financial Officer

-SD-
 Director

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note		(Rupees in '000)			
INCOME					
Financial income		661,498	631,547	365,894	309,426
(Loss) / gain on sale of investments - net		(3,413)	(4,969)	551	(1,869)
Unrealized loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		-	(49)	-	(49)
Other income		367	146	367	146
Total income		658,452	626,675	366,812	307,654
EXPENSES					
Remuneration of UBL Fund Managers Limited - Management Company	8.1	19,191	36,149	11,370	15,358
Sindh sales tax on remuneration of Management Company		2,495	4,699	1,475	1,996
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	6,714	3,338	3,637	1,623
Annual fee of Securities and Exchange Commission of Pakistan	10	1,832	909	994	442
Bank charges		167	340	132	196
Auditors' remuneration		378	388	192	205
Brokerage and settlement expenses		1,063	621	180	289
Allocated expenses	8.2	9,401	2,990	5,261	2,210
Allocated selling and marketing expenses	8.3	-	6,279	-	4,640
Fees and subscription charges		137	137	137	62
Listing fee		14	14	7	14
Legal and professional charges		94	80	33	80
Other expenses		-	-	(131)	-
Total expenses		41,486	55,944	23,287	27,115
Net operating income for the period		616,966	570,731	343,525	280,539
Provision for Sindh Workers' Welfare Fund	11.2	(12,103)	(11,197)	(6,737)	(5,499)
Net income for the period before taxation		604,863	559,534	336,788	275,040
Taxation	14	-	-	-	-
Net income for the period after taxation		604,863	559,534	336,788	275,040
Allocation of net income for the period					
- Net income for the period after taxation		604,863	559,534	336,788	275,040
- Income already paid on units redeemed		(41,468)	(28,011)	(23,737)	(12,240)
Net income for the period available for distribution		563,395	531,523	313,051	262,800
Net income for the period available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		563,395	531,523	313,051	262,800
		563,395	531,523	313,051	262,800
Earnings per unit	15				

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
 (Management Company)

-SD-
 Chief Executive Officer

-SD-
 Chief Financial Officer

-SD-
 Director

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	604,863	559,534	336,788	275,040
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 period	604,863	559,534	336,788	275,040

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
 (Management Company)

-SD-
Chief Executive Officer

-SD-
Chief Financial Officer

-SD-
Director

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended					
	December 31, 2020			December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	19,328,240	137,041	19,465,281	6,731,381	105,945	6,837,326
Amount received on issuance of 391,830,285 units (2019: 167,338,827 units)						
- Capital value	39,566,356	-	39,566,356	16,864,474	-	16,864,474
- Element of income	56,135	-	56,135	33,745	-	33,745
Total amount received on issuance of units	39,622,491	-	39,622,491	16,898,219	-	16,898,219
Amount paid on redemption of 346,327,550 units (2019: 137,892,631 units)						
- Capital value	(34,971,567)	-	(34,971,567)	(13,896,875)	-	(13,896,875)
- Element of income	(2,199)	(41,468)	(43,667)	(6,947)	(28,011)	(34,958)
Total amount paid on redemption of units	(34,973,766)	(41,468)	(35,015,234)	(13,903,822)	(28,011)	(13,931,833)
Total comprehensive income for the period	-	604,863	604,863	-	559,534	559,534
Interim distributions made during the period (note 19)	(46,367)	(519,548)	(565,915)	(25,102)	(502,504)	(527,606)
Net income for the period less distribution	(46,367)	85,315	38,948	(25,102)	57,030	31,928
Net assets at the end of the period	23,930,598	180,888	24,111,486	9,700,676	134,964	9,835,640
Undistributed income brought forward comprising of:						
- Realised		135,806			105,945	
- Unrealised		1,235			-	
Total undistributed income brought forward		137,041			105,945	
Net income for the period available for distribution						
- Related to capital gain		-			-	
- Excluding capital gain		563,395			531,523	
		563,395			531,523	
Distribution during the period:						
Annual distribution		-			-	
Interim distributions during the period		(519,548)			(502,504)	
		(519,548)			(502,504)	
Undistributed income carried forward - net		180,888			134,964	
Undistributed income carried forward comprising of:						
- Realised		180,888			135,013	
- Unrealised		-			(49)	
		180,888			134,964	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			100.9783			100.7804
Net asset value per unit at the end of the period			101.1941			101.0961

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

-SD-
Chief Executive Officer

-SD-
Chief Financial Officer

-SD-
Director

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	604,863	631,547
Adjustments for:		
Financial income	(661,498)	(631,547)
(Loss) / gain on sale of investments - net	3,413	4,969
Unrealized loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	-	49
Provision for Sindh Workers' Welfare Fund	12,103	11,197
	(645,982)	(615,332)
Cash used in operations before working capital changes	(41,119)	16,215
(Increase) / decrease in assets		
Placements, commercial papers, certificate of investments and term Investments - net	650,000	500,000
Security deposits, prepayments and other receivables	3,116,770	(745,958)
Advance income tax	4,168	35,547
	(2,420)	-
	3,768,518	(210,411)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(718)	5,490
Payable to Central Depository Company of Pakistan Limited - Trustee	587	(26)
Payable to Securities and Exchange Commission of Pakistan	(122)	(8,003)
Payable against purchase of investment	-	740,989
Accrued expenses and other liabilities	(19,233)	(685)
	(19,486)	737,765
Cash generated from operations	3,707,913	543,569
Mark-up received on bank balances	175,560	147,839
Mark-up received on placements, commercial paper, certificate of investments term deposit receipts	53,830	114,746
Mark-up received on investments	388,143	258,283
Net cash generated from operating activities	4,325,446	1,064,437
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	39,622,491	16,898,219
Payments against redemption of units	(35,015,234)	(13,931,833)
Dividend paid	(565,915)	(527,607)
Net cash generated from financing activities	4,041,342	2,438,779
Net increase in cash and cash equivalents during the period	8,366,788	3,503,216
Cash and cash equivalents at the beginning of the period	15,825,752	6,336,231
Cash and cash equivalents at the end of the period	24,192,540	9,839,447
CASH AND CASH EQUIVALENTS		
Bank balances	24,192,540	8,505,721
Placements, commercial papers, certificate of investments and term	-	1,333,726
	24,192,540	9,839,447

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

-SD-
Chief Executive Officer

-SD-
Chief Financial Officer

-SD-
Director

UBL LIQUIDITY PLUS FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Liquidity Plus Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the management company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2009 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from June 21, 2009.

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-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder.

The investment objective of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.

VIS Credit Rating Company has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company on December 31, 2020 and assigned a stability rating of "AA+(f)" to the Fund as on January 06, 2021.

Title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities on Mutual Funds.

2.1.3 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, 2020.

2.1.4 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, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2019.

- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.
- 3.3 There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
4. BANK BALANCES	Note	-----Rupees in '000-----	
In local currency:			
- Saving accounts	4.1	24,192,536	15,825,738
- Current accounts		4	14
		24,192,540	15,825,752

- 4.1 Mark-up rates on these savings accounts range between 5.50% to 7.82% per annum (June 30, 2020: 6.50% to 14.40% per annum).

5. PLACEMENTS, COMMERCIAL PAPERS, CERTIFICATE OF INVESTMENTS AND TERM DEPOSIT RECEIPTS

Particulars	As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020	Market value as a percentage of net assets of the Fund	Interest rate
	-----Rupees in '000-----				-----%	
Letter of placements	-	27,194,000	27,194,000	-	-	-
Certificate of investments	650,000	-	650,000	-	-	-
As at December 31, 2020 (Un-audited)	650,000	27,194,000	27,844,000	-	-	
Placements, commercial papers, certificate of investments and term deposit receipts						
As at June 30, 2020 (Audited)	850,000	28,016,612	28,216,612	650,000	3.34	9

6. INVESTMENTS - NET

Government securities classified as 'fair value through profit or loss'

Issue Date	Tenor	Face value			Carrying Value as at December 31, 2020	Market Value as at December 31, 2020	Unrealized appreciation	Market value as a percentage of	
		As at July 1, 2020	Purchased during the period	Sold / Matured during the period				As at December 31, 2020	Total Investments
Treasury bills		----- (Rupees in '000) -----					----- % -----		
September 26, 2019	1 year	107,000	-	107,000	-	-	-	-	-
December 19, 2019	1 year	9,300	-	9,300	-	-	-	-	-
February 27, 2020	6 months	-	200,000	200,000	-	-	-	-	-
March 12, 2020	6 months	-	2,950,000	2,950,000	-	-	-	-	-
March 26, 2020	6 months	2,500,000	2,307,500	4,807,500	-	-	-	-	-
April 9, 2020	6 months	183,000	3,242,000	3,425,000	-	-	-	-	-
April 23, 2020	3 months	375,000	3,000,000	3,375,000	-	-	-	-	-
May 7, 2020	6 months	-	2,750,000	2,750,000	-	-	-	-	-
May 21, 2020	3 months	-	595,000	595,000	-	-	-	-	-
June 4, 2020	3 months	-	224,700	224,700	-	-	-	-	-
June 18, 2020	6 months	-	100,000	100,000	-	-	-	-	-
July 2, 2020	3 months	-	407,740	407,740	-	-	-	-	-
July 2, 2020	6 months	-	75,000	75,000	-	-	-	-	-
July 16, 2020	3 months	-	7,143,000	7,143,000	-	-	-	-	-
July 16, 2020	6 months	-	2,695,000	2,695,000	-	-	-	-	-
July 18, 2020	1 year	-	1,000,000	1,000,000	-	-	-	-	-
August 16, 2020	1 year	-	415,000	415,000	-	-	-	-	-
August 13, 2020	3 months	-	250,000	250,000	-	-	-	-	-
August 27, 2020	6 months	-	1,500,000	1,500,000	-	-	-	-	-
August 27, 2020	3 months	-	10,180,000	10,180,000	-	-	-	-	-
August 29, 2020	1 year	-	3,120,000	3,120,000	-	-	-	-	-
September 10, 2020	3 months	-	1,480,000	1,480,000	-	-	-	-	-
September 12, 2020	1 year	-	4,200,000	4,200,000	-	-	-	-	-
September 24, 2020	3 months	-	6,162,000	6,162,000	-	-	-	-	-
September 26, 2020	1 year	-	8,029,055	8,029,055	-	-	-	-	-
October 8, 2020	6 months	-	1,000,000	1,000,000	-	-	-	-	-
October 8, 2020	3 months	-	29,361,000	29,361,000	-	-	-	-	-
October 10, 2020	1 year	-	3,830,000	3,830,000	-	-	-	-	-
October 22, 2020	3 months	-	3,000,000	3,000,000	-	-	-	-	-
November 5, 2020	3 months	-	2,500,000	2,500,000	-	-	-	-	-
November 7, 2020	1 year	-	1,580,000	1,580,000	-	-	-	-	-
November 19, 2020	3 months	-	2,000,000	2,000,000	-	-	-	-	-
November 21, 2020	1 year	-	495,000	495,000	-	-	-	-	-
December 3, 2020	3 months	-	312,500	312,500	-	-	-	-	-
December 5, 2020	1 year	-	1,545,000	1,545,000	-	-	-	-	-
December 19, 2020	1 year	-	4,565,000	4,565,000	-	-	-	-	-
As at December 31, 2020 (Un-audited)		3,174,300	112,214,495	115,388,795	-	-	-	-	-
As at June 30, 2020 (Audited)		-	90,721,200	87,546,900	3,174,300	3,118,947	3,120,183	1,235	16.03

7. ADVANCE INCOME TAX

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees in '000-----	
8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Management fee (including Sindh Sales Tax thereagainst)	8.1	4,739	2,425
Allocated expenses	8.2	2,055	2,141
Allocated selling and marketing expenses	8.3	-	2,954
Conversion charges payable		143	135
Other payable		17	17
		6,954	7,672

- 8.1** SECP vide S.R.O. 639 (I) / 2019 dated June 20, 2019, has amended Regulation 61 of NBFC Regulations whereby an Asset 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 current period, the Management Company has charged management fee expenses of Rs. 19.19 million (2019: Rs. 36.15 million) 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 24, 2020	2.50%	0.15%	1.00%
Charged from September 25, 2020 and onwards	3.10%	0.15%	1.00%

- 8.2** Allocated Expenses represents fee for registrar services, accounting, operations and valuation services. In accordance with Regulation 60 of the NBFC Regulations and SRO 639 dated June 20, 2019, the Management Company is entitled to charge expenses for registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Therefore, the Management Company can charge allocated expenses to the CIS based on its discretion provided the Total Expense Ratio (refer note 16) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

The Management Company has charged allocated expenses of Rs. 9.40 million (2019: Rs. 2.99 million) related to registrar services, accounting, operations and valuation services during the period December 31, 2020 by charging allocated expense at the rate upto 0.15% per annum of daily net assets of the Fund.

- 8.3** The SECP through its circular 11 dated 05 July, 2019 had revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum was been lifted and the asset management company were required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Further, the time limit of three years was also removed in the revised conditions. Therefore, with effect from June 20, 2019, the Management Company can charge selling and marketing expenses to the CIS based on its discretion provided the Total Expense Ratio (refer note 16) prescribed by the SECP vide S.R.O. 639 (I) / 2019 dated June 20, 2019 is complied with.

In the comparative period from September 5, 2019, the Management Company had charged selling and marketing expenses of Rs. 6.279 million by charging selling and marketing expense at the rate of 0.21% per annum of average daily net assets of the Fund. The Management Company has stopped charging these expenses to the Fund in the current period.

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

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

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of NBFC Regulations, a collective investment scheme classified as money market scheme is required to pay an annual fee to the SECP at the rate of 0.02% per annum of average daily net assets of the Fund.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees in '000-----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		387	537
Brokerage expense payable		689	1,480
Payable against legal charges		72	98
Capital gains tax payable		1,347	3,123
Zakat deducted at source payable		1,124	772
Withholding tax payable		15,397	1
Provision for indirect duties and taxes	11.1	55,390	55,390
Provision for Sindh Workers' Welfare Fund	11.2	68,004	55,900
Dividend payable		12,013	147
Other payable		4,362	48,467
		158,785	165,915

11.1 Provision for indirect taxes and duties

This represents provision for Federal Excise Duty (FED) as at December 31, 2020 amounting to Rs. 55.390 million (June 30, 2019: Rs. 55.390). There is no change in the status of the legal proceeding on this matter, details of which have been disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020. As a matter of prudence, the Management Company has maintained full provision up to June 30, 2016 for FED aggregating to Rs. 55.390 million until the matter is resolved. Had the provision not been made, the net assets value per unit would have been higher by Re. 0.2325 (June 30, 2020: Re. 0.2873).

11.2 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.2854 (June 30, 2020: Re. 0.2900).

There is no change in the status of the legal proceeding on this matter, details of which have been disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2020.

12. CONTINGENCIES AND COMMITMENTS

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

	(Un-audited) For the half year ended December 31, 2020	(Audited) For the year ended June 30, 2020
	-----Number of Units-----	
13. NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the period	192,766,885	67,843,773
Units issued during the period	391,830,285	515,019,775
Units redeemed during the period	(346,327,550)	(390,096,663)
Total units in issue at the end of the period	238,269,620	192,766,885

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in the form of cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

15. EARNINGS PER UNIT

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

16. TOTAL EXPENSE RATIO

As per regulation 60 (5b) of NBFC Regulations 2008, the capping of expense ratio of the Fund is set at 2% of average net assets for the year.

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.58% as on December 31, 2020 (June 30, 2020: 1.27%) and this includes 0.19% (June 30, 2020: 0.35%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

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 Fund does not hold any financial assets or liabilities carried at fair value as at December 31, 2020. The table below provides information on financial assets or liabilities carried at fair values, by valuation methods as at June 30, 2020.

ASSETS	As at June 30, 2020 (Audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in government securities - financial assets at fair value through profit or loss				
- Treasury bills	-	3,120,183	-	3,120,183

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

18. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 18.1** Connected persons / related parties comprise 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.
- 18.2** Transactions with the connected persons are carried at agreed / contracted rates.
- 18.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 18.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 18.5** Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended December 31, 2020 are as follows:

	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
Transactions during the period						
----- Half year ended December 31, 2020 (Un-audited) -----						
----- (Units in '000) -----						
Units issued	30,944	79	94	-	6	92,611
Units redeemed	21,806	79	-	-	12	54,835
----- (Rupees in '000) -----						
Value of units issued	3,162,918	7,977	9,494	-	589	9,366,929
Value of units redeemed	2,204,000	7,986	-	-	1,174	5,542,235
Mark-up on PLS accounts	-	718	-	-	-	-
Purchase of securities	-	4,407,153	-	1,654,845	-	-
Sale of securities	-	1,983,680	-	499,339	-	-
Remuneration (inclusive of SST)	21,686	-	6,714	-	-	-
Allocated expense	9,401	-	-	-	-	-
Dividend paid	31,126	19	11,170	-	72	135,091
----- As at December 31, 2020 (Un-audited) -----						
----- (Units in '000) -----						
Units held	18,159	-	3,630	-	29	63,569
----- (Rupees in '000) -----						
Value of units held	1,837,536	-	367,337	-	2,956	6,432,808
Bank balances	-	20,664	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration (inclusive of SST)	4,739	-	1,333	-	-	-
Allocated expenses payable	2,055	-	-	-	-	-
Conversion payable	143	-	-	-	-	-
Other payable	17	-	-	-	-	-
Mark-up receivable	-	243	-	-	-	-

Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives**	Other Connected persons / related parties***
----- Half year ended December 31, 2019 (Un-audited) -----					
----- (Rupees in '000) -----					
77,445	27	2,276	-	85	14,614
63,002	-	-	-	132	-
----- (Rupees in '000) -----					
7,821,749	2,764	230,000	-	8,556	1,473,989
6,369,946	-	-	-	13,319	-
-	878	-	-	-	-
-	59	-	-	-	-
-	-	-	4,400,291	-	-
-	4,648,154	-	2,184,868	-	-
40,848	-	3,338	-	-	-
6,279	-	-	-	-	-
2,990	-	-	-	-	-
-	-	2	-	-	-
4,689	4	-	-	737	10,190
----- As at June 30, 2020 (Audited) -----					
----- (Units in '000) -----					
9,021	-	3,536	-	35	45,620
----- (Rupees in '000) -----					
910,925	-	357,059	-	3,534	4,606,630
-	19,172	-	-	-	-
5,898	-	-	-	-	-
-	-	100	-	-	-
2,425	-	746	-	-	-
2,141	-	-	-	-	-
2,954	-	-	-	-	-
135	-	-	-	-	-
17	-	-	-	-	-
-	33	-	-	-	-

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

** These include transactions and balance in relation to those directors and key executives (including their close family members) that existed as at period end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the period.

*** These include transactions and balances in relation to the entities where common directorship exist as at period end.

19. INTERIM DISTRIBUTIONS MADE DURING THE PERIOD

Rate per unit	Declaration time	Cash Distribution			
		Capital Value	Undistribut ed Income	Total	
-----Rupees in '000-----					
-----For the period ended December 31, 2020-----					
July 2020 to December 2020					
For the month of July 2020	0.1156	July 05, 2020	(1,032)	(19,615)	(20,647)
For the month of July 2020	0.2260	July 19, 2020	(5,371)	(45,356)	(50,727)
For the month of August 2020	0.1692	August 02, 2020	(1,196)	(24,702)	(25,898)
For the month of August 2020	0.2448	August 16, 2020	(2,076)	(35,041)	(37,117)
For the month of September 2020	0.2754	September 1, 2020	(12,121)	(32,844)	(44,965)
For the month of September 2020	0.2207	September 13, 2020	(1,154)	(34,943)	(36,097)
For the month of September 2020	0.2632	September 27, 2020	(1,783)	(41,759)	(43,542)
For the month of October 2020	0.2762	October 11, 2020	(3,451)	(47,332)	(50,783)
For the month of October 2020	0.2714	October 25, 2020	(3,113)	(48,041)	(51,154)
For the month of November 2020	0.2541	November 8, 2020	(2,709)	(43,435)	(46,144)
For the month of November 2020	0.2520	November 22, 2020	(3,057)	(47,148)	(50,205)
For the month of December 2020	0.2532	December 6, 2020	(4,031)	(47,492)	(51,523)
For the month of December 2020	0.2589	December 20, 2020	(5,273)	(51,840)	(57,113)
			(46,367)	(519,548)	(565,915)

-----For the period ended December 31, 2019-----					
July 2019 to December 2019					
For the month of July 2019	0.4494	July 14, 2019	(3,063)	(29,356)	(32,420)
For the month of July 2019	0.4500	July 28, 2019	(214)	(32,686)	(32,900)
For the month of August 2019	0.6064	August 15, 2019	(1,798)	(52,396)	(54,194)
For the month of August 2019	0.4712	August 29, 2019	(2,938)	(43,393)	(46,331)
For the month of September 2019	0.5675	September 15, 2019	(6,673)	(56,033)	(62,706)
For the month of September 2019	0.5009	September 29, 2019	(3,041)	(50,834)	(53,875)
For the month of October 2019	0.5173	October 13, 2019	(806)	(48,876)	(49,682)
For the month of October 2019	0.4849	October 27, 2019	(1,018)	(41,355)	(42,373)
For the month of November 2019	0.4459	November 10, 2019	(715)	(38,627)	(39,342)
For the month of November 2019	0.4592	November 24, 2019	(394)	(34,734)	(35,128)
For the month of December 2019	0.4805	December 8, 2019	(3,085)	(36,630)	(39,715)
For the month of December 2019	0.4946	December 22, 2019	(1,359)	(37,584)	(38,940)
			(25,102)	(502,504)	(527,606)

20. IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

21. GENERAL

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

21.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed by auditors.

22. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2021 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	A.F.FERGUSON & Co.
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiat Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA(f) (VIS)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Money Market Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Money Market Fund** (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2020. The Management Company (UBL Fund Managers Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2019 were reviewed and the financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2020 and September 29, 2020 respectively.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 25, 2021

Karachi

UBL MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	----- (Rupees in 000) -----
ASSETS			
Bank balances	4	2,548,111	5,111,249
Profit receivable	5	9,606	27,607
Deposits, prepayments and other receivables		5,194	626
Advance tax	6	1,653	1,650
Total assets		2,564,564	5,141,132
LIABILITIES			
Payable to UBL Fund Managers Limited - the Management Company	7	5,618	8,637
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	168	324
Payable to the Securities and Exchange Commission of Pakistan	9	339	897
Dividend payable		1,518	2,575
Accrued expenses and other liabilities	10	34,167	78,918
Total liabilities		41,810	91,351
NET ASSETS		2,522,754	5,049,781
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,522,754	5,049,781
CONTINGENCIES AND COMMITMENTS	11		
		----- (Number of units) -----	----- (Number of units) -----
NUMBER OF UNITS IN ISSUE		24,309,570	50,139,708
		----- (Rupees) -----	----- (Rupees) -----
NET ASSET VALUE PER UNIT		103.7762	100.7142

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL MONEY MARKET FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note		(Rupees in 000)			
INCOME					
Profit on bank balances		39,420	118,842	22,316	74,374
Profit on term deposit receipts / letter of placements		6,014	50,084	-	28,400
Profit on market treasury bills		74,393	124,928	45,519	39,876
(Loss) / gain on sale of investments - net		(2,385)	(3,441)	71	(1,763)
Net unrealised loss on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		-	(27)	-	(27)
Other income		-	32	-	32
Total income		117,442	290,418	67,906	140,892
EXPENSES					
Remuneration of UBL Fund Managers Limited - the Management Company	7.1	5,978	17,033	2,603	7,037
Sindh sales tax on remuneration of the Management Company	7.2	777	2,214	338	915
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	8.1	1,102	1,390	461	667
Sindh sales tax on remuneration of the Trustee	8.2	143	181	60	87
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9.1	339	428	142	206
Allocated expenses	7.4	1,696	2,138	709	1,027
Annual rating fee		108	99	108	-
Annual listing fee		14	14	7	7
Auditors' remuneration		428	359	230	197
Legal and professional charges		95	81	48	6
Bank charges		76	230	9	126
Brokerage expenses		214	338	24	214
Selling and marketing expense	7.3	5,087	4,039	2,125	3,081
Total operating expenses		16,057	28,544	6,864	13,570
Net operating income for the period		101,385	261,874	61,042	127,322
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	(1,989)	(5,138)	(886)	(2,497)
Net profit for the period before taxation		99,396	256,736	60,156	124,825
Taxation	13	-	-	-	-
Net profit for the period after taxation		99,396	256,736	60,156	124,825
Allocation of net income for the period					
Net profit for the period after taxation		99,396	256,736	60,156	124,825
Income already paid on units redeemed		(34,818)	(101,702)	(18,977)	(59,000)
		64,578	155,034	41,179	65,825
Accounting income available for distribution					
- Relating to capital gains		-	-	71	-
- Excluding capital gains		64,578	155,034	41,108	65,825
		64,578	155,034	41,179	65,825

Earnings per unit 14

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees in 000)			
Net profit for the period after taxation	99,396	256,736	60,156	124,825
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>99,396</u>	<u>256,736</u>	<u>60,156</u>	<u>124,825</u>

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020			Half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in 000)-----					
Net assets at the beginning of the period (audited)	5,037,666	12,115	5,049,781	2,714,135	11,296	2,725,431
Issuance of 29,007,308 units (December 31, 2019: 76,697,474 units)						
- Capital value	2,921,219	-	2,921,219	7,721,650	-	7,721,650
- Element of income	44,524	-	44,524	170,785	-	170,785
Total amount received on issuance of units	2,965,743	-	2,965,743	7,892,435	-	7,892,435
Redemption of 54,837,446 units (December 31, 2019: 63,730,968 units)						
- Capital value	(5,493,514)	-	(5,493,514)	(6,416,223)	-	(6,416,223)
- Element of loss	(63,834)	(34,818)	(98,652)	(75,455)	(101,702)	(177,157)
Total amount paid on redemption of units	(5,557,348)	(34,818)	(5,592,166)	(6,491,678)	(101,702)	(6,593,380)
Total comprehensive income for the period	-	99,396	99,396	-	256,736	256,736
Net assets at the end of the period (un-audited)	<u>2,446,061</u>	<u>76,693</u>	<u>2,522,754</u>	<u>4,114,892</u>	<u>166,330</u>	<u>4,281,222</u>
	(Rupees in 000)			(Rupees in 000)		
Undistributed income brought forward						
- Realised income		12,115			11,296	
- Unrealised income		-			-	
		<u>12,115</u>			<u>11,296</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		64,578			155,034	
		<u>64,578</u>			<u>155,034</u>	
Undistributed income carried forward		<u>76,693</u>			<u>166,330</u>	
Undistributed income carried forward						
- Realised income		76,693			166,330	
- Unrealised income		-			-	
		<u>76,693</u>			<u>166,330</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>100.7142</u>			<u>100.6767</u>	
Net assets value per unit at the end of the period		<u>103.7762</u>			<u>106.9299</u>	

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL MONEY MARKET FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
Note	----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period after taxation	99,396	256,736
Adjustments for:		
Profit on bank balances	(39,420)	(118,842)
Profit on term deposit receipts / letter of placements	(6,014)	(50,084)
Profit on market treasury bills	(74,393)	(124,928)
Loss on sale of investments - net	2,385	3,441
Net unrealised loss on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	-	27
Provision for Sindh Workers' Welfare Fund	1,989	5,138
	(115,453)	(285,248)
Decrease in assets		
Investment	(2,385)	(334,941)
Advance tax	(3)	(6)
Deposits, prepayments and other receivables	(4,567)	(4,707)
	(6,955)	(339,654)
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - the Management Company	(3,019)	4,416
Payable to Central Depository Company of Pakistan Limited - the Trustee	(156)	27
Payable to the Securities and Exchange Commission of Pakistan	(558)	(986)
Payable against purchase of investments	-	331,500
Dividend payable	(1,057)	
Accrued expenses and other liabilities	(46,740)	4,165
	(51,530)	339,122
Profit received on bank balances	57,420	262,711
Profit received on term deposit receipts, letter of placements and market treasury bills	80,408	-
Net cash generated from operating activities	63,286	233,667
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	2,965,743	7,892,435
Amount paid against redemption of units	(5,592,166)	(6,593,380)
Net cash (used in) / generated from financing activities	(2,626,423)	1,299,055
Net (decrease) / increase in cash and cash equivalents	(2,563,137)	1,532,722
Cash and cash equivalents at the beginning of the period	5,111,249	2,727,376
Cash and cash equivalents at the end of the period	4 2,548,112	4,260,098

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Money Market Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 10, 2010 and was approved by the Securities and Exchange Commission of Pakistan (the SECP) 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 October 14, 2010.
- 1.2** The Management Company of the Fund has been licensed to act as an asset management company by the SECP 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 has been categorised as an open ended 'Money Market Fund' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 dated March 6, 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund 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 Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company dated December 31, 2020 (December 31, 2019: AM1).
- 1.5** The 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** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.1.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2020.
- 2.1.3** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND RISK MANAGEMENT POLICIES

3.1 The accounting policies applied and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets and 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. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2020.

3.3 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
4 BANK BALANCES			
- Saving accounts	4.1	2,548,056	5,111,240
- Current accounts		55	9
		<u>2,548,111</u>	<u>5,111,249</u>

4.1 The rates of return on these balances range from 5.5% to 7.82% (June 30, 2020: 6.5% to 13.57%) per annum. These include an amount held by a related party (United Bank Limited) amounting to Rs. 14.832 million (June 30, 2020: Rs. 22.265 million) on which return is earned at 5.5% per annum (June 30, 2020: 11.75%).

	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees in 000) -----	
5 PROFIT RECEIVABLE		
Profit receivable on bank balances	9,606	27,607
	<u>9,606</u>	<u>27,607</u>

6 ADVANCE TAX

As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank deposits, term deposit receipts, market treasury bills and letter of placements to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its circular C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on profit on bank deposits, term deposit receipts, market treasury bills and letter of placements amounts to Rs. 1.653 million (June 30, 2020: Rs. 1.65 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank deposits, term deposit receipts, market treasury bills and letter of placements has been shown as advance tax under assets as at December 31, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	-----
7	PAYABLE TO UBL FUND MANAGERS LIMITED - THE MANAGEMENT COMPANY		
Remuneration payable to the Management Company	7.1	849	1,826
Sindh sales tax payable on remuneration of the Management Company	7.2	110	237
Sales load and conversion charges payable		2,301	1,996
Selling and marketing expenses payable	7.3	2,122	3,722
Allocated expenses payable	7.4	236	856
		<u>5,618</u>	<u>8,637</u>

- 7.1** During the current period, the Management Company has charged its remuneration at the rate of 5% of gross earnings, subject to floor and capping of 0.1% and 1% per annum of the average daily net assets. During the year ended June 30, 2020, the Management Company charged its remuneration at the rate of 7.5% of gross earnings, subject to floor and capping of 0.25% and 1% per annum of the average daily net assets from July 1, 2019 till September 4, 2019 and 5% of gross earnings, subject to floor and capping of 0.1% and 1% per annum of the average daily net assets from September 5, 2020 till June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.2% per annum of daily annual net assets keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.
- 7.4** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company based on its own discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, fixed a capping of 0.1% (June 30, 2020: 0.1%) per annum of average annual net assets.

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	-----
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE		
Remuneration payable to the Trustee	8.1	149	287
Sindh sales tax on Trustee remuneration	8.2	19	37
		<u>168</u>	<u>324</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% (June 30, 2020: 0.065%) per annum of average daily net assets of the Fund during the period.
- 8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	9.1	339	897

- 9.1** In accordance with SRO No.685 (1) / 2019 dated June 28, 2019 issued by the SECP, the Fund has charged the SECP fee at the rate of 0.02% per annum (June 30, 2020: 0.02%) of average annual net assets during the current period.

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		423	677
Printing charges payable		10	-
Withholding tax payable		50	32,729
Capital gain tax payable		2,470	14,412
Annual listing fee payable		14	-
Legal and professional charges payable		114	-
Sales load payable		715	4,733
Brokerage payable		200	469
Zakat deducted at source		565	563
Provision for Federal Excise Duty	10.1	9,499	9,499
Provision for Sindh Workers' Welfare Fund	10.2	17,825	15,836
Other payables		2,282	-
		<u>34,167</u>	<u>78,918</u>

- 10.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan (SCP) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 30, 2013 till June 30, 2016 amounting to Rs 9.499 million (June 30, 2020: Rs. 9.499 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before SCP. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2020 would have been higher by Re. 0.3907 per unit (June 30, 2020: Re. 0.1894 per unit).

- 10.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.7333 per unit (June 30, 2020: Re. 0.3158 per unit).

11 CONTINGENCIES AND COMMITMENTS

During the current period, UBL Money Market Fund (UMMF) has received a notice of tax demand for the tax year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR has raised objection on claiming of "income already paid on units redeemed" as part of distribution and has thereby challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR is of the view that the amount of "Cash Dividend" paid can only be treated as part of distribution and according to his view the amount of "income already paid on units redeemed" is not a "Cash Dividend". The ACIR has raised a tax demand of Rs 16.410 million on the Fund in respect of the tax year 2018. The Management Company has filed an appeal with the Commissioner (Inland) Revenue Appeals against the demand raised by ACIR and has also obtained a stay order against the demand from the Honorable High Court of Sindh till the time the decision on appeal is issued. The Management Company has submitted its response against the show cause notice.

The Management Company contends that the practice being followed by it is as per the applicable regulations and in line with the industry practice. Based on the advice of the tax advisor and merits of the case, the Management Company believes that the assessment will be decided in the favour of the Fund and accordingly, no provision has been recognised in these condensed interim financial statements.

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.06% (December 31, 2019: 1.57%) which includes 0.19% (December 31, 2019: 0.37%) representing Government Levy, Sindh Workers' Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2% (December 31, 2019: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

13 TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

14 EARNINGS PER UNIT

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

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Connected persons include United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (the Management Company) and funds under its management, 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), directors and officers of the Management Company and unitholders owning 10% or more of the net assets of the Fund.
- 15.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges 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.
- 15.3** Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

- 15.4** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to maximum prescribed total expenses ratio.
- 15.5** Details of transactions with connected persons / related parties during the period and balances held with them at period end are as follows:

Half year ended December 31, 2020 (Un-audited)					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***

(Units in 000)

Transactions during the period

Units issued	19	26	-	165	157	9
Units redeemed	19	112	-	2,885	540	-
(Rupees in 000)						
Profit on saving accounts	-	401	-	-	-	-
Bank charges	-	14	-	-	-	-
Value of units issued	2,000	2,647	-	16,648	15,958	-
Value of units redeemed	2,009	11,343	-	23,522	54,495	-
Purchase of investments	-	659,846	-	99,109	-	-
Sale of investments	-	-	-	98,948	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	5,978	-	-	-	-	-
Sindh sales tax on remuneration of the Management Company	777	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	-	1,102	-	-	-
Sindh sales tax on remuneration of the Trustee	-	-	143	-	-	-
Selling and marketing expenses	5,087	-	-	-	-	-
Allocated expenses	1,696	-	-	-	-	-

Half year ended December 31, 2019 (Un-audited)					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***

(Units in 000)

Transactions during the period

Units issued	12,769	12	-	742	564	-
Units redeemed	12,769	12	-	3,163	246	-
(Rupees in 000)						
Profit on saving accounts	-	653	-	-	-	-
Bank charges	-	49	-	-	-	-
Value of units issued	1,301,530	1,200	-	76,574	59,097	-
Value of units redeemed	1,310,401	1,205	-	327,566	25,285	-
Purchase of securities	299,350	-	-	1,948,614	-	-
Sale of securities	1,878,930	-	-	1,989,864	-	-
Remuneration of UBL Fund Managers Limited - the Management Company	17,033	-	-	-	-	-
Sindh sales tax on remuneration of the Management Company	2,214	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	-	-	1,390	-	-	-
Sindh sales tax on remuneration of the Trustee	-	-	181	-	-	-
Selling and marketing expenses	4,039	-	-	-	-	-
Allocated expenses	2,138	-	-	-	-	-
CDS expense	-	-	2	-	-	-

* This represents Parent (including the related subsidiaries of the Parent) of the Management Company, associated companies / undertakings of the Management Company.

** These include transactions in relation to the entities where common directorship exist as at the reporting date.

*** These include transactions in relation to those directors, key executives and other connected persons / related parties that exist as at the reporting date.

As at December 31, 2020 (Un-audited)					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***

(Units in 000)

Balances held

Units held	-	-	-	1,301	111	-
(Rupees in 000)						
Value of units held	-	-	-	135,013	11,482	-
Bank balances	-	14,832	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	175	-	-	-	-
Remuneration payable to the Management Comp:	849	-	-	-	-	-
Sindh sales tax payable on remuneration of the Management Company	110	-	-	-	-	-
Remuneration payable to the Trustee	-	-	149	-	-	-
Sindh sales tax on Trustee remuneration	-	-	19	-	-	-
Sales load and conversion charges payable	2,301	715	-	-	-	-
Selling and marketing expenses payable	2,122	-	-	-	-	-
Allocated expenses payable	236	-	-	-	-	-

As at June 30, 2020 (Audited)					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives ***	Other connected persons / related parties ***

(Units in 000)

Balances held

Units held	-	96	-	4,021	494	-
(Rupees in 000)						
Value of units held	-	9,694	-	404,948	49,776	-
Bank balances	-	26,265	-	-	-	-
Deposits	-	-	100	-	-	-
Profit receivable	-	215	-	-	-	-
Remuneration payable to the Management Comp:	1,826	-	-	-	-	-
Sindh sales tax payable on remuneration of the Management Company	237	-	-	-	-	-
Remuneration payable to the Trustee	287	-	-	-	-	-
Sindh sales tax on Trustee remuneration	37	-	-	-	-	-
Sales load and conversion charges payable	1,996	4,733	-	-	-	-
Allocated expenses payable	856	-	-	-	-	-
Selling and marketing expenses	3,722	-	-	-	-	-

* This represents Parent (including the related subsidiaries of the Parent) of the Management Company, associated companies / undertakings of the Management Company.

** These include balances in relation to the entities where common directorship exist as at the reporting date.

*** These include balances in relation to those directors, key executives and other connected persons / related parties that exist as

16 FAIR VALUE MEASUREMENT

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

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

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

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

As at December 31, 2020 and June 30, 2020, the Fund held no financial instruments measured at fair value.

17 COVID – 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risks during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18 GENERAL

18.1 Figures have been rounded off to the nearest Rupee unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 25, 2021 by the Board of Directors of the Management Company.

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

SD

Chief Financial Officer

SD

Chief Executive 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, Chartered Accountants
Bankers	United Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	AA(f) (PACRA)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL CASH FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Cash Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provision of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE UNITHOLDERS' OF UBL CASH FUND****Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL CASH FUND** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Management Company (**UBL Fund Managers Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim income statement, condensed interim statement of comprehensive income and related notes for the quarter ended December 31, 2020 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2020.

The engagement partner on the engagement resulting in this independent auditor's review report is Nadeem Yousuf Adil.


Chartered Accountants

Place: Karachi

Date: February 25, 2021

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	4,929,756	1,679,874
Investments - net	5	-	-
Placements	6	-	150,000
Mark-up receivable		18,244	7,773
Advance income tax	7	834	834
Other receivables		598	69
Total assets		4,949,432	1,838,550
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	910	3,169
Payable to Central Depository Company of Pakistan Limited - Trustee	9	200	152
Payable to the Securities and Exchange Commission of Pakistan	10	162	188
Accrued expenses and other liabilities	11	4,254	15,737
Total liabilities		5,526	19,246
Net Assets		4,943,906	1,819,304
Unit Holders' Fund (as per statement attached)		4,943,906	1,819,304
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
Number of Units in Issue	13	47,778,856	18,185,582
		----- (Rupees) -----	
Net Asset Value Per Unit		103.4748	100.0410
Face Value Per Unit		100.0000	100.0000

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
 (Management Company)

SD

 Chief Executive Officer

SD

 Chief Financial Officer

SD

 Director

UBL CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		For Half year ended December 31, 2020	For the period from September 23, 2019 to December 31, 2019	Quarter ended	
				December 31, 2020	December 31, 2019
Note ----- (Rupees in '000) -----					
INCOME					
Financial income		60,024	12,383	37,140	11,856
(Loss) / gain on sale of investments - net		(724)	(265)	45	(257)
Other income		9	-	9	-
Total income		59,309	12,118	37,194	11,599
EXPENSES					
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	593	65	364	63
Annual fee of Securities and Exchange Commission of Pakistan	10	162	18	99	18
Allocated expenses	8.2	1,516	-	883	-
Brokerage, settlement and other expenses		99	24	16	5
Listing fee		18	8	9	7
Total expenses		2,388	115	1,371	93
Net operating income for the period		56,921	12,003	35,823	11,506
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	(1,117)	(235)	(703)	(225)
Net income for the period before taxation		55,804	11,768	35,120	11,281
Taxation	14	-	-	-	-
Net income for the period after taxation		55,804	11,768	35,120	11,281
Allocation of net income for the period					
- Net income for the period after taxation		55,804	11,768	35,120	11,281
- Income already paid on units redeemed		(10,947)	(3,901)	(8,012)	(3,901)
Net income for the period available for distribution		44,857	7,867	27,108	7,380
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		44,857	7,867	27,108	7,380
		44,857	7,867	27,108	7,380
Earnings per unit	15				

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	For Half year ended December 31, 2020	For the period from September 23, 2019 to December 31, 2019	Quarter ended	
			December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	55,804	11,768	35,120	11,281
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 period	55,804	11,768	35,120	11,281

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	For the Half year ended December 31, 2020			For the period from September 23, 2019 to December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	1,819,271	33	1,819,304	-	-	-
Amount received on issuance of 45,308,610 units (2019: 5,684,242 units)						
- Capital value	4,532,719	-	4,532,719	568,424	-	568,424
- Element of income	120,538	-	120,538	5,013	-	5,013
Total amount received on issuance of units	4,653,257	-	4,653,257	573,437	-	573,437
Amount paid on redemption of 15,715,336 units (2019: 2,604,825 units)						
- Capital value	(1,572,178)	-	(1,572,178)	(260,483)	-	(260,483)
- Element of Income	(1,334)	(10,947)	(12,281)	(1,965)	(3,901)	(5,866)
Total amount paid on redemption of units	(1,573,512)	(10,947)	(1,584,459)	(262,448)	(3,901)	(266,349)
Total comprehensive income for the period	-	55,804	55,804	-	11,768	11,768
Interim distribution during the period Nil (2019: Rs.0.4228 per unit declared on September 29, 2019 as cash dividend)	-	-	-	-	(423)	(423)
Net income for the period less distribution	-	55,804	55,804	-	11,345	11,345
Net assets at the end of the period	4,899,016	44,890	4,943,906	310,989	7,444	318,433
Undistributed income brought forward comprising of:						
- Realised		33			-	
- Unrealised		-			-	
Total undistributed income brought forward		33			-	
Accounting income available for distribution						
- Related to capital gain		-			-	
- Excluding capital gain		44,857			7,867	
		44,857			7,867	
Interim distribution during the period		-			(423)	
Undistributed income carried forward - net		44,890			7,444	
Undistributed income carried forward comprising of:						
- Realised		44,890			7,444	
- Unrealised		-			-	
		44,890			7,444	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			100.0410			100.0000
Net asset value per unit at the end of the period			103.4748			103.4069

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

FOR UBL FUND MANAGERS LIMITED
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL CASH FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	For Half year ended December 31, 2020	For the period from September 23, 2019 to December 31, 2019
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	55,804	11,768
Adjustments for:		
Loss on sale of investments - net	724	265
Financial income	(60,024)	(12,383)
Provision for Sindh Workers' Welfare Fund	1,117	235
	(58,183)	(11,883)
Cash used in operations before working capital changes	(2,379)	(115)
Increase in assets		
Investment - net	(724)	(265)
Other receivables	(529)	(523)
	(1,253)	(788)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(2,259)	603
Payable to Central Depository Company of Pakistan Limited - Trustee	48	21
Payable to the Securities and Exchange Commission of Pakistan	(26)	18
Accrued expenses and other liabilities	(12,600)	113
	(14,837)	755
Cash used in operations	(18,469)	(148)
Mark-up received on bank balances	17,031	1,620
Mark-up received on placements	3,998	-
Mark-up received on investments	28,524	5,767
Net cash generated from operating activities	31,084	7,239
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	4,653,257	573,437
Payments against redemption of units	(1,584,459)	(266,349)
Dividend paid	-	(423)
Net cash generated from financing activities	3,068,798	306,665
Net increase in cash and cash equivalents during the period	3,099,882	313,904
Cash and cash equivalents at the beginning of the period	1,829,874	-
Cash and cash equivalents at the end of the period	4,929,756	313,904

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
 (Management Company)

SD

 Chief Executive Officer

SD

 Chief Financial Officer

SD

 Director

UBL CASH FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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 July 10, 2018 after it was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 04, 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 September 23, 2019.

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

The Fund is an open-end mutual fund categorized as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

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 31, 2020. Pakistan Credit Rating Agency Limited has assigned a stability rating of "AA+(f)" to the Fund as on December 31, 2020.

Title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities on mutual funds.

2.1.3 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 period from September 23, 2019 to June 30, 2020.

2.1.4 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the period from September 23, 2019 to June 30, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period from September 23, 2019 to December 31, 2019.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the period from September 23, 2019 to June 30, 2020.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual financial statements as at and for the period from September 23, 2019 to June 30, 2020.

3.3 There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the period from September 23, 2019 to June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees in '000-----	
4. BANK BALANCES			
In local currency:			
- Saving accounts	4.1	<u><u>4,929,756</u></u>	<u><u>1,679,874</u></u>
4.1	Mark-up rates on these saving accounts range between 5.50% to 7.82% per annum (June 30, 2020: 6.75% to 9.54% per annum).		

5. INVESTMENTS

5.1 Investment in Government Securities - at fair value through profit or loss

Issue date	Tenor	Face value			Market		Market value as a	
		As at July 1, 2020	Purchased during the period	Sold / Matured during the period	As at December 31, 2020	Value as at December 31, 2020	Total Investments	Net Assets
Treasury bills		----- (Rupees in '000) -----				----- % -----		
August 29, 2019	1 Year	-	170,000	170,000	-	-	-	-
September 12, 2019	1 Year	-	781,000	781,000	-	-	-	-
September 26, 2019	1 Year	-	890,000	890,000	-	-	-	-
November 7, 2019	1 Year	-	185,000	185,000	-	-	-	-
December 19, 2019	1 Year	-	260,000	260,000	-	-	-	-
February 13, 2020	6 months	-	65,000	65,000	-	-	-	-
March 12, 2020	6 months	-	50,000	50,000	-	-	-	-
April 23, 2020	3 months	-	500,000	500,000	-	-	-	-
May 21, 2020	3 months	-	100,000	100,000	-	-	-	-
July 2, 2020	3 months	-	75,000	75,000	-	-	-	-
July 2, 2020	6 months	-	75,000	75,000	-	-	-	-
July 16, 2020	3 months	-	200,000	200,000	-	-	-	-
July 16, 2020	6 months	-	475,000	475,000	-	-	-	-
August 27, 2020	3 months	-	621,000	621,000	-	-	-	-
August 27, 2020	6 months	-	575,000	575,000	-	-	-	-
September 24, 2020	3 months	-	409,000	409,000	-	-	-	-
October 8, 2020	3 months	-	3,486,000	3,486,000	-	-	-	-
November 5, 2020	3 months	-	500,000	500,000	-	-	-	-
November 19, 2020	3 months	-	250,000	250,000	-	-	-	-
December 3, 2020	3 months	-	215,000	215,000	-	-	-	-
As at December 31, 2020 (Un-audited)		-	9,882,000	9,882,000	-	-	-	-
June 30, 2020 (Audited)		-	10,851,000	10,851,000	-	-	-	-

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
6. PLACEMENTS	Note		
Financial assets at amortised cost			
- Letter of Placements	6.1	-	150,000

6.1 Letter of Placements

Letter of Placements

Name of Company	Maturity Date	As at July 1, 2020	Placement made during the period	Placement matured during the period	As at December 31, 2020	Placements value as a percentage of	
						Total Investments	Net Assets
6.1.1							
----- (Rupees in '000) -----						-----%-----	
Pak Oman Investment Company Limited	Jul 27, 2020	150,000	-	150,000	-	-	-
Pak Oman Investment Company Limited	Aug 17, 2020	-	150,000	150,000	-	-	-
Pak Oman Investment Company Limited	Aug 18, 2020	-	50,000	50,000	-	-	-
Pak Oman Investment Company Limited	Aug 19, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Aug 24, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Aug 25, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Aug 26, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Aug 27, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Sep 01, 2020	-	50,000	50,000	-	-	-
Pak Oman Investment Company Limited	Sep 02, 2020	-	50,000	50,000	-	-	-
Pak Oman Investment Company Limited	Sep 16, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Sep 17, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Sep 21, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Sep 22, 2020	-	100,000	100,000	-	-	-
Pak Oman Investment Company Limited	Dec 07, 2020	-	7,000	7,000	-	-	-
Pak Oman Investment Company Limited	Dec 15, 2020	-	250,000	250,000	-	-	-
As at December 31, 2020 (Un-audited)		150,000	1,457,000	1,607,000	-	-	-
June 30, 2020 (Audited)		-	4,454,000	4,304,000	150,000	100%	8.24%

6.1.1 These letter of placements carried interest rates ranging from 6.85% to 9.00% (June 30, 2020: 8.75% to 13.65%).

7. ADVANCE INCOME 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). During the prior period, prior to receiving tax exemption certificate from CIR, withholding agents had deducted advance tax under section 151 of ITO 2001. The Management Company is confident that this amount will be refunded to the Fund.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees in '000-----	
8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Allocated expenses payable	8.2	423	876
Sales load payable		457	2,263
Other payable		30	30
		910	3,169

8.1 As per the offering document of the Fund, the Management Company had decided to temporarily waive its Management Fee on the Fund fully for 12 months from the close of IPO period (i.e., September 23, 2019). During the current period, the Management Company has extended the temporarily waiver of its Management Fee on the Fund fully for another twelve (12) months until September 17, 2021 wide the third supplement to the offering document of the Fund dated September 19, 2020.

8.2 Allocated expenses represents fee for registrar services, accounting, operations and valuation services. In accordance with Regulation 60 of the NBFC Regulations and SRO 639 dated June 20, 2019, the Management Company is entitled to charge expenses for registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Therefore, the Management Company can charge allocated expenses to the CIS based on its discretion provided the Total Expense Ratio (refer note 16) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

The Management Company has charged allocated expenses of Rs. 1.516 million (2019: Nil) related to registrar services, accounting, operations and valuation services during the period ended December 31, 2020 by charging allocated expense at below rates;

	Allocated expense as a % per annum of the daily net assets
Charged from July 1, 2020 up to December 14, 2020	0.20%
Charged from December 14, 2020 onwards	0.15%

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 is 0.065% of average daily net assets.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with NBFC Regulations a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.02% of the average daily net assets of the Fund as annual fee.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees in '000-----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES	Note		
Withholding tax payable		655	6,223
Provision for Sindh Workers' Welfare Fund	11.1	3,308	2,191
Capital gain tax payable		-	6,799
Listing fee		44	26
Brokerage payable		124	207
Other payable		123	291
		4,254	15,737

11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.07 (June 30, 2020: Rs. 0.12) per unit.

There is no change in the status of the legal proceeding on this matter, details of which have been disclosed in note 13.1 to the annual audited financial statements for the period ended June 30, 2020.

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

	(Un-audited) For the half year ended December 31, 2020	(Audited) For the period from September 23, 2019 to June 30, 2020
	-----Number of Units-----	
13. NUMBER OF UNITS IN ISSUE		
Total units in issue at beginning of the period	18,185,582	-
Units issued	45,308,610	38,778,568
Units redeemed	(15,715,336)	(20,592,986)
Total units in issue at end of the period	47,778,856	18,185,582

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in the form of cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

15. EARNINGS PER UNIT

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

16. TOTAL EXPENSE RATIO

On June 20, 2019, SECP wide SRO 639(I)/2019 has made certain amendments in NBFC Regulations. As per said amendments capping of expense ratio of the Fund is 2% of average daily net assets of the Fund.

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 December 31, 2020 (June 30, 2020: 0.4%) and this includes 0.16% (June 30, 2020: 0.2%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

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 value 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 at December 31, 2020 and June 30, 2020, the Fund did not hold any instruments which are carried at fair value.

18. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

18.1 Connected persons / related parties comprise 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.

18.2 Transactions with the connected persons are carried out at agreed / contracted rates.

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

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

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

	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives **	Other Connected persons / related parties ***
Transactions during the period	----- Half year ended December 31, 2020 (Un-audited) -----					
	(Units in '000)					
Units issued	899	-	-	-	-	27,229
Units redeemed	899	-	-	-	-	-
	(Rupees in '000)					
Markup on profit and loss sharing accounts	-	242	-	-	-	-
Value of units issued	90,047	-	-	-	-	2,808,016
Value of units redeemed	90,550	-	-	-	-	-
Remuneration (including Sindh Sales Tax)	-	-	593	-	-	-
Allocated expenses	1,516	-	-	-	-	-
Balances held	----- As at December 31, 2020 (Un-audited) -----					
	(Units in '000)					
Units held	-	-	-	-	-	27,229
	(Rupees in '000)					
Value of units held	-	-	-	-	-	2,817,479
Bank balances	-	7,840	-	-	-	-
Other receivable	598	-	-	-	-	-
Remuneration payable	-	-	200	-	-	-
Profit receivable	-	31	-	-	-	-
Allocated expenses payable	423	-	-	-	-	-
Other payable	30	-	-	-	-	-
Sales load payable	457	-	-	-	-	-

	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Directors and Key Executives **	Other Connected persons / related parties ***
Transactions during the period	----- For the Period from September 23, 2019 to December 31, 2019 (Un-audited) -----					
	(Rupees in '000)					
Units issued	2,004	-	-	-	-	1,807
Units redeemed	975	-	-	-	-	148
	(Rupees in '000)					
Value of units issued	200,424	-	-	-	-	182,519
Value of units redeemed	100,032	-	-	-	-	14,973
Mark-up on PLS accounts	-	161	-	-	-	-
Bank and other charges	-	-	-	-	-	-
Remuneration (inclusive of SST)	-	-	65	-	-	-
Dividend paid	423	-	-	-	-	-
Balances held	----- As at June 30, 2020 (Audited) -----					
	(Units in '000)					
Units held	-	-	-	-	-	13,099
	(Rupees in '000)					
Value of units held	-	-	-	-	-	1,310,437
Bank balances	-	11,302	-	-	-	-
Other receivable	57	-	-	-	-	-
Remuneration payable	-	-	152	-	-	-
Profit receivable	-	15	-	-	-	-
Allocated expenses payable	876	-	-	-	-	-
Other payable	30	-	-	-	-	-
Sales load payable	2,263	-	-	-	-	-

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

** These include transactions and balance in relation to those directors and key executives (including their close family members) that existed as at period end. However, it does not include the transactions and balances whereby director and key executives have resigned from the Management Company during the period.

*** These include transactions and balances in relation to the entities where common directorship exists as at period end.

19. IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

20. GENERAL

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

20.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed by auditors.

21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2021 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)
Auditor	BDO Ebrahim & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited 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 Taraqiati Bank Limited Soneri Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	A+(f) (VIS)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GOVERNMENT SECURITIES FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Government Securities Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021



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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL GOVERNMENT SECURITIES FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of UBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). UBL Fund Managers Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 25 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

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

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	1,214,268	549,489
Term deposit receipts	5	-	-
Investments	6	3,496,583	1,442,862
Mark up / interest receivable		24,181	97,399
Prepayments and other receivables		2,450	1,458,044
Advance tax	7	5,179	5,176
TOTAL ASSETS		4,742,661	3,552,970
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	6,434	4,808
Payable to Central Depository Company of Pakistan Limited - Trustee	9	335	203
Payable to Securities and Exchange Commission of Pakistan	10	533	504
Accrued expenses and other liabilities	11	88,309	390,692
TOTAL LIABILITIES		95,611	396,207
NET ASSETS		4,647,050	3,156,763
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,647,050	3,156,763
CONTINGENCIES AND COMMITMENTS	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		43,988,193	29,887,045
		----- (Rupees) -----	
Net cash used in operating activities		105.6431	105.6231
NET ASSETS VALUE PER UNIT		105.6431	105.6231

The annexed notes from 1 to 21 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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Note	Half Year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2020	2019	2020	2019
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
INCOME					
Financial income		217,540	131,073	110,731	76,116
Capital loss on sale of investments - net		(41,804)	(1,032)	(38,142)	(232)
Unrealised loss on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net		(14,354)	(809)	12,765	(2,753)
Other income		-	47	-	47
TOTAL INCOME		<u>161,382</u>	<u>129,279</u>	<u>85,354</u>	<u>73,178</u>
EXPENSES					
Remuneration of UBL Fund Managers Limited - Management Company		27,165	11,419	13,961	6,627
Sindh Sales tax on Management Company's remuneration		3,531	1,484	1,815	861
Allocated expenses		2,668	945	1,387	554
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	1,959	695	1,018	364
Annual fee of Securities and Exchange Commission of Pakistan	10	534	189	278	111
Bank charges		8	85	5	35
Auditors' remuneration		179	156	90	22
Brokerage and settlement expenses		869	810	169	361
Legal and professional charges		95	77	48	38
Fee and subscription charges		157	156	80	78
Total operating expenses		<u>37,165</u>	<u>16,016</u>	<u>18,851</u>	<u>9,051</u>
Operating income for the period		<u>124,217</u>	<u>113,263</u>	<u>66,503</u>	<u>64,127</u>
Provision for Sindh Workers' Welfare Fund	11.2	(2,439)	(2,223)	(1,303)	(1,258)
Net income for the period before taxation		<u>121,778</u>	<u>111,040</u>	<u>65,200</u>	<u>62,869</u>
Taxation	13	-	-	-	-
Net cash used in operating activities		<u>121,778</u>	<u>111,040</u>	<u>65,200</u>	<u>62,869</u>
Allocation of net income for the period					
Income already paid on units redeemed		(60,050)	(14,396)	(42,497)	(11,958)
Net income for the period available for distribution		<u>61,728</u>	<u>96,644</u>	<u>22,703</u>	<u>50,911</u>
Relating to capital gains		-	-	-	-
Excluding capital gains		<u>61,728</u>	<u>96,644</u>	<u>22,703</u>	<u>50,911</u>
Earnings per unit	14	<u>61,728</u>	<u>96,644</u>	<u>22,703</u>	<u>50,911</u>

The annexed notes from 1 to 21 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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	121,778	111,040	65,200	62,869
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>121,778</u>	<u>111,040</u>	<u>65,200</u>	<u>62,869</u>

The annexed notes from 1 to 21 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 (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended					
	December 31, 2020			December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	2,952,966	203,797	3,156,763	1,324,250	209,264	1,533,514
Issuance of 188,285,632 units (2019: 15,303,869 units)						
Capital value of units	19,887,312	-	19,887,312	1,618,921	-	1,618,921
Element of income						
Due to net income earned	78,640	-	78,640	68,581	-	68,581
Total proceeds on issuance of units	19,965,952	-	19,965,952	1,687,502	-	1,687,502
Redemption of 174,184,484 units (2019: 6,736,654 units)						
Capital value of units	(18,397,905)	-	(18,397,905)	(712,638)	-	(712,638)
Element of loss						
Due to net income earned	(12,313)	(60,050)	(72,363)	(15,351)	(14,396)	(29,747)
Total payments on redemption of units	(18,410,218)	(60,050)	(18,470,268)	(727,989)	(14,396)	(742,385)
Total comprehensive income for the year	-	121,778	121,778	-	111,040	111,040
Distributions during the period:						
Rs. 0.6689 per unit declared on Sep 04, 2020 as cash dividend	(17,700)	(21,661)	(39,361)	-	-	-
Rs. 0.3844 per unit declared on Sep 25, 2020 as cash dividend	(9,442)	(12,564)	(22,006)	-	-	-
Rs. 0.2667 per unit declared on Oct 23, 2020 as cash dividend	(5,192)	(9,031)	(14,223)	-	-	-
Rs. 0.5813 per unit declared on Nov 27, 2020 as cash dividend	(14,139)	(15,570)	(29,709)	-	-	-
Rs. 0.4555 per unit declared on Dec 24, 2020 as cash dividend	(9,905)	(11,971)	(21,876)	-	-	-
Net cash used in operating activities	(56,378)	50,981	(5,397)	-	111,040	111,040
Net assets at the end of the period	<u>4,452,322</u>	<u>194,728</u>	<u>4,647,050</u>	<u>2,283,763</u>	<u>305,908</u>	<u>2,589,671</u>
Undistributed income brought forward comprises of:						
Realised gain		206,970	206,970		212,437	212,437
Unrealised (loss)		(3,173)	(3,173)		(3,173)	(3,173)
Total undistributed income brought forward		203,797	203,797		209,264	209,264
Income available for distribution:						
Relating to capital gains	-	-	-	-	-	-
Excluding capital gains	61,728	61,728	61,728	96,644	96,644	96,644
Distribution during the period:						
Rs. 0.6689 per unit declared on Sep 04, 2020 as cash dividend	(21,661)	(21,661)	(21,661)	-	-	-
Rs. 0.3844 per unit declared on Sep 25, 2020 as cash dividend	(12,564)	(12,564)	(12,564)	-	-	-
Rs. 0.2667 per unit declared on Oct 23, 2020 as cash dividend	(9,031)	(9,031)	(9,031)	-	-	-
Rs. 0.5813 per unit declared on Nov 27, 2020 as cash dividend	(15,570)	(15,570)	(15,570)	-	-	-
Rs. 0.4555 per unit declared on Dec 24, 2020 as cash dividend	(11,971)	(11,971)	(11,971)	-	-	-
Undistributed income carried forward	<u>194,728</u>	<u>194,728</u>	<u>194,728</u>	<u>305,908</u>	<u>305,908</u>	<u>305,908</u>
Undistributed income carried forward comprises of:						
Realised gain	209,082	209,082	209,082	306,717	306,717	306,717
Unrealised loss	(14,354)	(14,354)	(14,354)	(809)	(809)	(809)
Total undistributed income carried forward	<u>194,728</u>	<u>194,728</u>	<u>194,728</u>	<u>305,908</u>	<u>305,908</u>	<u>305,908</u>
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>105.6231</u>			<u>105.7851</u>	
Net assets value per unit at the end of the period		<u>105.6431</u>			<u>112.2834</u>	

The annexed notes from 1 to 21 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 (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	121,778	111,040
Adjustments for:		
Financial income	(217,540)	(131,073)
Unrealised loss on revaluation of investments at fair value through profit or loss - net	14,354	809
Capital loss on sale of investments - net	41,804	1,032
Provision for Sindh Workers' Welfare Fund	2,439	2,223
	<u>(158,943)</u>	<u>(127,009)</u>
Cash used in operations before working capital changes	(37,165)	(15,969)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(2,109,879)	(1,262,704)
Prepayments and other receivables	1,455,594	183
Advance tax	(3)	-
	<u>(654,288)</u>	<u>(1,262,521)</u>
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	1,626	1,599
Payable to Central Depository Company of Pakistan Limited - Trustee	132	(29)
Annual fee payable to Securities and Exchange Commission of Pakistan	29	(1,081)
Accrued expenses and other liabilities	(304,822)	(51,309)
	<u>(303,035)</u>	<u>(50,820)</u>
Cash used in operations	(994,488)	(1,329,310)
Profit received on bank balances and investments	290,758	135,086
Net cash used in operating activities	<u>(703,730)</u>	<u>(1,194,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	19,965,952	1,687,502
Payments against redemption of units	(18,470,268)	(742,385)
Dividend paid	(127,175)	-
Net cash generated from financing activities	<u>1,368,509</u>	<u>945,117</u>
Net increase / (decrease) in cash and cash equivalents	664,779	(249,107)
Cash and cash equivalents at the beginning of the period	549,489	1,109,748
Cash and cash equivalents at the end of the period	<u>1,214,268</u>	<u>860,641</u>

The annexed notes from 1 to 21 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
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Government Securities Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. It was constituted under the Trust Deed, dated May 19, 2011 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The Fund commenced its operations from July 7, 2011. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an income scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended income scheme in accordance with Circular No. 7 of 2009 issued by the SECP.
- 1.4 The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. The weighted average time to maturity of the Fund's investment shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as at December 31, 2020 and a stability rating of "A+(f)" to the Fund as at December 31, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2020.

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, 2020, 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 half year ended December 31, 2019.

2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

2.1.5 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
4 BANK BALANCES			
Cash at bank			
In current accounts		8	10
In savings accounts		1,214,260	549,479
		<u>1,214,268</u>	<u>549,489</u>

- 4.1 Profit rates on these savings accounts range from 2.51% to 7.82% per annum (June 30, 2020: 6.40% to 13.65% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 1.623 million (June 30, 2020: Rs. 24.101 million) on which return is earned at 5.50% (June 30, 2020: 7.50%) per annum.

5 TERM DEPOSIT RECEIPTS

Opening balance	-	-
Acquired during the period	-	130,000
Matured during the period	-	(130,000)
Closing balance	<u>-</u>	<u>-</u>

6 INVESTMENTS

Pakistan Investment Bonds	6.1 & 6.2	3,496,583	1,325,798
Market Treasury Bills	6.1 & 6.3	-	117,064
		<u>3,496,583</u>	<u>1,442,862</u>

6.1 Details of Government Securities are as follows:

Name of security		At the beginning of the period	Acquired during the period	Sold/ matured during period	At the end of the period	Market value as at December 31, 2020 (Un-Audited)	Market value as at June 30, 2020 (Audited)	Percentage of investment
	Note	No. of holdings				(Rupees in '000)		
Pakistan Investment Bonds								
PIB-3 Years	6.2	2,475	163,660	146,640	19,495	493,472	255,164	14.11%
PIB-5 Years	6.2	-	14,510	4,000	10,510	1,052,051	-	30.09%
PIB- 10 Years	6.2	10,510	-	5,575	4,935	1,951,060	1,070,634	55.80%
Market Treasury Bills								
T-bill 3 months	6.3	-	79,865	79,865	-	-	-	0.00%
T-bill 6 months	6.3	-	14,250	14,250	-	-	-	0.00%
T-bill 12 months	6.3	1,250	16,500	17,750	-	-	117,064	0.00%
		<u>14,235</u>	<u>288,785</u>	<u>268,080</u>	<u>34,940</u>	<u>3,496,583</u>	<u>1,442,862</u>	<u>100.00%</u>

- 6.2 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 2,167.000 million, Rs. 1,051.000 million and Rs. 276.000 million respectively (June 30, 2020: Rs. 805.00, Rs. Nil and Rs. 493.50 million respectively) and carry interest rates ranging from 7.62% to 13.94%, 7.66% to 9.50% and 7.89% to 14.05% respectively (June 30, 2020: 8.75% to 10.00%, Nil and 13.94% to 14.05% respectively).

- 6.3 These represent Market Treasury Bills (MTBs) having a face value of Rs. Nil (June 30, 2020: Rs. 125 million) and carrying purchase yield of Nil (June 30, 2020: 7.29%).

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). 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 refund application within stipulated time.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
		-----Rupees in '000-----	
8	PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY		
	Remuneration payable (including Sindh Sales tax)	5,041	3,270
	Conversion charges payable	170	163
	Allocated expenses payable	445	594
	Sales load payable	761	764
	Other payable	17	17
		<u>6,434</u>	<u>4,808</u>
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED OF PAKISTAN - TRUSTEE		
	Trustee fee payable	<u>335</u>	<u>203</u>
10	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>533</u>	<u>504</u>
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for indirect duties and taxes	11.1	52,558
	Provision for Sindh Workers' Welfare Fund	11.2	29,004
		52,558	26,565

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	-----Rupees in '000-----	
Dividend Payable As Capital Repayment -		
Non Taxable	-	254,765
Zakat deducted at source payable	137	139
Capital gains tax payable	116	28,539
Auditors' remuneration payable	486	307
Brokerage expense payable	550	2,197
Sales load payable	11.3 1,049	202
Payable against legal expenses and professional fees	144	97
Withholding tax payable	4,183	21,271
Other payables	82	4,052
	<u>88,309</u>	<u>390,692</u>

11.1 Provision for indirect duties and taxes

Provision for Federal Excise Duty (FED) as at December 31, 2020 amounted to Rs. 52.558 million (June 30, 2020: Rs. 52.558). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020. As a matter of abundant caution, the Management Company has retained full provision for FED aggregating to Rs. 52.558 million till June 30, 2016. Had the amount not been provided for, the net assets value per unit would have been higher by Rs. 1.1948 per unit (June 30, 2020: Rs.1.758 per unit).

11.2 Provision For Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020 amounted to Rs. 29.004 million (June 30, 2020: Rs. 26.565 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2020.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.6594 per unit (June 30, 2020: Rs. 0.8888 per unit).

- 11.3 This includes sales load payable to United Bank Limited, Al-Ameen Islamic Financial Services (Private) Limited, and payable to others amounting to Rs. 0.823 million (June 30, 2020: Rs. 0.049 million), Rs. 0.011 million (June 30, 2020: Rs. 0.153 million) and Rs 0.215 million (June 30, 2020: Nil).

12 CONTINGENCIES AND COMMITMENTS

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

13 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised, is distributed to the unit holders in the form of cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised 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

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan (SECP), the Total Expense Ratio of the Fund is 1.48% as on December 31, 2020 and this includes 0.26% 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.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

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

	Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected persons / related parties
	(Rupees in '000)					
Transactions during the half year ended December 31, 2020 (Un-Audited)						
Profit on savings accounts	-	494	-	-	-	-
Bank charges	-	3	-	-	-	-
Units issued	50,805	-	-	-	201,489	2,417,512
Units redeemed	50,905	-	-	-	177,284	2,408,021
Sales load paid	764	-	-	-	-	-
Purchase of securities	-	10,334	-	499,339	-	-
Sale of securities	-	-	-	276,285	-	395,721
Remuneration (including Sindh sales tax)	30,696	-	1,959	-	-	-
Allocated expenses	2,668	-	-	-	-	-
Transactions during the half year ended December 31, 2019 (Un-Audited)						
Profit on savings accounts	-	681	-	-	-	-
Bank charges	-	30	-	-	-	-
Units issued	-	-	-	-	1,201	840,687
Units redeemed	-	-	-	-	8,123	-
Sales load paid	164	311	-	-	-	-
Purchase of securities	-	-	-	44,208	-	-
Sale of securities	-	-	-	1,021,312	-	-
Remuneration (including Sindh sales tax)	12,903	-	695	-	-	-
Allocated expenses	945	-	-	-	-	-
Balances held as at December 31, 2020 (Un-Audited)						
Units held (in Units '000)	-	-	-	-	248	4,593
Units held (in Rupees '000)	-	-	-	-	26,240	485,166
Bank balances	-	1,623	-	-	-	-
Remuneration payable	5,041	-	335	-	-	-
Sales load payable	976	823	-	-	-	-
Conversion charges payable	170	-	-	-	-	-
Allocated expenses payable	445	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	39	-	-	-	-
Balances held as at June 30, 2020 (Audited)						
Units held (in Units '000)	-	-	-	-	20	13,045
Units held (in Rupees '000)	-	-	-	-	2,112	1,377,854
Bank balances	-	24,101	-	-	-	-
Remuneration payable	3,270	-	203	-	-	-
Sales load payable	852	202	-	-	-	-
Conversion charges payable	163	-	-	-	-	-
Allocated expenses payable	594	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	38	-	-	-	-

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Carrying Amount		Fair value		
As at December 31, 2020		As at December 31, 2020		
Fair value through profit or loss	Amortized cost	Level 1	Level 2	Level 3
(Un-Audited)				
Rupees in '000				
Financial assets measured at fair value				
Pakistan Investment Bonds	3,496,583	-	-	3,496,583
Market Treasury Bills	-	-	-	-
Government of Pakistan Ijara Sukuk	-	-	-	-
	3,496,583	-	-	3,496,583
Financial assets not measured at fair value				
Bank balances	-	1,214,268	-	-
Mark up / interest receivable	-	24,181	-	-
Other receivables	-	2,246	-	-
	-	1,240,695	-	-
	3,496,583	1,240,695	-	3,496,583
Financial liabilities not measured at fair value				
Payable to Management Company	-	5,854	-	-
Payable to Trustee	-	296	-	-
Accrued expenses and other liabilities	-	2,218	-	-
	-	8,369	-	-

Carrying Amount		Fair value		
As at June 30, 2020		As at June 30, 2020		
Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
(Audited)				
Rupees in '000				
Financial assets measured at fair value				
Pakistan Investment Bonds	1,325,798	-	-	1,325,798
Market Treasury Bills	117,064	-	-	117,064
Government of Pakistan Ijara Sukuk	-	-	-	-
	1,442,862	-	-	1,442,862

Carrying Amount		Fair value		
As at June 30, 2020		As at June 30, 2020		
Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
(Audited)				
Rupees in '000				
Financial assets not measured at fair value				
Bank balances	- 549,489	-	-	-
Mark up / interest receivable	- 97,399	-	-	-
Other receivables	- 1,457,980	-	-	-
	- 2,104,868	-	-	-
	1,442,862	2,104,868	-	1,442,862
Financial liabilities not measured at fair value				
Payable to Management Company	- 4,344	-	-	-
Payable to Trustee	- 180	-	-	-
Accrued expenses and other liabilities	- 261,620	-	-	-
	- 266,144	-	-	-

17.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investments in Market Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuk, the Fund uses rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date.

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

17.3 Transfers during the period

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

18 CORRESPONDING FIGURES

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

19 IMPACT OF COVID – 19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

20 GENERAL

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

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on February 25, 2021.

**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)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL INCOME OPPORTUNITY FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Income Opportunity Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Income Opportunity Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Income Opportunity Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

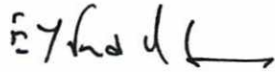
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

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

		(Un-audited) December 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
	Note		
ASSETS			
Bank balances	4	268,121	254,875
Investments	5	997,842	331,686
Dividend and mark-up receivable		5,769	6,201
Advance tax	6	443	347
Deposits, prepayments and other receivables		67,029	32,231
Receivable against sale of investments		-	5,714
TOTAL ASSETS		1,339,204	631,054
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	2,500	2,201
Payable to Central Depository Company of Pakistan - Trustee	8	99	46
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	126	119
Accrued expenses and other payables	10	12,429	21,346
TOTAL LIABILITIES		15,154	23,712
NET ASSETS		1,324,050	607,342
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,324,050	607,342
CONTINGENCIES AND COMMITMENTS	11		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		11,684,166	5,516,450
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT		113.3200	110.0966

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note		(Rupees in '000)			
INCOME					
Financial income on:					
- Bank balances		13,254	22,300	8,104	13,418
- Term deposit receipts		329	3,056	329	484
- Government securities		21,382	3,600	13,562	737
- Term finance certificates		2,425	1,501	1,192	809
- Marginal trading system		-	300	-	300
Gain / (loss) on redemption / sale of investments classified as 'at fair value through profit or loss' - net		9,060	(2,952)	2,750	(2,809)
Dividend income		1,043	5,483	422	5,483
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(434)	(238)	526	(185)
Other income		1,682	298	1,682	281
Total income		48,741	33,348	28,567	18,518
EXPENSES					
Remuneration of the Management Company		4,851	2,909	2,776	1,539
Sales tax on management fee		631	378	361	200
Allocation of expenses related to the Fund		633	218	374	118
Selling and marketing expenses		633	218	374	118
Remuneration of the Trustee		474	163	280	88
Sales tax on remuneration of the Trustee		62	21	37	11
Annual fee to Securities and Exchange Commission of Pakistan		127	44	75	24
Auditors' remuneration		160	220	91	122
Brokerage and settlement expenses		3,162	842	1,775	664
Listing fee expense		14	14	7	7
Legal and professional charges		92	80	53	39
Bank charges and other expenses		83	126	46	67
Total expenses		10,922	5,233	6,249	2,997
Net operating income for the period		37,819	28,115	22,318	15,521
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	(742)	(552)	(437)	(305)
Net income for the period before taxation		37,077	27,563	21,881	15,216
Taxation	12	-	-	-	-
Net income for the period after taxation		37,077	27,563	21,881	15,216
<i>Allocation of net income for the period</i>					
Net income for the period after taxation		37,077	27,563	21,881	15,216
Income already paid on units redeemed		(16,071)	(9,340)	(11,565)	(4,834)
Accounting income available for distribution:		21,006	18,223	10,316	10,382
<i>Net income available for distribution:</i>					
- Relating to capital gains		4,977	-	3,834	(1,143)
- Excluding capital gains		16,029	18,223	6,482	11,525
		21,006	18,223	10,316	10,382

Earning per unit

13

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	37,077	27,563	21,881	15,216
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>37,077</u>	<u>27,563</u>	<u>21,881</u>	<u>15,216</u>

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	37,077	27,563
Adjustments for:		
Financial income	(37,390)	(30,757)
Gain on redemption / sale of investments classified as 'at fair value through profit or loss' - net	(9,060)	2,952
Dividend income	(1,043)	(5,483)
Unrealised loss on revaluation of investments 'at fair value through profit or loss' - net	434	238
Provision for Sindh Workers' Welfare Fund (SWWF)	742	552
	(46,317)	(32,498)
Cash used in operations before working capital changes	(9,240)	(4,935)
Working capital changes		
(Increase) / decrease in assets		
Investments	(622,530)	124,561
Advance tax	(96)	(110)
Deposits, prepayments and other receivables	(34,798)	(24,701)
Receivable against sale of investments	5,714	
Receivable against margin trading system (MTS)	-	(7,944)
	(651,710)	91,806
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	299	1,426
Payable to Central Depository Company of Pakistan - Trustee	53	(89)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	7	(1,046)
Accrued expenses and other payables	(9,659)	(4,714)
Payable against purchase of investments	-	6,204
	(9,300)	1,781
Dividend and mark-up received	38,865	33,985
Net cash (used in) / generated from operating activities	(631,385)	122,637
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	2,604,451	1,102,658
Net payment against redemption of units	(1,924,820)	(1,311,824)
Net cash generated / (used in) from financing activities	679,631	(209,166)
Net increase / (decrease) in cash and cash equivalents	48,246	(86,529)
Cash and cash equivalents at beginning of the period	254,875	648,809
Cash and cash equivalents at end of the period	303,121	562,280
Cash and cash equivalents		
Bank balances	268,121	562,280
Letter of placement	35,000	-
	303,121	562,280

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended					
	December 31, 2020			December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	596,598	10,744	607,342	821,353	11,907	833,260
Amount received on issuance of 23,367,966 (2019: 9,506,016) units						
Capital value	2,572,734	-	2,572,734	1,047,547	-	1,047,547
Element of income during the period;						
- Relating to net income for the period after taxation	31,717	-	31,717	55,111	-	55,111
	2,604,451	-	2,604,451	1,102,658	-	1,102,658
Redemption of 17,200,250 (2019: 11,532,822) units						
Capital value	(1,893,689)	-	(1,893,689)	(1,270,897)	-	(1,270,897)
Element of income during the period;						
- Relating to net income for the period after taxation	(15,060)	(16,071)	(31,131)	(31,587)	(9,340)	(40,927)
	(1,908,749)	(16,071)	(1,924,820)	(1,302,484)	(9,340)	(1,311,824)
Total comprehensive income for the period	-	37,077	37,077	-	27,563	27,563
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	37,077	37,077	-	27,563	27,563
Net assets at end of the period	1,292,300	31,750	1,324,050	621,527	30,130	651,657
Undistributed income brought forward:						
- Realised	-	9,614	9,614	-	11,907	11,907
- Unrealised	-	1,130	1,130	-	-	-
	-	10,744	10,744	-	11,907	11,907
Accounting income available for distribution:						
- Relating to capital gains	-	4,977	4,977	-	-	-
- Excluding capital gains	-	16,029	16,029	-	18,223	18,223
	-	21,006	21,006	-	18,223	18,223
Distribution during the period	-	-	-	-	-	-
Undistributed income carried forward	-	31,750	31,750	-	30,130	30,130
Undistributed income carried forward:						
- Realised	-	32,184	32,184	-	30,368	30,368
- Unrealised loss	-	(434)	(434)	-	(238)	(238)
	-	31,750	31,750	-	30,130	30,130
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			110.0966			110.1983
Net assets value per unit at end of the period			113.3200			117.7413

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL INCOME OPPORTUNITY FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Income Opportunity Fund (the Fund) was established under a Trust Deed executed between UBL Funds Managers Limited, (wholly owned subsidiary company of United Bank Limited) as its Management Company and Central Depository Company of Pakistan Limited, as its Trustee. The Trust Deed was executed on January 01, 2013 and the Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2013 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at the 4th Floor STSM Building, Beaumont Road, Civil Lines Karachi.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP.
- 1.3** The Fund is an open-ended mutual fund listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders. The Fund commenced its operations from March 29, 2013.
- 1.4** The objective is to provide a competitive rate of return to its investors by investing in quality term finance certificates / sukuks issued by the financial institutions, Government securities, bank deposits and short-term and long-term debt instruments. Under circular 07 dated March 06, 2009 issued by the SECP, the Fund has been categorized by the Management Company as an Income Scheme.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2020.
- 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** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise
- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do 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, 2020

2.1.3 The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2019.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These interim financial statements have 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 interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These interim financial statements are presented in Pakistani Rupee 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 interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these interim financial statements 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 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Saving accounts	4.1	<u>268,121</u>	<u>254,875</u>
4.1 These carry mark-up at the rates ranging from 5.50% to 10.50% (June 30, 2020: 6.40% to 13.50%) per annum and include balances of Rs.5.23 (June 30, 2020: Rs.1.93) million held with United Bank Limited (a related party).			
5. INVESTMENTS			
Investments by Category			
'At fair value through profit or loss'			
Government Securities - Market Treasury Bills	5.1	-	146,735
Government Securities - Pakistan Investment Bonds	5.2	440,359	144,236
Debt securities - Term Finance Certificates	5.3	58,678	40,715
Quoted equity securities - Spread transactions	5.4	<u>463,805</u>	<u>-</u>
		<u>962,842</u>	<u>331,686</u>
'At amortised cost'			
Letter of placement	5.5	<u>35,000</u>	<u>-</u>
		<u>997,842</u>	<u>331,686</u>

5.1 Government Securities - Treasury Bills - 'At Fair Value Through Profit or Loss'
(certificates having a nominal value of Rs.100,000 each)

Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	December 31, 2020			Market value as a % of net assets	Market value as a % of total investments
					Carrying value	Market value	Unrealised (loss)		
					----- (Number of holding) ----- (Rupees in '000) ----- % -----				
Market Treasury Bills - 12 months	1,550	-	(1,550)	-	-	-	-	-	-
Market Treasury Bills - 6 months	-	3,500	(3,500)	-	-	-	-	-	-
Market Treasury Bills - 3 months	-	22,615	(22,615)	-	-	-	-	-	-
Total as at December 31, 2020 (un-audited)					-	-	-	-	-
Total as at June 30, 2020 (audited)					146,277	146,735	458	0.24	0.44

5.2 Government Securities - Pakistan Investment Bonds - 'At Fair Value Through Profit or Loss'
(certificates having a nominal value of Rs.100 each)

					December 31, 2020					
Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	Unrealised Gain / (loss)	Market value as a % of net assets	Market value as a % of total investments	
----- (Number of holding) -----					----- (Rupees in '000) -----			% -----		
Pakistan Investment										
Bonds - 10 years	5.2.1	150,000	-	-	150,000	15,277	14,999	(279)	0.01	0.02
Bonds - 5 years	5.2.2	-	1,000,000	-	1,000,000	100,388	100,100	(288)	0.08	0.10
Bonds - 3 years	5.2.3	-	3,250,000	-	3,250,000	326,149	325,260	(889)	0.25	0.33
December 31, 2020					441,814	440,359	(1,456)	0.33	0.44	
June 30, 2020					143,177	144,236	1,060			

5.2.1 This Pakistan Investment Bonds carry interest at the rate of 7.89% per annum. These will mature latest by August 22, 2029.

5.2.2 This Pakistan Investment Bonds carry interest at the rate of 8.24% per annum. These will mature latest by June 18, 2025.

5.2.3 This Pakistan Investment Bonds carry interest at the rate of 8.27% per annum. These will mature latest by June 19, 2023.

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

		Number of certificates				December 31, 2020				
Particulars	Note	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value	Unrealised Gain / (loss)	Market value as a % of net assets	Market value as a % of total investments
						----- (Rupees in '000) -----			----- % -----	
Commercial banks										
Bank AL Habib Limited - unlisted (Issue date - March 17, 2016)	5.3.1 & 5.3.2	2,000	-	-	2,000	9,159	9,190	31	0.69%	0.92%
Habib Bank Limited - unlisted (Issue date - February 19, 2016)	5.3.1 & 5.3.2	120	-	-	120	11,725	11,978	253	0.90%	1.20%
Dawood Hercules Corporation Limited - listed (Issue date - November 17, 2017)	5.3.1 & 5.3.2	50	-	-	50	3,034	3,033	(1)	0.23%	0.30%
Dawood Hercules Corporation Limited - listed (Issue date - March 01, 2018)	5.3.1 & 5.3.2	200	-	-	200	14,255	14,173	(82)	1.07%	1.42%
K-Electric Limited- listed (Issue date - August 03, 2020)	5.3.1 & 5.3.2	-	4,000	-	4,000	20,000	20,304	304	1.53%	2.03%
Total as at December 31, 2020 (Un-audited)						58,173	58,678	505	4.43%	5.88%
Total as at June 30, 2020 (Audited)						41,103	40,715	(388)		

5.3.1 These carry profit rate from 7.71% to 9.00% (June 30, 2020: from 14.58% to 14.67%).

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

Name of security	Number of certificates	Redemption Value (Rupees)		Interest rate (Per annum)	Maturity	Rating
		Per certificate	Total			
Bank AL Habib Limited	2,000	4,993	9,986,000	6M KIBOR + 0.75%	March 17, 2026	AA
Habib Bank Limited	120	99,860	11,983,200	6M KIBOR + 0.75%	February 19, 2026	AAA
Dawood Hercules Corporation Limited	50	60,000	3,000,000	3M KIBOR + 1.00%	November 16, 2022	AA
Dawood Hercules Corporation Limited	200	70,000	14,000,000	3M KIBOR + 1.00%	March 01, 2023	AA
K-Electric Limited	4,000	5,000	20,000,000	3M KIBOR + 1.70%	August 03, 2027	AA+

5.4 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at December 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealized gain / (loss)			
----- (Rupees in '000) ----- % -----										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Oil and gas exploration companies										
Oil and Gas Development Company	-	564,000	(319,500)	244,500	25,771	25,846	75	2.59%	1.95%	0.06%
Pakistan Petroleum Limited	-	1,274,500	(1,069,500)	205,000	18,695	18,715	20	1.88%	1.41%	0.07%
					44,467	44,561	94	4.47%	3.37%	0.13%
Pharmaceuticals										
The Searle Company Limited	-	840,500	(587,500)	253,000	61,705	61,887	182	6.20%	4.67%	2.91%
					61,705	61,887	182	6.20%	4.67%	2.91%
Engineering										
Amreli Steels Limited	-	2,707,000	(2,308,500)	398,500	19,163	19,186	23	1.92%	1.45%	0.65%
International Steels Limited	-	1,220,500	(981,000)	239,500	22,368	22,329	(39)	2.24%	1.69%	0.51%
Mughal Iron & Steel Industries Limited	-	524,500	(478,000)	46,500	3,448	3,446	(1)	0.35%	0.26%	0.14%
International Industries Limited	-	158,000	(104,000)	54,000	9,601	9,605	4	0.96%	0.73%	0.73%
					54,579	54,566	(13)	5.47%	4.12%	2.02%
Commercial banks										
Bank Alfalah Limited	-	69,000	(66,000)	3,000	106	106	0	0.01%	0.01%	0.00%
Habib Bank Limited	-	1,102,500	(868,000)	234,500	31,613	31,581	(32)	3.16%	2.39%	0.22%
National Bank of Pakistan	-	743,500	(406,000)	337,500	14,550	14,532	(18)	1.46%	1.10%	0.07%
Meezan Bank Limited	-	24,500	(3,500)	21,000	2,148	2,155	8	0.22%	0.16%	0.02%
United Bank Limited	-	96,500	(18,500)	78,000	9,880	10,062	182	1.01%	0.76%	0.08%
					58,296	58,437	141	5.86%	4.41%	0.38%
Chemical										
Engro Polymer & Chemicals Limited	-	112,500	(35,500)	77,000	3,758	3,766	7	0.38%	0.28%	0.04%
Lotte Chemical Pakistan Limited	-	297,000	(221,500)	75,500	1,180	1,178	(1)	0.12%	0.09%	0.01%
					4,938	4,944	6	0.50%	0.37%	0.05%
Textile composite										
Nishat Mills Limited	-	264,500	(160,500)	104,000	10,526	10,529	3	1.06%	0.80%	0.30%
Nishat Chunian Limited	-	143,500	(3,500)	140,000	5,900	5,910	10	0.59%	0.45%	0.25%
					16,425	16,439	14	1.65%	1.24%	0.55%
Power generation and distribution										
The Hub Power Company Limited	-	1,172,000	(502,000)	670,000	52,388	52,291	(97)	5.24%	3.95%	0.40%
Kot Addu Power Company Limited	-	1,226,000	(875,500)	350,500	9,368	9,393	25	0.94%	0.71%	0.11%
					61,756	61,684	(72)	6.18%	4.66%	0.51%

Name of Investee Company	Number of shares				Balance as at December 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealized gain / (loss)			
					----- (Rupees in '000) -----			----- % -----		
Oil and gas marketing companies										
Pakistan State Oil Company Limited	-	329,000	(257,500)	71,500	15,560	15,649	89	1.57%	1.18%	0.33%
					15,560	15,649	89	1.57%	1.18%	0.33%
Fertilizer										
Fauji Fertilizer Company Limited	-	65,500	(25,500)	40,000	4,368	4,361	(7)	0.44%	0.33%	0.03%
Engro Fertilizers Limited	-	34,500	(10,500)	24,000	1,510	1,517	7	0.15%	0.11%	0.01%
Engro Corporation Limited	-	39,500	(35,500)	4,000	1,237	1,243	7	0.12%	0.09%	0.02%
Fauji Fertilizer Bin Qasim Limited	-	766,500	(698,000)	68,500	1,602	1,602	1	0.16%	0.12%	0.02%
					8,716	8,723	8	0.87%	0.66%	0.08%
Cement										
D.G. Khan Cement Company Limited	-	2,394,500	(1,890,500)	504,000	57,188	57,198	10	5.73%	4.32%	1.31%
Fauji Cement Company Limited	-	1,676,500	(1,291,500)	385,000	8,327	8,329	1	0.83%	0.63%	0.06%
Maple Leaf Cement Factory Limited	-	6,640,500	(4,992,500)	1,648,000	71,333	71,388	55	7.15%	5.39%	0.65%
					136,849	136,915	66	13.72%	10.34%	2.02%
Total as at December 31, 2020 (Un-audited)					463,290	463,805	515	46%	35%	9%
Total as at June 30, 2020 (Audited)					41,103	40,715	(388)			

5.5 Letter of placement

(certificates having a nominal value of Rs.100,000 each)

					December 31, 2020				
Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	Unrealised (loss)	Market value as a % of net assets	Market value as a % of total investments
----- (Number of holding) -----					----- (Rupees in '000) -----			----- % -----	
Letter of Placement - 1 month (with Bank Alfalah Limited)	5.5.1	-	350	-	350	35,000	35,000	-	2.64% 3.51%

5.5.1 This letter of placement carry interest at the rate of 9.03% per anum. Subsequent to the year end, this letter of placement was converted into the TFC of Bank Alfalah Limited

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 2021.

7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		---- (Rupees in '000) ----	
Remuneration payable to the Management Company	7.1	939	399
Sales tax on management fee	7.2	122	52
Payable against allocated expenses	7.3	117	131
Selling and marketing expenses	7.4	374	207
Sales load and other payables		948	1,412
		<u>2,500</u>	<u>2,201</u>

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

7.2 Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2020: 13%).

7.3 The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

7.4 The Management Company has charged actual expenses to the extent as it thinks expedient as per SECP circular 11 dated July 05, 2019.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

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

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

SECP fee has been charged at the rate of annual fee at 0.02% (2019: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

10. ACCRUED EXPENSES AND OTHER PAYABLES

Provision for indirect duties and taxes	10.1	1,597	1,597
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	5,609	4,867
Zakat deducted at source payable		36	34
Auditors' remuneration		209	341
Withholding tax deducted at source payable		-	4,546
Tax payable on capital gain on redemption of units		911	1,730
Legal and professional charges payable		146	97
Brokerage payable		1,940	982
Other payables		1,981	7,152
		<u>12,429</u>	<u>21,346</u>

10.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 14.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.14 (June 30, 2020: Re. 0.28) per unit.

10.2 There is no change in the status of the SWWF as reported in note 14.2 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.48 (June 30, 2020: Re.0.88) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains to the unitholders.

The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statement.

13. EARNINGS PER UNIT

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

14. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.84% as on December 31, 2020 (2019: 2.66%) and this includes 0.12% (2019: 0.46%) representing Government Levy, Sindh Workers' Welfare Fund and SECP Fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an income scheme.

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 half year ended December 31, 2020 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	For The Half Yearly Ended December 31, 2020 (Un-audited)					
Transactions during the period						
Mark-up on saving accounts	-	501	-	-	-	-
Bank charges	-	-	-	-	-	-
Units issued	341,000	10,332	-	-	26,002	-
Units redeemed	344,325	9,822	-	-	8,806	-
Sale of investment	-	197,042	-	74,074	-	-
Remuneration *	5,482	-	536	-	-	-
Central Depository System (CDS) charges	-	-	22	-	-	-
Allocated expenses by the Management Company	633	-	-	-	-	-
Selling and marketing expenses	633	-	-	-	-	-

	For The Half Yearly Ended December 31, 2019 (Un-audited)					
Transactions during the period						
Mark-up on saving accounts	-	341	-	-	-	-
Bank charges	-	19	-	-	-	-
Units issued	150,000	-	-	-	6,092	114,729
Units redeemed	679,325	-	-	-	451	-
Sale of investment	-	-	-	486,113	-	-
Dividend paid	3,287	-	184	-	-	-
Remuneration *	-	-	2	-	-	-
CDS charges	-	-	-	-	-	-
Allocated expenses by the Management Company	218	-	-	-	-	-
Selling and marketing expenses	218	-	-	-	-	-

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	As at December 31, 2020 (Un-audited)					
Balances held						
Units held (units in '000)	-	5	-	-	155	-
Units held (Rupees in '000)	-	567	-	-	17,565	-
Bank balances	-	5,233	-	-	-	-
Remuneration payable*	1,061	-	99	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payable	948	-	-	-	-	-
Mark-up receivable	-	14	-	-	-	-
Payable against allocated expenses	117	-	-	-	-	-
Selling and marketing expense payable	374	-	-	-	-	-

	As at June 30, 2020 (Audited)					
Balances held						
Units held (units in '000)	-	-	1,103	-	-	-
Units held (Rupees in '000)	-	-	121,451	-	-	-
Bank balances	-	1,933	-	-	-	-
Remuneration payable*	-	14,000	-	-	-	-
Security deposit	450	-	46	-	-	-
Sales load and other payables	-	-	100	-	-	-
Mark-up receivable	1,412	-	-	-	-	-
Payable against allocated expenses	-	19	-	-	-	-
Selling and marketing expense payable	131	-	-	-	-	-
	207	-	-	-	-	-

* Remuneration for the period 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).

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:

	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<u>December 31, 2020 (Un-audited)</u>				
Financial assets measured at fair value				
Debt securities- Term Finance Certificates	49,488	9,190	-	58,678
Government securities - Market Treasury Bills	-	-	-	-
Government Securities - Pakistan Investment bonds	-	440,359	-	440,359
Quoted equity securities - spread transactions	463,805	-	-	463,805
	513,293	449,549	-	962,842

June 30, 2020 (Audited)

Financial assets measured at fair value				
Government Securities - Market Treasury Bills	-	146,735	-	146,735
Government Securities - Pakistan Investment bonds	-	144,236	-	144,236
Term Finance Certificates	31,554	9,161	-	40,715
	<u>31,554</u>	<u>300,132</u>	<u>-</u>	<u>331,686</u>

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

16.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

16.1.2 Investments in term finance and sukuk certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

17. IMPACT OF COVID 19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18. GENERAL

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

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

19. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on February 25, 2021 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 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	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 Taraqati Bank Limited Soneri Bank Limited
Management Co.Rating	AM1 (VIS)
Fund Rating	A+(f) (VIS)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL GROWTH & INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Growth & Income Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 24, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Growth and Income Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Growth and Income Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

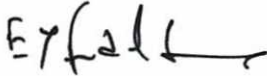
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	615,774	329,777
Investments	5	772,143	543,053
Dividend and mark-up receivable		10,986	19,724
Advance tax	6	3,833	3,832
Deposits, prepayments and other receivables		37,086	36,910
TOTAL ASSETS		1,439,822	933,296
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	4,081	2,290
Payable to Central Depository Company of Pakistan - Trustee	8	116	65
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	9	127	294
Accrued expenses and other payables	10	76,111	53,056
TOTAL LIABILITIES		80,435	55,705
NET ASSETS		1,359,387	877,591
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,359,387	877,591
CONTINGENCIES AND COMMITMENTS	11		
NUMBER OF UNITS IN ISSUE			
		15,444,327	10,328,784
NET ASSETS VALUE PER UNIT			
		88.0185	84.9655

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

**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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
INCOME	Note	(Rupees in '000)			
Financial income on:					
- Bank balances		5,663	68,254	3,445	46,158
- Term deposit receipts		254	1,647	254	1,647
- Letter of placement		-	3,529	-	118
- Government securities		28,341	15,231	17,955	8,351
- Term finance certificates		8,785	16,149	4,040	5,721
Dividend income		1,165	2,458	60	2,413
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net		(5)	(1,188)	(915)	(1,143)
Gain / (loss) on sale and redemption of investments classified as 'at fair value through profit or loss' - net		706	(13,104)	(454)	(12,330)
Gain / (loss) on spread transactions - net		8,538	(497)	3,593	(497)
Other income		2,198	2,236	1,893	1,225
Total income		55,645	94,715	29,871	51,663
Reversal of provision against debt securities - net	5.6.1	-	3,888	-	2,974
EXPENSES					
Remuneration of the Management Company		4,497	8,259	2,464	4,891
Sales tax on management fee		585	1,074	321	636
Allocated expenses by the Management Company		635	770	392	460
Remuneration of the Trustee		476	578	294	345
Sales tax on remuneration of the Trustee		62	75	38	45
Annual fee to SECP		127	154	78	92
Selling and marketing expenses		2,539	3,081	1,568	1,840
Auditors' remuneration		148	167	74	64
Legal and professional charges		94	73	47	35
Brokerage and settlement charges		1,950	888	872	689
Bank charges and other expenses		157	194	(210)	95
Total expenses		11,270	15,313	5,938	9,192
Net operating income for the period		44,375	83,290	23,933	45,445
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	(872)	(1,635)	(470)	(892)
Net income for the period before taxation		43,503	81,655	23,463	44,553
Taxation	12	-	-	-	-
Net income for the period after taxation		43,503	81,655	23,463	44,553
<i>Allocation of net income for the period:</i>					
Net income for the period after taxation		43,503	81,655	23,463	44,553
Income already paid on units redeemed		(18,501)	(46,203)	(12,887)	(36,777)
Accounting income available for distribution:		25,002	35,452	10,576	7,776
- Relating to capital gains		5,179	-	-	-
- Excluding capital gains		19,823	35,452	10,576	7,776
		25,002	35,452	10,576	7,776

Earnings per unit 13

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

**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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	43,503	81,655	23,463	44,553
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	43,503	81,655	23,463	44,553

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

**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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	43,503	81,655
Adjustments for:		
Financial income	(43,043)	(104,810)
Dividend income	(1,165)	(2,458)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	5	1,188
(Gain) / loss on sale and redemption of investments classified as 'at fair value through profit or loss' - net	(706)	13,104
(Gain) / loss on spread transactions - net	(8,538)	497
Reversal of provision against debt securities - net	-	(3,888)
Provision for Sindh Workers' Welfare Fund (SWWF)	872	1,635
	(52,575)	(94,732)
Decrease / (increase) in assets		
Investments	55,190	(163,946)
Advance tax	(1)	(421)
Deposits, prepayments and other receivables	(176)	(13,461)
Receivable against settlement of spread transactions	-	6,106
	55,013	(171,722)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	1,791	441
Payable to Central Depository Company of Pakistan - Trustee	51	(106)
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	(167)	(826)
Accrued expenses and other payables	22,183	(8,281)
	23,858	(8,772)
Dividend and mark up received	52,946	107,704
Net cash generated / (used in) from operating activities	122,745	(85,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,451,087	2,557,150
Payments against redemption of units	(2,012,794)	(3,476,664)
Net cash generated / (used in) financing activities	438,293	(919,514)
Net increase / (decrease) in cash and cash equivalents	561,038	(1,005,381)
Cash and cash equivalents at the beginning of the period	329,777	1,250,418
Cash and cash equivalents at the end of the period	890,815	245,037
Cash and cash equivalents		
Bank balances	615,774	245,037
Market Treasury Bills - 3 months	248,034	-
Letter of placement	27,007	-
	890,815	245,037

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020			December 31, 2019		
	Capital value	Undistributed (loss) / income	Total	Capital value	Undistributed (loss) / income	Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net
	(Rupees in '000)					
	Total					
Net assets at beginning of the period	1,360,121	(482,530)	877,591	2,215,081	(480,531)	239
Reclassification under IFRS 9	-	-	-	-	239	(239)
Amount received on issuance of 26,987,432 (2019: 29,369,437) units						
Capital value	2,293,001	-	2,293,001	2,497,841	-	-
Element of income during the period;						
- Relating to net income for the period after taxation	158,086	-	158,086	59,309	-	-
	2,451,087	-	2,451,087	2,557,150	-	-
Amount paid on redemption of 21,871,889 (2019: 39,735,741) units						
Capital value	(1,858,356)	-	(1,858,356)	(3,379,485)	-	-
Element of income during the period;						
- Relating to net income for the period after taxation	(135,937)	(18,501)	(154,438)	(50,976)	(46,203)	-
	(1,994,293)	(18,501)	(2,012,794)	(3,430,461)	(46,203)	-
Total comprehensive income for the period	-	43,503	43,503	-	81,655	-
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	43,503	43,503	-	81,655	-
Net assets at end of the period	1,816,915	(457,528)	1,359,387	1,341,770	(444,840)	-
Undistributed loss brought forward:						
- Realised	-	(481,083)	(481,083)	-	(471,676)	-
- Unrealised	-	(1,447)	(1,447)	-	(8,855)	-
- Reclassification under IFRS 9	-	-	-	-	239	-
	-	(482,530)	(482,530)	-	(480,292)	-
Accounting income available for distribution:						
- Relating to capital gains	-	5,179	5,179	-	-	-
- Excluding capital gains	-	19,823	19,823	-	35,452	-
	-	25,002	25,002	-	35,452	-
Distribution during the period	-	-	-	-	-	-
Undistributed loss carried forward	-	(457,528)	(457,528)	-	(444,840)	-
Undistributed loss carried forward						
- Realised	-	(457,523)	(457,523)	-	(443,652)	-
- Unrealised	-	(5)	(5)	-	(1,188)	-
	-	(457,528)	(457,528)	-	(444,840)	-
	- (Rupees) -			- (Rupees) -		
Net assets value per unit at beginning of the period	84.9655			85.0490		
Net assets value per unit at end of the period	88.0185			89.4139		

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

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 INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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 December 21, 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 re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2020.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do 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, 2020.

2.1.3 The comparative statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, 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 interim financial statements for the period ended December 31, 2019.

2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These interim financial statements have 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 these interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These interim financial statements are 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 interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these interim financial statements 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 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current accounts		59	59
Saving accounts	4.1	615,715	329,718
		<u>615,774</u>	<u>329,777</u>

- 4.1** These carry mark-up at rates ranging from 5.5% to 7.82% per annum (June 30, 2020: 6.5% to 13.60%) per annum and include balances of Rs.13.67 (June 30, 2020: Rs.4.57) million held with United Bank Limited and Rs.0.02 (June 30, 2020: Rs.0.02) million held with Khushhali Bank Limited (related parties).

5. INVESTMENTS

Investments by category

Fair value through profit or loss

Government securities - Treasury Bills	5.1	248,034	142,508
Government securities - Pakistan Investment Bonds	5.2	300,080	201,700
Quoted equity securities (Spread Transactions)	5.3	-	-
Debt securities - quoted	5.4	84,362	96,314
Debt securities - unquoted	5.4	112,660	102,532
		<u>745,136</u>	<u>543,053</u>

At amortised cost

Letter of placement	5.7	27,007	-
		<u>772,143</u>	<u>543,053</u>

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

Government Securities - Treasury Bills at fair value through profit or loss					December 31, 2020			Market value as a % of net assets	Market value as a % of total investments	
Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	Unrealised loss			
----- (Number of holding) -----					----- (Rupees in '000) -----			----- % -----		
Market Treasury Bills - 3 months	5.1.1	-	31,670,000	(29,170,000)	2,500,000	248,028	248,034	6	18.25	32.12
Market Treasury Bills - 6 months		-	4,735,000	(4,735,000)	-	-	-	-	-	-
Market Treasury Bills - 1 year		1,510,000	8,670,000	(10,180,000)	-	-	-	-	-	-
Total as at December 31, 2020 (Un-audited)						248,028	248,034	6	18.25	32.12
Total as at June 30, 2020 (Audited)						142,060	142,508	448		

5.1.1 These treasury bills carry effective yield of 7.14% per annum and will mature by February 11, 2021.

5.2 Government Securities - Pakistan Investment Bonds - 'at fair value through profit or loss'

					December 31, 2020					
Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	Unrealised loss	Market value as a % of net assets	Market value as a % of total investments	
----- (Number of holding) -----					----- (Rupees in '000) -----			----- % -----		
Pakistan Investment										
Bonds - 3 years	-	1,250,000	(1,250,000)	-	-	-	-	-	-	
Pakistan Investment										
Bonds - 5 years	5.2.1	-	1,500,000	(500,000)	1,000,000	100,401	100,100	(301)	7.36	12.96
Pakistan Investment										
Bonds - 10 years	5.2.2	2,000,000	-	-	2,000,000	201,687	199,980	(1,707)	14.71	25.90
Total as at December 31, 2020 (Un-audited)					302,088	300,080	(2,008)	22.07	38.86	
Total as at June 30, 2020 (Audited)					203,453	201,700	(1,753)			

5.2.1 This Pakistan Investment Bonds carry interest at the rate of 8.23% per annum. These will mature latest by June 18, 2025.

5.2.2 This Pakistan Investment Bonds carry interest at the rate of 14.688% and 14.704% per annum. These will mature latest by August 22, 2029.

5.3 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at December 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain			
----- (Rupees in '000) ----- % -----										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:										
Oil and gas exploration companies										
Oil & Gas Development Company Limited	-	176,500	176,500	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	842,000	842,000	-	-	-	-	-	-	-
Hascol Petroleum Limited	-	10,000	10,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	304,000	304,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	1,046,500	1,046,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	2,000	2,000	-	-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	-	330,500	330,500	-	-	-	-	-	-	-
Engineering										
Amreli Steels Limited	-	1,437,500	1,437,500	-	-	-	-	-	-	-
International Industries Limited	-	52,500	52,500	-	-	-	-	-	-	-
International Steels Limited	-	499,000	499,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	239,000	239,000	-	-	-	-	-	-	-
Refinery										
Attock Refinery Limited	-	324,500	324,500	-	-	-	-	-	-	-
National Refinery Limited	-	152,000	152,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	2,313,000	2,313,000	-	-	-	-	-	-	-
Commercial banks										
Habib Bank Limited	-	258,000	258,000	-	-	-	-	-	-	-
MCB Bank Limited	-	3,000	3,000	-	-	-	-	-	-	-
Meezan Bank Limited	-	6,500	6,500	-	-	-	-	-	-	-
National Bank of Pakistan	-	214,500	214,500	-	-	-	-	-	-	-
United Bank Limited	-	29,000	29,000	-	-	-	-	-	-	-
Chemical										
Engro Polymer & Chemicals Limited	-	386,000	386,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	7,000	7,000	-	-	-	-	-	-	-
Food and personal care products										
Fauji Foods Limited	-	17,500	17,500	-	-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at December 31, 2020			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain			
----- (Rupees in '000) ----- % -----										
Textile composite										
Gul Ahmed Textile Mills Limited	-	20,500	20,500	-	-	-	-	-	-	-
Nishat Chunian Limited	-	2,000	2,000	-	-	-	-	-	-	-
Nishat Mills Limited	-	46,000	46,000	-	-	-	-	-	-	-
Automobile assembler										
Ghandhara Industries Limited	-	89,500	89,500	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	10,500	10,500	-	-	-	-	-	-	-
Automobile parts and accessories										
The General Tyre & Rubber	-	27,500	27,500	-	-	-	-	-	-	-
Paper and board										
Century Paper & Board Mills Limited	-	500	500	-	-	-	-	-	-	-
Power generation and distribution										
Kot Addu Power Company Limited	-	405,000	405,000	-	-	-	-	-	-	-
The Hub Power Company Limited	-	311,500	311,500	-	-	-	-	-	-	-
Technology and communication										
Avanceon Limited	-	200,500	200,500	-	-	-	-	-	-	-
Fertilizer										
Engro Corporation Limited	-	26,000	26,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	355,500	355,500	-	-	-	-	-	-	-
Cement										
Cherat Cement Company Limited	-	19,000	19,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	1,466,000	1,466,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	984,500	984,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	13,000	13,000	-	-	-	-	-	-	-
Lucky Cement Limited	-	121,500	121,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	3,280,000	3,280,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	141,500	141,500	-	-	-	-	-	-	-
Total as at December 31, 2020 (Un-audited)					-	-	-	-	-	-
Total as at June 30, 2020 (Audited)					-	-	-	-	-	-

5.4 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'
(face value of Rs. 5,000 each unless otherwise stated)

Particulars	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
----- (Number of certificates) -----						----- (Rupees in '000) -----			----- % -----	
Quoted										
Personal goods										
Azgard Nine Limited - TFC (September 20, 2005)	5.4.1	1,000	-	-	1,000	1,366				
Less: Provision for impairment						(1,366)				
						-	-	-	-	-
Commercial banks										
Dawood Hercules Corporation Limited - Sukuk (November 16, 2017) (Face value at Rs.80,000 each)		190	-	-	190	11,513	11,525	12	1.49	0.85
Bank AL Habib Limited - TFC (March 17, 2016) (Face value at Rs.4,993 each)		1,200	-	-	1,200	5,496	5,515	19	0.71	0.41
Dawood Hercules Corporation Limited - Sukuk (March 01, 2018) (Face value at Rs. 90,000 each)		950	-	-	950	67,712	67,322	(390)	8.72	4.95
Total as at December 31, 2020 (Un-audited)						84,721	84,362	(359)	10.92	6.21
Total as at June 30, 2020 (Audited)						95,364	96,314	950		
Unquoted										
Personal goods										
Azgard Nine Limited - PPTFC (December 04, 2007)	5.4.1	7,000	-	-	7,000	10,579				
Less: Provision for impairment						(10,579)				
						-	-	-	-	-
Household goods										
New Allied Electronics Industries Limited - TFC (May 15, 2007)	5.4.1	18,000	-	-	18,000	18,094				
Less: Provision for impairment						(18,094)				
						-	-	-	-	-
K-Electric Limited - Sukuk (August 03, 2020)		-	6,584	(2,584)	4,000	20,000	20,304	304	2.63	1.49
						-	-	-	-	-
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)	5.4.1	10,000	-	-	10,000	35,000				
Less: Provision for impairment						(35,000)				
						-	-	-	-	-
Commercial banks										
Habib Bank Limited - TFC (February 19, 2016) (Face value at Rs. 99,860 each)		424	-	-	424	41,427	42,324	897	5.48	3.11

Particulars	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
----- (Number of certificates) -----						----- (Rupees in '000) -----			----- % -----	
Investment banks										
Jahangir Siddiqui & Co. Ltd. - TFC (July 18, 2017) (Face value at Rs. 3,750 each)		20,000	-	-	20,000	48,877	50,032	1,155	6.48	3.68
Financial services										
Security Leasing Corporation Limited - Sukuk II (September 19, 2007)	5.4.1	5,000	-	-	5,000	5,574 (5,574)				
Less: Provision for impairment						-	-	-	-	-
Total as at December 31, 2020 (Un-audited)						110,304	112,660	2,356	14.59	8.28
Total as at June 30, 2020 (Audited)						103,977	102,532	(1,445)		

5.4.1 Due to continuous default on repayment of coupon by the issuer, the Fund has classified said investment as non-performing debt securities. The Fund has suspended further accrual of mark-up there against.

5.4.2	Name of security	Number of certificates	Interest rate per annum	Maturity	Rating
	Dawood Hercules Corporation Limited (November 16, 2017)	190	3M KIBOR + 1.00%	November 16, 2022	AA
	Bank AL Habib Limited (March 17, 2016)	1,200	6M KIBOR + 0.75%	March 17, 2026	AA
	Dawood Hercules Corporation Limited (March 01, 2018)	950	3M KIBOR + 1.00%	March 1, 2023	AA
	Habib Bank Limited (February 19, 2016)	424	6M KIBOR + 0.50%	February 19, 2026	AAA
	Jahangir Siddiqui & Co. Ltd. (July 18, 2017)	20,000	6M KIBOR + 1.40%	July 18, 2022	AA+
	K-Electric Limited - Sukuk (August 03, 2020)	4,000	3M KIBOR + 1.70%	August 3, 2027	AA+

5.5 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through Other Comprehensive Income'
(face value of Rs. 5,000 each unless otherwise stated)

		As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain	Market value as a percentage of total investment	Market value as a percentage of net assets
Name of security	Note	----- (Number of certificates) -----				----- (Rupees in '000) -----				
<u>Quoted</u>										
Personal goods										
Azgard Nine Limited - TFC (September 20, 2005)	5.5.1	21,150	-	-	21,150	21,702				
Less: Provision for impairment						(21,702)				
						-	-	-	-	-
Azgard Nine Limited - TFC (May 17, 2010)	5.5.1	10,000	-	-	10,000	27,863				
Less: Provision for impairment						(27,863)				
						-	-	-	-	-
Financial services										
Trust Investment Bank Limited - TFC (July 04, 2008)	5.5.1	23,877	-	-	23,877	44,499				
Less: Provision for impairment						(44,499)				
						-	-	-	-	-
Total as at December 31, 2020 (Un-audited)						-	-	-	-	-
Total as at June 30, 2020 (Audited)						-	-	-		

Name of security	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain	Market value as a percentage of total investment	Market value as a percentage of net assets
		(Number of certificates)				(Rupees in '000)				
<u>Unquoted</u>										
Household goods										
New Allied Electronics Industries (Private) Limited (May 15, 2007)	5.5.1	13,000	-	-	13,000	13,068 (13,068)				
Less: Provision for impairment						-	-	-	-	-
Chemicals										
Agritech Limited - PPTFC (January 14, 2008)	5.5.1	147,000	-	-	147,000	558,988 (558,988)				
Less: Provision for impairment						-	-	-	-	-
Agritech Limited - PPTFC (November 30, 2007)	5.5.1	58,000	-	-	58,000	254,223 (254,223)				
Less: Provision for impairment						-	-	-	-	-
Agritech Limited - Sukuk (August 06, 2008)	5.5.1	3,800	-	-	3,800	14,453 (14,453)				
Less: Provision for impairment						-	-	-	-	-
Personal goods										
Azgard Nine Limited - PPTFC (December 04, 2007)	5.5.1	33,000	-	-	33,000	62,137 (62,137)				
Less: Provision for impairment						-	-	-	-	-
Financial services										
Security Leasing Corporation Limited - Sukuk II (September 19, 2007)	5.5.1	15,000	-	-	15,000	16,454 (16,454)				
Less: Provision for impairment						-	-	-	-	-
Total as at December 31, 2020 (Un-audited)						-	-	-	-	-
Total as at June 30, 2020 (Audited)						-	-	-		

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5.6 Debt securities - Pre-IPO placement			
Pre - IPO placement	5.6.1	64,168	64,168
Less: Provision for impairment		(64,168)	(64,168)
		-	-

5.6.1 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.

5.7 This carries mark-up of 9.03% held with Bank Alfalah limited and will mature by January 08, 2021.

5.8 Disclosure of non compliant investments as at 31 December 2020

Name of security	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at 31 December 2020	Percentage of total investment	Percentage of net assets
		----- (Number of shares) -----				(Rupees in '000)		
Personal goods								
Azgard Nine Limited	5.8.1	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>

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

Name of non-compliant investment	Exposure Type	% of Issue	Limit	Excess
Trust Investment Bank Limited (July 04, 2008)	Per Issue	20%	10%	10%
Agritech Limited (November 30, 2007)	Per Issue	19%	10%	9%
New Allied Electronics Industries (private) Limited (May 15, 2007)	Per Issue	17%	10%	7%
Security Leasing Corporation Limited (September 19, 2007)	Per Issue	13%	10%	3%
Agritech Limited (January 14, 2008)	Per Issue	11%	10%	1%
Dawood Hercules Corporation Limited - Sukuk	Single Entity	10.35%	10%	0.35%

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 in future years

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	771	493
Sales tax on management fee	7.2	100	64
Allocated expenses payable	7.3	134	156
Selling and marketing expenses payable	7.4	1,567	1,115
Sales load payable		1,419	374
Other payables		90	88
		4,081	2,290

7.1 The Management Company is entitled to remuneration for services rendered to the Fund at the rate of 8% of the daily gross earnings with minimum cap of 0.25% and maximum cap of 1.5% of average daily net assets. The remuneration is paid to the Management Company on monthly basis in arrears.

7.2 Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2020: 13%)

7.3 The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

7.4 The Management Company has charged actual expenses to the extent as it thinks expedient as per SECP circular 11 dated July 05, 2019.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

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

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

SECP fee has been charged at the rate of annual fee at 0.02% (2019: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
10. ACCRUED EXPENSES AND OTHER PAYABLES			
Provision for indirect duties and taxes	10.1	24,359	24,359
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	17,190	16,318
Auditors' remuneration		181	233
Brokerage payable		1,217	1,595
Withholding tax / zakat deducted at source payable		66	4,437
Capital gains tax payable		1,577	1,291
Legal and professional charges payable		177	98
Custodian fee payable		83	83
Transaction charges payable to NCCPL		101	101
Sales load and other payables		31,160	4,541
		76,111	53,056

10.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 14.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Rs.1.57 (June 2020: Rs.2.35) per unit.

10.2 There is no change in the status of the SWWF as reported in note 14.2 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Rs.1.11 (June 2020: Rs.1.58) per unit.

11. CONTINGENCIES AND COMMITMENTS

11.1 There were no other contingencies and commitments as at December 31, 2020 and June 30, 2020.

12. TAXATION

Collective Investment Schemes (CIS) are exempt from income tax if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance).

During the period Additional Commissioner Inland Revenue (ACIR) passed an order for TY 2018 dated August 31, 2020 claiming that CIS failed to distribute 90% of its accounting income as per clause 99 of Part 1 of the Second Schedule of the Ordinance on the ground that income distributed on units redeemed by investors during the tax year cannot be treated as distribution of income and raised a demand of Rs. 43.65 million.

Aggrieved from the Order of ACIR, the CIS filed an appeal with Commissioner Appeals who via order dated December 08, 2020 upheld Assessment Order passed by CIR. The CIS in addition to filing an appeal in the Appellate Tribunal, which is pending adjudication, also filed a petition in Honorable High Court of Sindh (SHC) to grant stay against any recovery proceeding that may be initiated by the department along with non-deduction of Withholding tax by withholding agents under relevant sections of the Ordinance. The Honorable SHC granted stay on pending recovery and withholding of Tax via order dated December 12, 2020 and January 22, 2021 respectively.

Moreover, Management believes that CIR has misinterpreted the concept of distribution of income considering how CIS continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. Henceforth, Distribution of income by collective investment schemes represents (a) the income already distributed upon redemption of units and (b) the income distributed by way of cash dividend. SECP being the regulatory body of the CIS agrees with the Management's view and is also actively following up with FBR for its early resolution.

Considering all above developments, the Management in consultation with the tax advisor appointed by MUFAP, is confident that the matter will be resolved in the favor of the CIS. Hence, no provision for taxation is made in these condensed interim financial statements.

13. EARNINGS PER UNIT

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

14. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.91% as on December 31, 2020 (2019: 2.20%), this includes 0.29% (2019: 0.39%) representing Government Levy, Sindh Workers' Welfare Fund and SECP fee and 0.12% (2019: Nil) representing expenses relating to spread transactions. This ratio is within the maximum limit of 2.5% prescribed under the NBFC regulation 60 (5) for a collective investment scheme categorised as income scheme.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen 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 and balances with them at the period end, other than those which have been specifically disclosed elsewhere in these interim financial statements are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	----- (Rupees in '000) -----					
	----- (For the half year ended December 31, 2020) (Un-audited) -----					
Transactions during the period						
Profit on bank balances	-	195	-	-	-	-
Units issued	744,691	-	-	-	30,042	200,000
Units redeemed	744,859	-	-	-	4,987	-
Bank charges	-	5	-	-	-	-
Purchase of securities	-	-	-	58,136	-	-
Sale of securities	-	-	-	74,074	-	-
Remuneration *	5,082	-	538	-	-	-
Expenses allocated by the Management Company	635	-	-	-	-	-
Selling and marketing expenses	2,539	-	-	-	-	-
Central Depository Service charges	-	-	23	-	-	-
Dividend paid	-	-	-	-	-	-
	----- (Rupees in '000) -----					
	----- (For the half year ended December 31, 2019) (Un-audited) -----					
Transactions during the period						
Profit on bank balances	-	287	-	-	-	-
Units issued	1,955,823	-	-	-	4,480	70,506
Units redeemed	2,657,065	-	-	-	3,009	216,513
Bank charges	-	5	-	-	-	-
Purchase of securities	-	-	-	486,656	-	-
Sale of securities	-	133,081	-	1,197,612	-	-
Remuneration *	9,333	-	653	-	-	-
Expenses allocated by the Management Company	770	-	-	-	-	-
Selling and marketing expenses	3,081	-	-	-	-	-
Central Depository Service charges	-	-	2	-	-	-
Dividend paid	-	-	-	-	-	-

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	----- (Rupees in '000) -----					
	----- (As at December 31, 2020) (Un-audited) -----					
Balances held						
Units held (units in '000)	-	-	-	-	348	2,278
Units held (Rupees in '000)	-	-	-	-	30,645	200,532
Bank balances	-	13,688	-	-	-	-
Deposits	-	-	100	-	-	-
Mark-up receivable - bank balances	-	152	-	-	-	-
Remuneration payable	871	-	116	-	-	-
Expenses allocated by the Management Company	134	-	-	-	-	-
Sales load and other payable	2,521	161	-	-	-	-
Selling and marketing expenses	1,567	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
	----- (Rupees in '000) -----					
	----- (As at June 30, 2020) (Audited) -----					
Balances held						
Units held (units in '000)	-	-	-	-	74	5,257
Units held (Rupees in '000)	-	-	-	-	6,272	446,692
Bank balances	-	4,590	-	-	-	-
Deposits	-	-	100	-	-	-
Mark-up receivable - bank balances	-	208	-	-	-	-
Remuneration payable	557	-	65	-	-	-
Expenses allocated by the Management Company	156	-	-	-	-	-
Sales load and other payable	374	95	-	-	-	-
Selling and marketing	1,115	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
Other payable	88	-	-	-	-	-

* Remuneration for the period is inclusive of sales tax

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).

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).

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
December 31, 2020 (Un-audited)				
Financial assets measured at fair value through profit or loss				
- Debt securities	84,362	112,660	-	197,022
- Government securities - Treasury Bills	-	248,034	-	248,034
- Government securities - Pakistan Investment Bonds	-	300,080	-	300,080
	84,362	660,774	-	745,136
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
June 30, 2020 (Audited)				
Financial assets measured at fair value through profit or loss				
- Debt securities	96,314	102,532	-	198,845
- Government securities - Treasury Bills	-	142,508	-	142,508
- Government securities - Pakistan Investment Bonds	-	201,700	-	201,700
	96,314	446,739	-	543,053

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

16.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

16.1.2 Investments in term finance and sukuk certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

17. IMPACT OF COVID 19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18. GENERAL

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

18.2 Figures have been rounded off to the nearest thousand rupee.

19. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 25, 2021.

**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 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	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited JS Bank Limited MCB Bank Limited Samba Bank Limite Telenor Microfinance Bank Limited Sindh Bank Limited Zarai Taraqiati Bank Limited United Bank Limited Soneri Bank Limited Bank Of Khyber
Management Co.Rating	AM1 (VIS)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



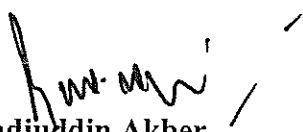
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Asset Allocation Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Asset Allocation Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Asset Allocation Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

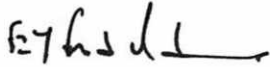
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	335,587	140,680
Investments	5	775,079	627,756
Dividend and mark-up receivable		10,348	18,994
Advance tax	6	1,164	1,162
Deposits, prepayments and other receivables		13,047	12,319
Receivable against sale of investments		-	166,943
TOTAL ASSETS		1,135,225	967,854
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	5,022	4,024
Payable to Central Depository Company of Pakistan - Trustee		208	180
Annual fee payable to the Securities and Exchange			
Commission of Pakistan (SECP)	8	110	223
Accrued expenses and other payables	9	24,309	33,229
Payable against purchase of investments		2,461	3,924
TOTAL LIABILITIES		32,110	41,580
NET ASSETS		1,103,115	926,274
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,103,115	926,274
CONTINGENCIES AND COMMITMENTS	10		
		----- (Number) -----	
NUMBER OF UNITS IN ISSUE		7,221,690	6,796,657
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		152.7503	136.2837

The annexed notes 1 to 18 form an integral part of these interim financial statements.

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended	Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020
		December 31, 2019		December 31, 2019
Note		(Rupees in '000)		
INCOME				
Financial income on:				
- Bank balances		7,654	28,685	3,933
- Term deposit receipts		423	732	423
- Government securities		13,237	12,677	7,192
- Term finance certificates		4,326	9,860	1,876
Dividend income		11,688	17,501	7,821
Net capital gain on sale of investments		38,248	10,856	22,490
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss'		59,720	78,502	9,507
Other income		213	185	137
Total income		135,509	158,998	53,379
EXPENSES				
Remuneration of the Management Company		5,495	6,318	2,957
Sales tax on Management fee		714	821	384
Allocation of expenses relating to the Fund		550	632	296
Selling and marketing expenses		5,715	3,022	3,076
Remuneration of the Trustee		1,050	1,136	547
Sales tax on remuneration of the Trustee		137	148	72
Annual fee to Securities and Exchange Commission of Pakistan		110	125	59
Auditors' remuneration		525	430	317
Legal and professional charges		93	81	47
Brokerage and settlement expenses		1,270	938	812
Listing fee expense		14	14	9
Bank charges and other expenses		6	35	2
Total expenses		15,679	13,700	8,578
Provision for Sindh Workers' Welfare Fund (SWWF)	9.2	(2,351)	(2,851)	(878)
Net income for the period before taxation		117,479	142,447	43,923
Taxation	11	-	-	-
Net income for the period after taxation		117,479	142,447	43,923
<i>Allocation of net income for the period:</i>				
Net income for the period after taxation		117,479	142,447	43,923
Income already paid on units redeemed		(8,841)	(18,370)	(6,149)
		108,638	124,077	37,774
<i>Accounting income available for distribution:</i>				
- Relating to capital gains		90,868	74,138	27,358
- Excluding capital gains		17,770	49,939	10,416
		108,638	124,077	37,774
Earnings per unit				

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The annexed notes 1 to 18 form an integral part of these interim financial statements.

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	117,479	142,447	43,923	157,652
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>117,479</u>	<u>142,447</u>	<u>43,923</u>	<u>157,652</u>

The annexed notes 1 to 18 form an integral part of these interim financial statements.

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 MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended					
	December 31, 2020			December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	501,534	424,740	926,274	971,499	402,317	1,373,816
Amount received on issuance of 5,785,004 units (2019: 593,034 units)						
Capital value	788,402	-	788,402	78,421	-	78,421
Element of income during the period:						
- Relating to net income for the period after taxation	70,796	-	70,796	3,016	-	3,016
	859,198	-	859,198	81,437	-	81,437
Amount paid on redemption of 5,359,971 units (2019: 3,072,629 units)						
Capital value	(730,477)	-	(730,477)	(406,314)	-	(406,314)
Element of income during the period:						
- Relating to net income for the period after taxation	(60,518)	(8,841)	(69,359)	1,910	(18,370)	(16,460)
	(790,995)	(8,841)	(799,836)	(404,404)	(18,370)	(422,774)
Net income for the period after tax	-	117,479	117,479	-	142,447	142,447
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	117,479	117,479	-	142,447	142,447
Net assets at end of the period	569,737	533,378	1,103,115	648,532	526,394	1,174,926
Undistributed income brought forward:						
- Realised	-	425,920	425,920	-	530,799	530,799
- Unrealised	-	(1,180)	(1,180)	-	(128,482)	(128,482)
	-	424,740	424,740	-	402,317	402,317
Accounting income available for distribution:						
- Relating to capital gains	-	90,868	90,868	-	74,138	74,138
- Excluding capital gains	-	17,770	17,770	-	49,939	49,939
	-	108,638	108,638	-	124,077	124,077
Distribution during the period	-	-	-	-	-	-
Undistributed income carried forward	-	533,378	533,378	-	526,394	526,394
Undistributed income carried forward						
- Realised	-	473,658	473,658	-	447,892	447,892
- Unrealised	-	59,720	59,720	-	78,502	78,502
	-	533,378	533,378	-	526,394	526,394
				- (Rupees) -		- (Rupees) -
Net assets value per unit at beginning of the period			136.2837			132.2366
Net assets value per unit at end of the period			152.7503			148.5466

The annexed notes 1 to 18 form an integral part of these interim financial statements.

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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	117,479	142,447
Adjustments for:		
Financial income	(25,640)	(51,954)
Net capital gain on sale of investments	(38,248)	(10,856)
Dividend income	(11,688)	(17,501)
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss'	(59,720)	(78,502)
Provision for Sindh Workers' Welfare Fund (SWWF)	2,351	2,851
	(132,945)	(155,962)
Net cash flows used in operations before working capital changes	(15,466)	(13,515)
Working capital changes		
Decrease / (Increase) in assets		
Investments	(4,355)	(61,414)
Advance tax	(2)	(43)
Deposits, prepayments and other receivables	(728)	41
Receivable against sale of investments	166,943	7,105
	161,858	(54,311)
(Decrease) / Increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	998	731
Payable to Central Depository Company of Pakistan - Trustee	28	(17)
Payable to Securities and Exchange Commission of Pakistan	(113)	(1,716)
Payable against purchase of equity securities	(1,463)	1,357
Accrued expenses and other payables	(11,271)	151
	(11,821)	506
Dividend and mark-up received	45,974	72,679
Net cash generated from operating activities	180,545	5,359
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	859,198	81,437
Payments on redemption of units	(799,836)	(422,774)
Net cash generated / (used in) financing activities	59,362	(341,337)
Net increase / (decrease) in cash and cash equivalents	239,907	(335,978)
Cash and cash equivalents at beginning of the period	140,680	566,702
Cash and cash equivalents at end of the period	380,587	230,724
Cash and cash equivalents		
Bank balances	335,587	230,724
Term Deposit Receipt	45,000	-
	380,587	230,724

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL ASSET ALLOCATION FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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.
- 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 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.
- 1.4** 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'.
- 1.5** 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.
- 1.6** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2020.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

- 2.1.1** These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these interim financial statement have, however, been limited based on the requirements of IAS 34. These interim financial statements do 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, 2020.

2.1.3 The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2019.

2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these interim financial statements give true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These interim financial statement 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 interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These interim financial statement are 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 interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these interim financial statements 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 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the interim financial statements.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Saving accounts	4.1	<u>335,587</u>	<u>140,680</u>

4.1 These carry mark-up at the rates ranging from 5.50% to 7.82% (June 30, 2020: 6.00% to 8.50%) per annum and include a balance of Rs.5.036 (June 30, 2020: Rs.3.03) million held with United Bank Limited (a related party).

5. INVESTMENTS

At Fair Value Through Profit or Loss

- Government securities - Market treasury bills	5.1	-	47,548
- Government securities - Pakistan Investment Bonds	5.2	200,080	100,590
- Debt securities - Term Finance Certificates / Sukuks	5.3	91,924	109,772
- Quoted equity securities	5.4	438,075	369,846
		<u>730,079</u>	<u>627,756</u>

At Amortised Cost

- Term Deposit Receipt		45,000	-
		<u>775,079</u>	<u>627,756</u>

5.1 Government securities - Treasury Bills 'at fair value through profit or loss'

Particulars	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Balance as at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Unrealized gain		
----- Face value -----						----- (Rupees in '000) -----			----- % -----	
Market treasury bills - 12 months		500	-	(500)	-	-	-	-	-	-
Market treasury bills - 6 months		-	750	(750)	-	-	-	-	-	-
Market treasury bills - 3 months		-	2,000	(2,000)	-	-	-	-	-	-
Market treasury bills - 3 months		-	750	(750)	-	-	-	-	-	-
Total as at December 31, 2020 (Un-audited)						-	-	-	-	-
Total as at June 30, 2020 (Audited)						46,472	47,548	1,076		

5.2 Government securities - Pakistan Investment Bonds 'at fair value through profit or loss'

Particulars	Note	As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Balance as at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Unrealized (loss) / gain		
----- Face value -----						----- (Rupees in '000) -----			----- % -----	
Pakistan Investment Bonds - 10 years	5.2.1	1,000	-	-	1,000	100,610	100,000	(610)	9.07%	12.90%
Pakistan Investment Bonds - 3 years	5.2.2	-	1,000	-	1,000	100,374	100,080	(294)	9.07%	12.91%
Total as at December 31, 2020 (Un-audited)						200,984	200,080	(904)		
Total as at June 30, 2020 (Audited)						99,740	100,590	850		

5.2.1 This Pakistan Investment Bonds carries interest at the rate of 7.7134% (June 30, 2020: 11.0499% to 13.9351%) per annum and will mature latest by August 09, 2028.

5.2.2 This Pakistan Investment Bonds carries interest at the rate of 7.6193% per annum and will mature latest by June 19, 2023.

5.3 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'

Name of Security	Note	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss)	Percentage of total investments	Percentage of net assets
----- (Number of certificates) -----										
----- (Rupees in '000) -----										
----- (%) -----										
Unquoted										
Investment banks / investment companies / securities companies										
Dawood Hercules Corporation Limited - Sukuk (Face value at Rs.60,000 each)	5.3.1 & 5.3.2	40	-	-	40	2,424	2,426	2	0.31%	0.22%
Cement										
Javedan Corporation Limited - Sukuk (Face value at Rs.100,000 each)	5.3.1 & 5.3.2	150	-	-	150	15,301	14,451	(850)	1.86%	1.31%
Quoted										
Investment banks / investment companies / securities companies										
Jahangir Siddiqui and Company Limited - Term Finance Certificate (Face value at Rs.2,500 each)	5.3.1 & 5.3.2	30,000	-	-	30,000	73,315	75,047	1,732	9.68%	6.80%
Total as at December 31, 2020 (Un-audited)		30,190	-	-	30,190	91,040	91,924	884		
Total as at June 30, 2020 (Audited)						110,619	109,772	(847)		

5.3.1 These carry mark-up at the rate ranging from 8.02 % to 9.04% (June 30, 2020: from 9.31% to 14.89%).

5.3.2 Significant terms and conditions of Term Finance Certificate / Sukuks outstanding as at December 31, 2020 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 17, 2017) - Sukuk	2,400	3 Months KIBOR +1%	16-Nov-17	16-Nov-22
Javedan Corporation Limited (October 04, 2018) - Sukuk	15,000	6 Months KIBOR +1.75%	4-Oct-18	4-Oct-26
Jahangir Siddiqui and Company (July 18, 2017) - Term Finance Certificate	75,000	6 Months KIBOR +1.4%	18-Jul-17	18-Jul-22

5.4 Quoted equity securities - 'at fair value through profit or loss'

Name of the investee company	Note	As at July 01, 2020	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at December 31, 2020	Cost / carrying value as at December 31, 2020	Market value as at December 31, 2020	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares)							(Rupees in '000)			(%)		
Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each.												
Oil and gas exploration companies												
Mari Petroleum Company Limited		32,651	7,020	-	(17,740)	21,931	27,177	29,384	2,207	3.79%	2.66%	0.02%
Oil and Gas Development Company Limited		199,000	167,000	-	(139,200)	226,800	23,257	23,536	279	3.04%	2.13%	0.01%
Pakistan Petroleum Limited	5.4.1	108,350	186,000	-	(103,800)	190,550	16,642	17,213	571	2.22%	1.56%	0.01%
Attock Petroleum Limited		2,500	-	-	(2,500)	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Oil Fields Limited		28,560	37,400	-	(28,900)	37,060	12,662	14,654	1,992	1.89%	1.33%	0.01%
							79,738	84,787	5,049	10.94%	7.68%	0.05%
Oil and gas marketing companies												
Pakistan State Oil Company Limited	5.4.2	26,260	-	-	(25,033)	1,227	194	264	70	0.03%	0.02%	0.00%
Investment banks / investment companies												
Arif Habib Limited		57,500	-	-	(57,500)	-	-	-	-	0.00%	0.00%	0.00%
Transport												
Pakistan International Bulk Terminal Limited		-	255,000	-	(58,500)	196,500	2,497	2,527	30	0.33%	0.23%	0.01%
Power generation and distribution												
Hub Power Company Limited		270,762	132,000	-	(198,009)	204,753	15,740	16,244	504	2.10%	1.47%	0.02%
Pakgen Power Limited		396,000	42,000	-	(112,500)	325,500	4,157	6,413	2,256	0.83%	0.58%	0.09%
Lalpir Power Limited		563,000	-	-	(563,000)	-	-	-	-	0.00%	0.00%	0.00%
Saif Power Limited		443,498	32,000	-	(302,500)	172,998	2,769	2,512	(257)	0.32%	0.23%	0.04%
							22,666	25,169	2,503	3.25%	2.28%	0.15%
Chemicals												
ICI Pakistan Limited		4,600	-	-	(950)	3,650	2,536	2,774	238	0.36%	0.25%	0.00%
Engro Polymer & Chemicals Limited		127,868	109,000	-	(99,500)	137,368	4,390	6,526	2,136	0.84%	0.59%	0.02%
							6,926	9,300	2,374	1.20%	0.84%	0.02%
Fertilizer												
Engro Corporation Limited	5.4.1	109,340	44,500	-	(80,000)	73,840	21,932	22,695	763	2.93%	2.06%	0.01%
Engro Fertilizers Limited		238,855	84,000	-	(196,300)	126,555	7,706	8,002	296	1.03%	0.73%	0.01%
Fauji Fertilizer Bin Qasim Limited		4,000	-	-	(4,000)	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		80,700	246,000	-	(92,218)	234,482	25,219	25,441	222	3.28%	2.31%	0.02%
							54,857	56,138	1,281	7.24%	5.10%	0.04%
Cement												
Kohat Cement Company Limited		65,770	62,000	-	(43,000)	84,770	14,045	18,585	4,540	2.40%	1.68%	0.04%
Lucky Cement Limited	5.4.1	38,833	11,200	-	(22,000)	28,033	13,941	19,513	5,572	2.52%	1.77%	0.01%
							27,986	38,098	10,112	4.92%	3.45%	0.05%
Thal Limited *		26,550	19,200	-	(15,100)	30,650	11,539	14,488	2,949	1.87%	1.31%	0.04%
Leather and tanneries												
Service Industries Limited		1,150	10,837	-	(2,900)	9,087	6,872	7,580	708	0.98%	0.69%	0.04%
Commercial banks												
Habib Bank Limited		158,900	164,500	-	(120,200)	203,200	23,706	26,879	3,173	3.47%	2.44%	0.01%
Allied Bank Limited		350,500	125,000	-	(117,500)	358,000	28,150	30,562	2,412	3.94%	2.77%	0.03%
Bank Alfalah Limited		304,273	271,000	-	(212,500)	362,773	12,222	12,817	595	1.65%	1.16%	0.02%
Bank Alhabib Limited		274,000	120,000	-	(140,200)	253,800	14,598	17,664	3,066	2.28%	1.60%	0.02%
Faysal Bank Limited	5.4.2	150	-	-	(142)	8	-	-	-	0.00%	0.00%	0.00%
United Bank Limited**	5.4.1	111,033	230,000	-	(123,100)	217,933	24,009	27,429	3,420	3.54%	2.49%	0.02%
							102,685	115,351	12,666	14.88%	10.46%	0.10%

Name of the investee company	Note	As at July 01, 2020	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at December 31, 2020	Cost / carrying value as at December 31, 2020	Market value as at December 31, 2020	Appreciation / (diminution)	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
(Number of shares)						(Rupees in '000)			(%)			
Textile												
Nishat Mills Limited		69,200	16,000	-	(37,600)	47,600	3,784	4,844	1,060	0.62%	0.44%	0.01%
Kohinoor Textiles Limited		292,006	180,000	-	(88,560)	383,446	16,966	26,159	9,193	3.38%	2.37%	0.13%
Gul Ahmed Textile Mills Limited		171,700	79,000	-	(93,400)	157,300	4,917	5,781	864	0.75%	0.52%	0.04%
Interloop Limited		-	60,000	-	(60,000)	-	-	-	-	0.00%	0.00%	0.00%
							25,667	36,784	11,117	4.75%	3.33%	0.18%
Engineering												
Agha Steel Industries Limited		-	63,000	-	(18,000)	45,000	1,440	1,773	333	0.23%	0.16%	0.01%
Food and personal care products												
Al Shaheer Corporation Limited		96,946	42,500	-	(139,446)	-	-	-	-	0.00%	0.00%	0.00%
Glass and ceramics												
Systems Limited		75,000	8,000	-	(57,100)	25,900	5,341	10,858	5,517	1.40%	0.98%	0.02%
Paper and board												
Packages Limited		2,400	-	-	(2,400)	-	-	-	-	0.00%	0.00%	0.00%
Century Paper and Board Mills		76,000	3,400	-	(73,000)	6,400	382	801	419	0.10%	0.07%	0.00%
							382	801	419	0.10%	0.07%	0.00%
Miscellaneous												
Synthetic Products Enterprises Limited		-	45,000	-	(17,000)	28,000	1,364	1,218	(146)	0.16%	0.11%	0.03%
Synthetic Products Enterprises Limited (right)		-	-	2,025	-	2,025	-	18	18	0.00%	0.00%	0.00%
							1,364	1,236	(128)	0.16%	0.11%	0.03%
Technology and Communication												
TPL Trakker Limited		-	80,500	-	(80,500)	-	-	-	-	0.00%	0.00%	0.00%
Vanaspatti and Allied Industries												
Unity Foods Limited		-	294,069	-	(220,000)	74,069	871	2,375	1,504	0.31%	0.22%	0.01%
Insurance												
Adamjee Insurance Company Limited		358,756	138,000	-	(161,500)	335,256	11,776	13,182	1,406	1.70%	1.19%	0.10%
IGI Holdings Limited		30,000	-	-	(12,000)	18,000	3,257	3,662	405	0.47%	0.33%	0.01%
							15,033	16,844	1,811	2.17%	1.52%	0.11%
Pharmaceuticals												
The Searle Company Limited	5.4.2	27,940	49,900	-	(23,700)	54,140	12,102	13,493	1,391	1.74%	1.22%	0.03%
Glaxosmith Kline Consumer		7,000	-	-	(7,000)	-	-	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	5.4.2	660	-	-	(311)	349	175	209	34	0.03%	0.02%	0.00%
							12,277	13,702	1,425	1.77%	1.24%	0.03%
Total as at December 31, 2020 (Un-audited)							378,335	438,075	59,740	56.53%	39.69%	
Total as at June 30, 2020 (Audited)							372,106	369,846	(2,260)	58.91%	39.93%	

* This represents investment held in a related party.

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

	December 31, 2020		June 30, 2020	
	(Number of shares)	(Rupees in '000)	(Number of shares)	(Rupees in '000)
Engro Corporation Limited	5,000	1,537	5,000	1,465
Lucky Cement Limited	15,000	10,441	-	-
Pakistan Petroleum Limited	25,000	2,258	25,000	2,170
United Bank Limited	50,000	6,293	50,000	5,168
	95,000	20,529	80,000	8,803

5.4.2 The fair market value of shares equivalent to 5% of bonus entitlement of the fund amounted to Rs 1,049,766 (June 30, 2020: Rs.842,917). For further details refer note 7.4.2 to the annual financial statements of the Fund for the year ended June 30, 2020.

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 in future years.

	Note	(Un-audited) December 31, 2020 ---- (Rupees in '000) ----	(Audited) June 30, 2020
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	939	784
Sales tax on management fee	7.2	122	102
Payable against allocated expenses	7.3	94	158
Selling and marketing expenses	7.4	3,077	2,419
Sales load payable to Management Company and others		790	561
		<u>5,022</u>	<u>4,024</u>
7.1 The Management Company has charged remuneration at the rate of 1% (June 30, 2020: 1%) per annum of average annual net assets of the Funds. The remuneration is paid to the Management Company on monthly basis in arrears.			
7.2 Sale tax on Management Remuneration has been charged at the rate of 13% (June 30, 2020: 13%).			
7.3 The Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.			
7.4 The Management Company has charged actual expenses to the extent as it thinks expedient as per SECP circular number 11 dated July 05, 2019.			

8. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2020: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		(Un-audited) December 31, 2020 ---- (Rupees in '000) ----	(Audited) June 30, 2020
	Note		
9. ACCRUED EXPENSES AND OTHER PAYABLES			
Provision for indirect duties and taxes	9.1	6,977	6,977
Provision for Sindh Workers' Welfare Fund	9.2	15,758	13,407
Brokerage payable		416	581
Auditors' remuneration payable		704	639
Other payables		454	11,625
		24,309	33,229

9.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 14.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.87 (June 30, 2020: Re.0.92) per unit.

9.2 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2020. Had the SWWF not been provided for, the net assets value per unit of the Fund would have been higher by Rs.2.18 (June 30, 2020: Rs.1.97) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 (June 30, 2020: Nil).

11. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

12. EARNINGS PER UNIT

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

13. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund is 1.65% as on December 31, 2020 (December 31, 2019: 1.32%) which includes 0.30% (December 31, 2019: 0.32%) representing Government Levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an asset allocation scheme.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (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.

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 provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively.

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 interim financial statements are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	(For the half year ended December 31, 2020) (Un-audited)					
Transactions during the period						
Mark-up on bank accounts	-	323	-	-	-	-
Bank charges	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Units issued	-	-	-	-	186	17,576
Units redeemed	-	-	-	-	1	2,293
Purchase of securities	-	25,896	-	-	-	-
Sale of securities	-	(14,792)	-	-	-	-
Selling and marketing expenses	5,715	-	-	-	-	-
Remuneration *	6,209	-	1,050	-	-	-
CDC charges	-	-	-	-	-	-
Allocated expenses	550	-	-	-	-	-

	(For the half year ended December 31, 2019) (Un-audited)					
Transactions during the period						
Mark-up on bank accounts	-	191	-	-	-	-
Bank charges	-	9	-	-	-	-
Dividend income	-	1,269	-	-	-	-
Units issued	-	-	-	-	84	-
Units redeemed	-	-	-	-	-	-
Purchase of securities	-	1,950	-	-	-	-
Sale of securities	-	(12,893)	-	-	-	-
Selling and marketing expenses	3,022	-	-	-	-	-
Remuneration *	7,139	-	1,284	-	-	-
CDC charges	-	-	7	-	-	-
Allocated expenses	632	-	-	-	-	-

	(As at December 31, 2020) (Un-audited)					
Balances held						
Units held (Units in '000)	-	-	-	-	20	1,526
Units held (Amount in '000)	-	-	-	-	3,055	233,097
Bank balances	-	5,036	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable *	1,061	-	-	-	-	-
Sales load and other payable	790	-	-	-	-	-
Selling and marketing expense payable	3,077	-	-	-	-	-
Allocated expenses	94	-	-	-	-	-
Mark-up receivable	-	37	-	-	-	-
Remuneration payable to Trustee	-	-	208	-	-	-
Investments	-	-	-	-	-	-

	(As at June 30, 2020) (Audited)					
Balances held						
Units held (Units in '000)	-	-	-	-	21	1,509
Units held (Amount in '000)	-	-	-	-	2,862	206
Bank balances	-	3,031	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable *	886	-	-	-	-	-
Sales load and other payable	561	7	-	-	-	-
Selling and marketing expense payable	2,419	-	-	-	-	-
Allocated expenses	158	-	-	-	-	-
Mark-up receivable	-	8	-	-	-	-
Remuneration payable to Trustee	-	-	180	-	-	-
Investments	-	11,476	-	-	-	-

* 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 participants at the measurement date (i.e. an exit price).

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:

	Fair value			Total
	Level 1	Level 2	Level 3	
<u>December 31, 2020 (Un-audited)</u>	----- (Rupees in 000) -----			
Financial assets measured at fair value through profit or loss				
Debt securities	75,047	16,877	-	91,924
Government securities	-	200,080	-	200,080
Quoted equity securities	438,075	-	-	438,075
	513,122	216,957	-	730,079

	Fair value			Total
	Level 1	Level 2	Level 3	
<u>June 30, 2020 (Audited)</u>	----- (Rupees in 000) -----			
Financial assets measured at fair value through profit or loss				
Debt securities	91,644	18,128	-	109,772
Government securities	-	148,138	-	148,138
Quoted equity securities	369,846	-	-	369,846
	461,490	166,266	-	627,756

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

15.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

15.1.2 Investments in term finance and sukuk certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

16. IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

17. GENERAL

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

17.2 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.

18. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorized for issue by Board of Directors of the Management Company on February 25, 2021.

**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 Throntan Anjum Rahman
Bankers	United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Samba Bank Limited Silk Bank Limited Sindh Bank Limited The Bank of Punjab Soneri Bank Limited Habib Bank Limited National Bank of Pakistan Habib Metro Bank Limited
Management Co. Rating	AM1 (VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL STOCK ADVANTAGE FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Stock Advantage Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021



Grant Thornton

An instinct for growth™

INDEPENDENT AUDITOR'S REVIEW REPORT To the unitholders' of UBL Stock Advantage Fund

GRANT THORNTON ANJUM RAHMAN

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Modern Motors House
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Karachi 75530

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Introduction

We have reviewed the accompanying condensed interim statement of asset and liabilities of **UBL Stock Advantage Fund** (the Fund) as at **December 31, 2020** and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of unit holders' fund, and notes to the condensed financial statements for the six months period then ended (herein after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants
Karachi.

Date: February 25, 2021

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	284,316	516,622
Investments	5	7,308,474	5,476,262
Dividend and profit receivable		44,732	12,304
Security deposits, advances and other receivables		8,299	7,205
Advance tax	6	3,017	3,004
Total assets		7,648,838	6,015,397
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	55,298	41,618
Payable to Central Depository Company of Pakistan Limited - Trustee		832	633
Payable to Securities and Exchange Commission of Pakistan	8	719	1,098
Accrued expenses and other liabilities	9	145,548	213,293
Total liabilities		202,397	256,642
Net Assets		7,446,441	5,758,755
Unit Holders' Fund (as per statement attached)		7,446,441	5,758,755
CONTINGENCIES AND COMMITMENTS			
	10		
		----- (Number of units) -----	
Number of Units in Issue		98,879,390	95,706,008
		----- (Rupees) -----	
Net Asset Value Per Unit		75.31	60.17
Face Value Per Unit		100	100

The annexed notes 1 to 19 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 STOCK ADVANTAGE FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Note	Half year ended December 31		Quarter ended December 31	
	2020	2019	2020	2019
INCOME				
Profit on:				
- bank deposits	9,347	23,974	2,494	15,414
- government securities	686	-	504	-
Gain / loss on sale of investments - net	317,817	(19,109)	175,496	28,950
Dividend income	167,817	139,987	121,455	81,337
Other income	305	229	305	-
Unrealised gain on re-measurement of investments classified as FVTPL	-	-	-	-
5.1	1,200,209	945,112	305,136	1,271,656
	1,696,181	1,090,193	605,390	1,397,357
EXPENSES				
Remuneration of UBL Fund Managers Limited - Management Company	71,911	50,810	36,867	27,827
Sindh Sales Tax on remuneration of the Management Company	9,349	6,605	4,793	3,617
Allocated expenses	3,780	2,541	2,028	1,392
Allocated selling and marketing expenses	72,088	12,730	36,868	8,134
7.1				
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	4,100	3,045	1,624	1,644
Sindh Sales Tax on remuneration of the Trustee	533	396	211	214
Annual fee - Securities and Exchange Commission of Pakistan	719	508	369	278
Listing fee	13	17	6	9
Auditor's remuneration	295	308	189	154
Brokerage and settlement charges	6,595	5,586	2,585	2,392
Legal and professional charges	95	79	48	40
Bank charges	64	63	26	19
Other expenses	1	-	1	-
	169,543	82,688	85,615	45,720
Net operating Income for the period	1,526,638	1,007,505	519,775	1,351,637
Provision for Sindh Workers' Welfare Fund	(29,952)	(19,767)	(10,181)	(19,767)
9.2				
Net income for the period before taxation	1,496,686	987,738	509,594	1,331,870
Taxation	-	-	-	-
11				
Net income for the period after taxation	1,496,686	987,738	509,594	1,331,870
Allocation of net income for the period				
Net income for the period after taxation	1,496,686	987,738	509,594	1,331,870
Income already paid on units redeemed	(200,106)	(107,122)	(71,093)	(107,122)
	1,296,580	880,616	438,501	1,224,748
Accounting income available for distribution				
- Relating to capital gains	1,296,579	820,025	437,967	820,025
- Excluding capital gains	1	60,591	1	60,591
	1,296,580	880,616	437,968	880,616
Earnings per unit				

The annexed notes 1 to 19 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 STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Net income for the period after taxation	1,496,686	987,738	509,594	1,331,870
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,496,686	987,738	509,594	1,331,870

The annexed notes 1 to 19 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 STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020			December 31, 2019
	Capital value	Undistributed income	Total	Total
	(Rupees. in 000')			
Net assets at beginning of the period	5,441,666	317,089	5,758,755	5,397,661
Amount received on issuance of 49,214,830 units (2019: 45,275,250 units)				
- Capital value	2,961,256	-	2,961,256	2,596,988
- Element of income/(loss)	661,950	(200,106)	461,844	181,933
Total amount received on issuance of units	3,623,206	(200,106)	3,423,100	2,778,921
Amount paid on redemption of 46,041,449 units (2019: 48,279,236 units)				
- Capital value	(2,770,313)	-	(2,770,313)	(2,769,297)
- Element of loss	(461,787)	-	(461,787)	(100,963)
Total amount paid on redemption of units	(3,232,099)	-	(3,232,100)	(2,870,260)
Total comprehensive income for the period		1,496,686	1,496,686	987,738
Net assets at end of the period	5,832,773	1,613,669	7,446,441	6,294,060
Undistributed income brought forward comprising of:				
- Realised	-	485,190	485,190	1,276,940
- Unrealised	-	(168,101)	(168,101)	(1,090,686)
Undistributed income brought forward - net	-	317,089	317,089	186,254
Accounting income available for distribution				
- Related to capital gain	-	1,296,579	1,296,579	820,025
- Excluding capital gain	-	1	1	60,591
		1,296,580	1,296,580	880,616
Undistributed income carried forward - net	-	1,613,669	1,613,669	1,066,869
Undistributed income carried forward comprising of:				
- Realised	-	413,460	413,460	121,757
- Unrealised	-	1,200,209	1,200,209	945,112
	-	1,613,669	1,613,669	1,066,869
	----- (Rupees) -----			
Net assets value per unit at the beginning of the period			60.17	57.36
Net assets value per unit at the end of the period			75.31	69.09

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

For UBL Fund Managers Limited
 (Management Company)

<u>SD</u>	<u>SD</u>	<u>SD</u>
Chief Executive Officer	Chief Financial Officer	Director

UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

December 31, December 31,
2020 2019
------(Rupees in 000')-----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 1,496,686 987,738

Adjustments for non-cash charges and other items:

Profit on:

- bank deposits

(9,347) (23,974)

- government securities

(686) -

(Gain) / loss on sale of investments

(317,817) 19,109

Dividend income

(167,817) (139,987)

Provision for Sindh Workers' Welfare Fund

29,952 19,767

Other income

(305) (229)

Unrealised gain on re-measurement of investments
classified as FVTPL

(1,200,209) (945,112)

(1,666,229) (1,070,426)

(Increase) / decrease in assets

Investments

(314,194) 51,554

Security deposits, advances and other receivables

(1,099) 12,488

(315,293) 64,042

(Decrease) / increase in liabilities

Payable to UBL Fund Managers Limited - Management Company

13,680 5,665

Payable to Central Depository Company of Pakistan Limited - Trustee

199 90

Payable to Securities and Exchange Commission of Pakistan

(379) (5,840)

Accrued expenses and other liabilities

(97,697) 22,123

(84,197) 22,038

(569,033) 3,392

Profit on bank deposits received

13,543 19,343

Dividend received

132,183 150,418

Tax paid

- (4)

Net cash (used in) / generated from operating activities

(423,307) 173,149

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units

3,423,100 2,778,921

Payments against redemption of units

(3,232,099) (2,870,260)

Net cash generated / (used in) financing activities

191,001 (91,339)

Net (decrease) / increase in cash and cash equivalents

(232,306) 81,810

Cash and cash equivalents at the beginning of the period

516,622 370,665

Cash and cash equivalents at the end of the period

284,316 452,475

The annexed notes 1 to 19 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 STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Stock Advantage Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited) 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, Syedna Tahir Saifuddin Memorial Building (STSM) Building, Beaumont Road, Civil Lines, Karachi.

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 gains 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.

VIS Credit Rating Company has reaffirmed management quality rating of AM1 to the Management Company on December 31, 2020.

Title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the statements 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, 2020.

The comparative statement of assets and liabilities presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim statement of cash flows are extracted from the un-audited condensed interim financial statements for the period ended December 31, 2019.

In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES ESTIMATES AND JUDGEMENTS

- 3.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2020 except for the adoption of following new and amendments standards, which became effective during the current period:

Standards	Effective date (Annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendment to IFRS 3)	January 1, 2020
IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9 IAS 39 and IFRS 7)	January 1, 2020
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	June 1, 2020

The adoption of the above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements.

- 3.2 The significant estimates and judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements for the year ended June 30, 2020.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
4 BANK BALANCES	Note	-----Rupees in '000-----	
- Profit and loss sharing accounts	4.1	284,272	516,622
- Current accounts		44	-
		<u>284,316</u>	<u>516,622</u>

- 4.1 Profit rates on these accounts range between 3.75% to 9.5% (2019: 6.2% to 11.25%) per annum.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
5. INVESTMENTS	Note	-----Rupees in '000-----	
At Fair value through profit or loss			
- equity securities	5.1	7,308,374	5,476,262
- letter of right	5.2	100	-
- government securities	5.3	-	-
		<u>7,308,474</u>	<u>5,476,262</u>

5.1 Equity securities

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

Name of Investee Company		As at July 01, 2020	Purchased / bonus received during the period	Sold during the period	As at December 31, 2020	Total carrying value as at December 31, 2020	Total market value as at December 31, 2020	Appreciation / (diminution) as at December 31, 2020	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											
Pakistan State Oil Company Limited	5.1.3	525,257	-	518,759	6,498	1,028	1,399	371	0.02	0.02	0.01
Attock Petroleum Limited		2,700	-	2,700	-				-	-	-
						1,028	1,399	371	0.02	0.02	
OIL AND GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	5.1.2	3,468,880	585,206	457,000	3,597,086	388,225	373,270	(14,956)	5.01	5.11	0.84
Pakistan Petroleum Limited		2,817,400	1,233,100	477,800	3,572,700	321,658	322,722	1,064	4.33	4.42	1.31
Pakistan Oilfields Limited		427,448	123,500	211,503	339,445	123,182	134,220	11,038	1.80	1.84	1.20
Mari Petroleum Company Limited		363,149	59,780	64,100	358,829	447,389	480,766	33,377	6.46	6.58	2.69
						1,280,455	1,310,978	30,523	17.61	17.94	
FERTILIZER											
Engro Corporation Limited		1,324,639	264,871	208,100	1,381,410	407,490	424,590	17,100	5.70	5.81	2.40
Engro Fertilizers Limited		2,744,419	888,657	1,278,108	2,354,968	143,461	148,905	5,444	2.00	2.04	1.76
Fauji Fertilizer Company Limited		1,195,336	2,598,719	208,000	3,586,055	387,026	389,087	2,061	5.23	5.32	2.82
Fauji Fertilizer Bin Qasim Limited		381,000	-	381,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited		24,500	-	24,500	-	-	-	-	-	-	-
						937,978	962,582	24,604	12.93	13.17	
CHEMICALS											
Engro Polymer & Chemicals Limited		2,754,398	1,476,500	1,080,000	3,150,898	90,952	149,699	58,747	2.01	2.05	3.47
Sitara Chemical Industries		28,970	43,000	3,900	68,070	19,013	21,102	2,089	0.28	0.29	3.18
Ittehad Chemicals Limited		75,258	-	75,258	-	-	-	-	-	-	-
ICI Pakistan Limited		65,500	-	800	64,700	44,948	49,178	4,230	0.66	0.67	0.70
						154,912	219,979	65,066	2.95	3.01	
CEMENT											
Cherat Cement Company Limited		500	-	454	46	4	7	3	0.00	0.00	-
Kohat Cement Company Limited		1,625,482	292,800	209,500	1,708,782	242,838	374,633	131,796	5.03	5.13	8.51
Lucky Cement Limited	5.1.2	461,698	106,000	108,200	459,498	220,293	319,852	99,559	4.30	4.38	1.42
						463,135	694,492	231,357	9.33	9.50	
PAPER AND BOARD											
Century Paper and Board Mills		1,229,088	120,217	1,081,500	267,805	15,972	33,516	17,543	0.45	0.46	1.52
Packages Limited		46,618	-	46,618	-	-	-	-	-	-	-
						15,972	33,516	17,543	0.45	0.46	
INSURANCE											
Adamjee Insurance Company Limited		6,341,759	215,500	484,000	6,073,259	202,785	238,801	36,016	3.21	3.27	17.35
IGI Holdings Limited		107,500	98,500	5,100	200,900	39,587	40,871	1,284	0.55	0.56	1.41
						242,372	279,672	37,300	3.76	3.83	
COMMERICAL BANKS											
Bank Alfalah Limited		6,281,816	575,000	514,000	6,342,816	213,776	224,092	10,315	3.01	3.07	3.57
Habib Bank Limited		3,422,557	1,096,209	332,920	4,185,846	438,626	553,704	115,078	7.44	7.58	2.85
National Bank Of Pakistan		326	-	326	-	-	-	-	-	-	-
MCB Bank Limited		1,686	-	1,686	-	-	-	-	-	-	-
United Bank Limited		2,536,572	1,066,899	282,400	3,321,071	354,121	417,990	63,869	5.61	5.72	2.71
Faysal Bank Limited	5.1.3	44,364	-	616	43,748	609	756	147	0.01	0.01	0.03
Allied Bank Limited		3,397,726	307,500	79,500	3,625,726	280,115	309,528	29,413	4.16	4.24	3.17
Bank Al Habib Limited		4,481,792	423,879	466,721	4,438,950	236,518	308,951	72,433	4.15	4.23	3.99
						1,523,766	1,815,021	291,254	24.37	24.83	
TEXTILE COMPOSITE											
Nishat Mills Limited		976,731	347,000	301,700	1,022,031	84,547	104,012	19,465	1.40	1.42	2.91
Gul Ahmed Textile Mills Limited		1,982,345	1,293,000	180,500	3,094,845	98,617	113,736	15,119	1.53	1.56	7.23
Kohinoor Textile Mills Limited	5.1.3	4,313,293	1,176,000	216,500	5,272,793	198,814	359,710	160,896	4.83	4.92	17.62
						381,978	577,458	195,479	7.75	7.90	
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	5.1.2	4,120,537	1,374,072	1,055,500	4,439,109	332,543	352,155	19,611	4.73	4.82	3.42
Saif Power Limited		3,118,219	50,000	1,746,500	1,421,719	22,890	20,643	(2,247)	0.28	0.28	3.68
Lalpur Power limited		3,203,229	50,000	3,253,229	-	-	-	-	-	-	-
Pak Gen Power Limited		4,231,604	50,000	312,000	3,969,604	47,869	78,201	30,332	1.05	1.07	10.67
K-Electric Limited (face value Rs. 3.5 per share)		1,810,484	-	1,810,484	-	-	-	-	-	-	-
						403,303	450,999	47,697	6.06	6.17	
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited (face value Rs. 5 per share)		444,420	67,600	18,700	493,320	165,707	233,183	67,475	3.13	3.19	6.09
						165,707	233,183	67,475	3.13	3.19	
AUTOMOBILE ASSEMBLER											
Millat Tractors Limited		-	23,500	200	23,300	21,783	25,492	3,709	0.34	0.35	0.47
						21,783	25,492	3,709	0.34	0.35	
LEATHER & TANNERIES											
Service Industries Limited		21,500	53,625	-	75,125	52,330	62,666	10,336	0.84	0.86	3.20
						52,330	62,666	10,336	0.84	0.86	
ENGINEERING											
Aisha Steel Mills Limited		-	1,180,000	1,180,000	-	-	-	-	-	-	1.38
Agha steel Industries		-	1,085,000	26,500	1,058,500	33,872	41,715	7,843	0.56	0.57	1.84
						33,872	41,715	7,843	0.56	0.57	
FOOD AND PERSONAL CARE PRODUCTS											
Al Shaheer Corporation		2,822,292	-	2,820,630	1,662	19	26	7	0.00	0.00	0.01
						19	26	7	0.00	0.00	
PHARMACEUTICALS											
The Searle Company Limited	5.1.3	390,826	303,684	113,900	580,610	143,873	163,059	19,186	2.19	2.23	2.73
Highnoon Laboratories Limited		-	40,000	-	40,000	24,650	23,992	(658)	0.32	0.33	1.16
IBL HealthCare Limited		-	20,500	20,500	-	-	-	-	-	-	-
Glaxo Smithkline Consumer Healthcare		20,000	10,000	30,000	-	-	-	-	-	-	-
						168,523	187,051	18,528	2.51	2.56	
TECHNOLOGY & COMMUNICATION											
Systems Limited		1,228,600	40,000	714,200	554,400	102,210	232,421	130,211	3.12	3.18	4.49
TPL Trakker Limited		-	546,000	546,000	-	-	-	-	-	-	-
						102,210	232,421	130,211	3.12	3.18	
Vanaspati and Allied Industries											
Unity Foods Limited		-	7,769,925	6,342,000	1,427,925	17,894	45,779	27,885	0.61	0.63	0.00
						17,894	45,779	27,885	0.61	0.63	

Name of Investee Company		As at July 01, 2020	Purchased / bonus received during the period	Sold during the period	As at December 31, 2020	Total carrying value as at December 31, 2020	Total market value as at December 31, 2020	Appreciation / (diminution) as at December 31, 2020	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 (%)-----		
Transport											
Pakistan International Bulk Terminal	-	5,891,500	98,000	5,793,500	75,748	74,504	(1,243)	1.00	1.02	3.24	
					75,748	74,504	(1,243)	1.00	1.02		
Mutual Funds											
UBL Exchange Traded Fund	-	125,000	-	125,000	1,673	1,708	35	0.02	0.02	0.01	
					1,673	1,708	35	0.02	0.02		
Miscellaneous											
Tri-Pack Films Limited	100,000	-	100,000	-	-	-	-	-	-	-	
Shifa International Hospitals Limited	-	138,000	28,500	109,500	28,383	21,899	(6,484)	0.29	0.30	1.77	
Synthetic Products Enterprises Limited	645,000	199,000	20,000	824,000	35,224	35,836	612	0.48	0.49	8.91	
					63,607	57,735	(5,872)	0.78	0.79		
Total December 31, 2020					6,108,265	7,308,374	1,200,109				
Total June 30, 2020					5,644,365	5,476,262	(168,103)				

5.1.2 The above equity securities include 14.1121 million shares (2019: 1.641 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs.30.9272 million (2020: Rs. 83.8023 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.3 This includes gross bonus shares as per Fund's entitlement declared by the investee company. The Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by shareholders were to be treated as income and a tax at the rate of 5 percent was 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 investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, 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 funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs. 32.3705 million (June 30, 2020: Rs. 11.057 million) at period end. Such shares have not been deposited in the CDC account of the department of Income tax. The Management Company is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares was withdrawn.

5.2 Letter of Right

Name of Investee Company	As at July 1, 2020	Entitlements during the period	Exercised during the period	Sold during the period	As at Dec 31, 2020	Total carrying value as at Dec 31, 2020	Total market value as at Dec 31, 2020	Unrealised gain / (loss) as at Dec 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of investee company
		Number of shares				Rupees in '000			%		
Unity Foods Limited	-	4,689,853	4,689,853	-	-	-	-	-	-	0.00	0.00
Synthetic Products Enterprises Limited	-	37,440	27,000	10,440	-	95	95	0	0	0.00	0.00
The Seafle Company Limited	-	79,676	79,676	-	-	-	-	-	-	0.00	0.00
Al Shaheer Corporation	-	831	-	831	-	5	5	0	0.00	0.00	
Total December 31, 2020 (un-audited)						100	100	0	0.00		
Total June 30, 2020 (audited)						-	-	-	-		

5.3 Government securities

Issue Date	Tenor	Face value				Market value as at December 31, 2020
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	
------(Rupees in '000)-----						Rs in '000'
Market treasury bills						
16-Jul-2020	3 months	-	75,000	75,000	-	-
08-Oct-2020	3 months	-	125,000	125,000	-	-
		-	200,000	200,000	-	-
Carrying value before mark to market as at December 31, 2020						-

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

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
Note		------(Rupees in '000)-----	
7 PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Management fee (including Sindh sales tax there against)		14,253	10,611
Sales load and conversion charges		2,927	2,433
Allocated expenses	7.1	1,227	1,487
Selling and marketing expenses	7.2	36,874	27,070
Other payable		17	17
		55,298	41,618

7.1 Allocated expenses

In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). The Management Company, based on its own discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, fixed a capping of 0.1% per annum of average annual net assets until October 14, 2020. Thereafter the capping was revised to 0.11% of the average annual net assets.

7.2 Selling and marketing expenses

SECP vide circular no.04 SCD/Circular/04/2019 dated July 05, 2019, removed the limit on selling and marketing expenses and allowed the AMCs to charge selling and marketing expenses to all categories of open end mutual funds except for fund of fund subject to verification of Trustee and approval of Board of Directors. During the period, the Management Company has charged selling and marketing expense at the rate 2.01% from July 01,2020 to October 14, 2020 and at 2% from October 15,2020 to December 31, 2020 on the average annual net assets of the Fund calculated on daily basis.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
Note		------(Rupees in '000)-----	
8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	8.1	719	1,098

- 8.1** Under the provisions of the NBFC Regulations, a collective investment scheme classified as equity scheme is required to pay SECP an annual fee. In accordance with SRO No. 685 (1) / 2019 dated June 28, 2019 issued by SECP, the Fund has charged the SECP fee at the rate of 0.02% per annum (June 30, 2020: 0.02%) of average annual net assets during the current period.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	------(Rupees in '000)-----	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration		285	465
Zakat deducted at source		74	47
Brokerage and settlement charges		1,593	8,708
Capital gain tax		616	1,565
Provision for indirect duties and taxes	9.1	45,195	45,195
Provision for Sindh Workers' Welfare Fund	9.2	82,086	52,134
Payable against purchase of investments		12,664	104,428
Others		3,035	751
		145,548	213,293

9.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at December 31, 2020 amounting to Rs. 34.896 million (June 30, 2020: 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, 2020. 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. 0.35 (June 30, 2020: Re. 0.38).

9.2 Provision for Sindh Workers' Welfare Fund

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re 0.83 (June 30, 2020: Re. 0.76). The details regarding this provision are disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2020.

Further, as disclosed in note 14.2 to the annual financial statements for the year ended June 30, 2020, 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, 2020.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at period end.

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. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduce by such expenses as are chargeable there on to the unitholders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. As the Management Company intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) by the year-end to the unit holders, accordingly, no provision for current and deferred taxation has been recognised in these condensed interim financial statement.

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund based on the current period results is 2.80% (December 31, 2019: 2.03%) which includes 0.58% (December 31, 2019: 0.56%) representing Government Levy, Sindh Workers' Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (December 31, 2019: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorized as a equity scheme

14 FAIR VALUES OF ASSETS AND LIABILITIES

The fair values of assets and liabilities are estimated to approximate their fair values. There were no transfer amongst level during the period.

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Fund as at June 30, 2019. There has been no change in any risk management policies since the year end.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 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.

16.2 Transactions with connected persons are in the normal course of business, at agreed / contracted rates.

16.3 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.

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

16.5 Details of transactions with related parties / connected persons during the period are as follows:

Half year ended December 31, 2020					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives* **	Other connected persons / related parties
(Units in '000)					
Transactions during the period					
Units issued	7,339,781	14,342	-	158,051	7,814,290
Units redeemed	9,201,572	7,018	-	696,343	488,145
(Rupees in '000)					
Profit on bank deposits	-	878	-	-	-
Bank charges	-	14	-	-	-
Value of units issued	498,000	956	-	11,033	-
Value of units redeemed	639,852	499	-	49,694	-
Purchase of securities	-	121,692	-	-	418,959
Sale of securities	-	33,270	-	-	152,543
Dividend received	-	-	-	-	40,216
Remuneration (including sales tax)	81,260	-	4,633	-	-
Allocation of expenses	3,780	-	-	-	-
CDS expenses	-	-	-	-	-
Selling and marketing expense	72,088	-	-	-	-
Half year ended December 31, 2019					
Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives* **	Other connected persons / related parties
(Units in '000)					
Transactions during the period					
Units issued	3,811	54	-	223	6,297
Units redeemed	4,246	70	-	27	-
(Rupees in '000)					
Profit on bank deposits	-	622	-	-	-
Bank charges	-	11	-	-	-
Value of units issued	215,032	3,400	-	13,807	383,000
Value of units redeemed	241,277	4,534	-	1,550	-
Purchase of securities	-	512,793	-	-	82,206
Sale of securities	-	632,690	-	-	185,889
Dividend received	-	12,121	-	-	-
Remuneration (including sales tax)	57,415	-	3,045	-	-
Allocation of expenses	2,541	-	-	-	-
CDS expenses	-	-	71	-	-
Selling And Marketing Expense	12,730	-	-	-	-

Management Company	Associated companies and others * & **	Trustee	Funds under common management	Directors and Key Executives* **	Other connected persons / related parties
As at December 31, 2020					
(Units in '000)					

Balances held

Units held	1,425	7	-	-	242	38,616
------------	-------	---	---	---	-----	--------

(Rupees in '000)

Units held	107,282	552	-	-	18,260	2,908,190
Bank balances	-	9,239	-	-	-	-
Deposits	-	-	100	-	-	-
Investments	-	418	-	-	-	242,590
Profit receivable	-	90	-	-	-	-
Remuneration payable	14,253	-	633	-	-	-
Sales load & Conversion charges payable	2,927	54	-	-	-	-
Allocated expenses payable	1,227	-	-	-	-	-
Selling and marketing expense payable	36,874	-	-	-	-	-
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.

17 GENERAL

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

17.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

18 IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The SECP had provided the following relaxation to CIs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021:

"The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue."

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

19 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2021 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

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)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



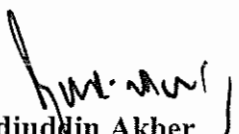
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL FINANCIAL SECTOR FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Financial Sector Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
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2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL FINANCIAL SECTOR FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL FINANCIAL SECTOR FUND** ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). UBL Fund Managers Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 25 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

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

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	48,284	7,224
Investments	5	1,079,366	595,852
Mark-up / interest receivable		1,478	1,256
Deposits, prepayments and other receivables		48,327	39,733
Preliminary expenses and floatation costs		541	662
Advance tax	6	39	39
TOTAL ASSETS		1,178,035	644,766
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company		8,188	5,080
Payable to Central Depository Company of Pakistan Limited - Trustee	7	204	120
Payable to Securities and Exchange Commission of Pakistan	8	87	157
Accrued expenses and other liabilities	9	65,065	13,114
TOTAL LIABILITIES		73,544	18,471
NET ASSETS		1,104,491	626,295
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		1,104,491	626,295
CONTINGENCIES AND COMMITMENTS			
	10	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		13,651,703	9,222,014
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		80.9050	67.9130

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 FINANCIAL SECTOR FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
Note	(Rupees in '000)			
INCOME				
Financial income	1,831	1,741	1,154	849
Dividend income	8,563	23,607	8,554	10,962
Capital gain on sale of investments - net	21,926	10,561	11,664	10,402
Unrealised gain on revaluation of investments classified as financial asset 'at fair value through profit or loss' - net	119,852	79,743	29,913	153,296
Total income	152,172	115,652	51,285	175,509
EXPENSES				
Remuneration of UBL Fund Managers Limited - Management Company	8,748	8,170	5,032	4,332
Sindh Sales Tax on Management Company's remuneration	1,137	1,062	654	563
Allocated expenses	437	409	251	217
Remuneration of Central Depository Company of Pakistan Limited - Trustee	967	922	547	488
Annual fee of Securities and Exchange Commission of Pakistan	87	82	50	44
Bank charges	10	16	10	12
Auditors' remuneration	206	197	205	146
Brokerage and settlement expenses	1,845	913	1,167	512
Listing fee	14	14	7	7
Legal and professional charges	92	77	46	38
Amortization of preliminary expenses and floatation costs	121	121	61	60
Selling and marketing expenses	8,442	1,985	4,856	1,217
Total operating expenses	22,106	13,968	12,886	7,636
Operating profit for the period	130,066	101,684	38,399	167,873
Provision for Sindh Workers' Welfare Fund	(2,553)	(1,996)	(754)	(1,996)
Net profit for the period before taxation	127,513	99,688	37,645	165,877
Taxation	-	-	-	-
Net profit for the period after taxation	127,513	99,688	37,645	165,877
Allocation of net income for the period				
Income already paid on units redeemed	(26,159)	(16,377)	(13,227)	(16,377)
Net profit for the period	101,354	83,311	24,418	149,500
Income available for distribution:				
Relating to capital gains	101,354	73,854	24,418	147,248
Excluding capital gains	-	9,457	-	2,252
	101,354	83,311	24,418	149,500
Earnings per unit				

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 FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	----- (Rupees in '000) -----			
Net profit for the period	127,513	99,688	37,645	165,877
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>127,513</u>	<u>99,688</u>	<u>37,645</u>	<u>165,877</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 FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020	Half year ended December 31, 2019
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before taxation	127,513	99,688
Adjustments for:		
Financial income	(1,831)	(1,741)
Dividend income	(8,563)	(23,607)
Capital gain on sale of investments - net	(21,926)	(10,561)
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net	(119,852)	(79,743)
Provision for Sindh Workers' Welfare Fund	2,553	(1,996)
Amortization of preliminary expenses and floatation costs	121	121
	<u>(149,498)</u>	<u>(117,527)</u>
Cash used in operations before working capital changes	(21,985)	(17,839)
Working capital changes		
Increase in assets		
Investments - net	(341,736)	(42,433)
Deposits, prepayments and other receivables	(8,594)	(65)
	<u>(350,330)</u>	<u>(42,498)</u>
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	3,108	2,393
Payable to Central Depository Company of Pakistan Limited - Trustee	84	26
Annual fee payable to Securities and Exchange Commission of Pakistan	(70)	(523)
Accrued expenses and other liabilities	49,398	2,938
	<u>52,520</u>	<u>4,834</u>
Profit received on bank balances	1,609	3,517
Dividend received	8,563	23,607
Net cash used in operating activities	<u>(309,623)</u>	<u>(28,379)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	921,231	402,314
Payment against redemption of units	(570,548)	(380,009)
Net cash generated from financing activities	<u>350,683</u>	<u>22,305</u>
Net increase / (decrease) in cash and cash equivalents	41,060	(6,074)
Cash and cash equivalents at the beginning of the period	7,224	64,596
Cash and cash equivalents at the end of the period	<u>48,284</u>	<u>58,522</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 FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	-----Half year ended December 31, 2020-----			-----Half year ended December 31, 2019-----		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	859,554	(233,259)	626,295	981,918	(120,565)	861,353
Issuance of 11,865,975 units (2019: 4,824,699 units)						
Capital value of units	805,854	-	805,854	386,737	-	386,737
Element of income						
Due to net income earned incurred	115,377	-	115,377	15,577	-	15,577
Total proceeds on issuance of units	921,231	-	921,231	402,314	-	402,314
Redemption of 7,436,286 units (2019: 4,662,893 units)						
Capital value of units	(505,020)	-	(505,020)	(373,767)	-	(373,767)
Element of (loss) / income	-	-	-	-	-	-
Due to net income earned / (loss) incurred	(39,368)	(26,159)	(65,527)	10,135	(16,377)	(6,242)
Total payments on redemption of units	(544,389)	(26,159)	(570,548)	(363,632)	(16,377)	(380,009)
Total comprehensive income for the period	-	127,513	127,513	-	99,688	99,688
Net assets at the end of the period	<u>1,236,396</u>	<u>(131,905)</u>	<u>1,104,491</u>	<u>1,020,600</u>	<u>(37,254)</u>	<u>983,346</u>
Undistributed loss brought forward comprises of:						
Realised loss		(76,930)	(76,930)		(9,249)	(9,249)
Unrealised loss		(156,329)	(156,329)		(111,316)	(111,316)
Total undistributed loss brought forward		(233,259)	(233,259)		(120,565)	(120,565)
Income available for distribution:						
Relating to capital gains	101,354		101,354	73,854		73,854
Excluding capital gains	-		-	9,457		9,457
			-	83,311		83,311
Net Income for the period	<u>101,354</u>		<u>101,354</u>	<u>-</u>		<u>-</u>
Undistributed loss carried forward	<u>(131,905)</u>		<u>(131,905)</u>	<u>(37,254)</u>		<u>(37,254)</u>
Undistributed loss carried forward comprises of:						
Realised loss		(251,757)	(251,757)		(116,997)	(116,997)
Unrealised gain		119,852	119,852		79,743	79,743
Total undistributed Profit/loss carried forward	<u>(131,905)</u>		<u>(131,905)</u>	<u>(37,254)</u>		<u>(37,254)</u>
		----- (Rupees) -----			----- (Rupees) -----	
Net assets value per unit at the beginning of the period		<u>67.9130</u>			<u>80.1577</u>	
Net assets value per unit at the end of the period		<u>80.9050</u>			<u>90.1529</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 FINANCIAL SECTOR FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Financial Sector Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated February 21, 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on March 12, 2018 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is an equity scheme (sector specific) and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units were initially offered to public on IPO dated April 05, 2018 and are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended sector (equity) scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to provide investors long term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential, preferably in financial sector.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the audited financial statements of the Fund for the year ended June 30, 2020.
- 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, 2020. 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 are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2019.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.
- 2.1.5 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the audited financial statements as at and for the year ended June 30, 2020.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in audited financial statements of the Fund for the year ended June 30, 2020.

		December 31, 2020 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
	Note		
4	BANK BALANCES		
	Cash at bank		
	In savings accounts	4.1	48,284
			7,224
4.1	Profit rates on these savings accounts range between 5.5% to 7.82% per annum (June 30, 2020: 4.5% to 6.5%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 47.755 million (June 30, 2020: Rs. 7.210 million) on which profit is earned at 5.5% (June 30, 2020: 4.75% to 6.5%) per annum.		
5	INVESTMENTS		
	Equity shares		
	Financial assets classified as at fair value through profit or loss		1,079,366
			595,852

5.1 Financial asset classified as Fair value through profit or loss
(Shares of listed company - fully paid up ordinary shares of Rs. 10 each unless otherwise stated)

Name of investee company	Note	Number of shares				Balance as at December 31, 2020			As at December 31, 2020			
		As at July 1, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) on revaluation of investments	Market value as at June 30, 2020	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	5.1.1	1,517,200	75,000	248,500	1,343,700	103,600	114,712	11,111	116,187	10.39%	10.63%	1.00%
Bank Al Falah Limited		2,032,900	870,000	614,000	2,288,900	77,740	80,867	3,127	68,244	7%	7.49%	0.46%
United Bank Limited		546,900	1,366,286	379,200	1,533,986	172,209	193,067	20,858	56,528	17.48%	17.89%	1.58%
Habib Bank Limited		844,300	926,182	190,000	1,580,482	178,375	209,066	30,691	81,787	18.93%	19.37%	1.43%
MCB Bank Limited		298,317	693,500	168,000	823,817	139,030	152,637	13,607	48,348	13.82%	14.14%	1.29%
Bank Al Habib Limited		1,805,500	1,022,599	544,001	2,284,098	135,030	158,973	23,943	94,428	14.39%	14.73%	1.43%
Arif Habib limited		193,500	-	190,000	3,500	114	247	133	6,295	0.02%	0.02%	0.04%
National Bank of Pakistan		29,500	-	29,500	-	0	-	-	816	0.00%	0.00%	0.00%
Bank of Punjab		-	4,998,000	375,000	4,623,000	44,784	42,855	(1,929)	-	3.88%	3.97%	0.16%
Faysal Bank Limited		-	2,000,000	1,966,000	34,000	568	588	19	-	0.05%	0.05%	0.00%
		7,268,117	11,951,567	4,704,201	14,515,483	851,451	953,012	101,561	472,633	86.29%	88.29%	
INSURANCE												
Adamjee Insurance Company Limited		3,721,500	332,500	840,500	3,213,500	108,063	126,355	18,291	123,219	11.44%	11.71%	3.61%
		3,721,500	332,500	840,500	3,213,500	108,063	126,355	18,291	123,219	11.44%	11.71%	
Total - December 31, 2020		10,989,617	12,284,067	5,544,701	17,728,983	959,514	1,079,366	119,852	595,852	97.73%	100.00%	

5.1.1 The above securities include 590,000 shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 29.57 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 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). 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 refund application within stipulated time.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	-----Rupees in '000-----	
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE		
	Trustee fee payable	204	120
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	87	157
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Payable against purchase of investments	850	11,759
	Auditors' remuneration payable	539	333
	Brokerage expense payable	869	883
	Capital gains tax payable	24	29
	Payable against legal fees and professional charges	188	110
	Provision for Sindh Workers' Welfare Fund 9.1	2,553	-
	Other payable	60,000	-
	Listing fee payable	41	
		<u>65,065</u>	<u>13,114</u>
9.1	Provision for Sindh Workers' Welfare Fund		

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020 amounted to Rs. 2.55 million (June 30, 2020: Rs. Nil). 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, 2020.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.19 per unit (June 30, 2020: Rs. Nil).

10 CONTINGENCIES AND COMMITMENTS

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

11 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in 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 2.84% as on December 31, 2020 and this includes 0.47% 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.

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

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

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

	Management Company	Associated Companies	Trustee	Directors and Key Executives	Other Connected persons / related parties
	(Un-Audited)				
	(Rupees in '000)				
Transactions during the half year ended December 31, 2020					
Profit on savings accounts	-	1,824	-	-	-
Bank charges	-	10	-	-	-
Units issued	210,000	500	-	5,048	300,000
Units redeemed	235,954	1,347	-	2,510	60,000
Purchase of equity securities	-	157,420	-	-	-
Sale of equity securities	-	45,998	-	-	-
Sales load paid	844	-	-	-	-
Dividend received	-	-	-	-	-
Remuneration (including sales tax)	9,885	-	967	-	-
Allocated expenses	437	-	-	-	-
Selling and marketing expenses	8,442	-	-	-	-
CDS expense	-	-	37	-	-
Transactions during the half year ended December 31, 2019					
Profit on savings accounts	-	1,741	-	-	-
Bank charges	-	16	-	-	-
Units issued	212,000	2,596	-	-	-
Units redeemed	145,527	1,393	-	1,960	-
Purchase of equity securities	-	4,943	-	-	-
Sale of equity securities	-	15,927	-	-	-
Sales load paid	1,335	2	-	-	-
Dividend received	-	2,864	-	-	-
Remuneration (including sales tax)	9,232	-	922	-	-
Allocated expenses	409	-	-	-	-
Selling and marketing expenses	1,985	-	-	-	-
CDS expense	-	-	8	-	-
Balances held as at December 31, 2020					
Units held (in Units '000)	1,097	5,091	-	46	3,083
Units held (in Rupees '000)	88,785	411,887	-	3,714	249,398
Bank balances	-	47,756	-	-	-
Profit receivable	-	1,478	-	-	-
Investments	-	193,067	-	-	-
Remuneration payable	2,222	-	204	-	-
Allocated expenses payable	98	-	-	-	-
Selling and marketing expense payable	4,857	-	-	-	-
Sales load payable	1,002	-	-	-	-
Conversion charges payable	9	-	-	-	-
Balances held as at June 30, 2020					
	(Audited)				
Units held (in Units '000)	1,409	5,101	-	-	-
Units held (in Rupees '000)	95,713	346,450	-	-	-
Bank balances	-	7,210	-	-	-
Profit receivable	-	1,249	-	-	-
Investments	-	56,528	-	-	-
Remuneration payable	1,183	-	120	-	-
Allocated expenses payable	105	-	-	-	-
Selling and marketing expense payable	2,941	-	-	-	-
Sales load payable	844	-	-	-	-
Conversion charges payable	7	-	-	-	-

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.

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

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Carrying Amount		Fair value		
As at December 31, 2020		As at December 31, 2020		
Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
(Un-Audited)				
Rupees in '000				
Financial assets measured at fair value				
Investments	1,079,366	-	1,079,366	-
Financial assets not measured at fair value				
Bank balances	-	48,284	-	-
Mark-up / interest receivable	-	1,478	-	-
Deposits and other receivables	-	48,327	-	-
	-	98,089		
	1,079,366	98,089	1,079,366	-

Carrying Amount		Fair value		
As at December 31, 2020		As at December 31, 2020		
Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
(Un-Audited)				
Rupees in '000				

Financial liabilities not measured at fair value

Payable to UBL Fund Managers Limited Management Company	-	7,933	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	181	-	-	-
Accrued expenses and other liabilities	-	2,447	-	-	-
	-	10,561	-	-	-

Carrying Amount		Fair value		
As at June 30, 2020		As at June 30, 2020		
Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
(Audited)				
Rupees in '000				

Financial assets measured at fair value

Investments	595,852	-	595,852	-	-
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Financial assets not measured at fair value

Bank balances	-	7,224	-	-	-
Mark-up / interest receivable	-	1,256	-	-	-
Deposits and other receivables	-	39,733	-	-	-

595,852	48,213	595,852	-	-
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Financial liabilities not measured at fair value

Payable to UBL Fund Managers Limited Management Company	-	5,080	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	120	-	-	-
Accrued expenses and other liabilities	-	13,085	-	-	-
	-	18,285	-	-	-

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.

15.2 Transfers during the period

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

16 CORRESPONDING FIGURES

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

17 IMPACT OF COVID – 19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18 GENERAL

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

19 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 25, 2021.

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

SD
CHIEF EXECUTIVE OFFICE

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)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



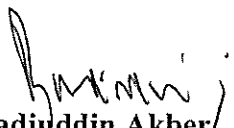
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL DEDICATED EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Dedicated Equity Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 18, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Dedicated Equity Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Dedicated Equity Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

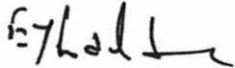
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

-: 2 :-

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	839	1,064
Investments	5	27,221	33,993
Dividend and mark-up receivable		60	1,047
Advance tax	6	49	47
Deposits and prepayments		2,547	2,500
Preliminary expenses and floatation costs	7	151	182
Receivable against sale of investments		10,212	-
TOTAL ASSETS		41,079	38,833
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	83	111
Payable to Central Depository Company of Pakistan - Trustee	9	8	7
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	4	32
Accrued and other liabilities	11	10,656	1,051
Payable against purchase of investments		239	1,064
TOTAL LIABILITIES		10,990	2,265
NET ASSETS		30,089	36,568
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		30,089	36,568
CONTINGENCIES AND COMMITMENTS			
	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		278,358	424,153
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		108.0959	86.2142

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note		(Rupees in '000)			
INCOME					
Mark-up on bank account		251	533	13	351
Dividend income		701	5,184	561	3,276
Net unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss'		4,368	42,761	(592)	53,084
Net gain / (loss) on sale of investments classified as at 'fair value through profit and loss'		4,797	(1,578)	2,601	2,088
Total income		10,117	46,900	2,583	58,799
EXPENSES					
Remuneration of the Management Company		403	1,956	193	1,160
Sales tax on management fee		52	254	25	150
Allocated expenses by the Management Company		15	98	5	58
Selling and marketing expenses		48	391	6	232
Remuneration of the Trustee		41	220	20	87
Sales tax on remuneration of the Trustee		5	29	2	12
Annual fee to SECP		4	21	2	13
Amortization of preliminary expenses and floatation costs		31	31	15	15
Brokerage expenses		82	252	37	147
Auditors' remuneration		249	257	125	161
Custody and settlement charges		171	223	88	110
Bank charges and other expenses		112	103	58	49
Total expenses		1,213	3,835	576	2,194
Net operating income for the period		8,904	43,065	2,007	56,605
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	(175)	(845)	(40)	(845)
Net income for the period before taxation		8,729	42,220	1,967	55,760
Taxation	13	-	-	-	-
Net income for the period after taxation		8,729	42,220	1,967	55,760
<i>Allocation of net income for the period:</i>					
Net income for the period after taxation		8,729	42,220	1,967	42,220
Income already paid on units redeemed		(2,872)	(10,926)	(1,967)	(10,926)
		5,857	31,294	-	31,294
<i>Accounting income available for distribution</i>					
- Relating to capital gains		5,857	30,239	-	44,228
- Excluding capital gains		-	1,055	-	(12,934)
		5,857	31,294	-	31,294
Earnings per unit					

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	8,729	42,220	1,967	55,760
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	8,729	42,220	1,967	55,760

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	8,729	42,220
Adjustments for:		
Mark-up on bank account	(251)	(533)
Dividend income	(701)	(5,184)
Net unrealised gain on revaluation of investments 'classified as at fair value through profit or loss'	(4,368)	(42,761)
Net (gain) / loss on sale of investments classified as at 'fair value through profit and loss'	(4,797)	1,578
Provision for Sindh Workers' Welfare Fund (SWWF)	175	845
Amortization of preliminary expenses and floatation costs	31	31
	(9,911)	(46,024)
Decrease / (increase) in assets		
Investments	15,938	(31,652)
Advance tax	(2)	-
Deposits and prepayments	(47)	(43)
Receivable against sale of investments	(10,212)	428
	5,677	(31,267)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	(28)	196
Payable to Central Depository Company of Pakistan - Trustee	1	15
Annual fee payable to SECP	(28)	(136)
Payable against purchase of investments	(825)	(175)
Accrued and other liabilities	9,429	622
	8,549	522
Mark-up and dividend received	1,939	6,391
Net cash flows generated / (used in) operating activities	14,983	(28,158)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	1,922	217,364
Net payment against redemption of units	(17,130)	(168,214)
Net cash (used in) / generated from financing activities	(15,208)	49,150
Net (decrease) / increase in cash and cash equivalents	(225)	20,992
Cash and cash equivalents at beginning of the period	1,064	2,697
Cash and cash equivalents at end of the period	839	23,689

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	For the half year ended					
	December 31, 2020			December 31, 2019		
	Capital value	Undistributed (loss) / income	Total	Capital value	Undistributed (loss) / income	Total
	(Rupees in '000)					
Net assets at beginning of the period	74,898	(38,330)	36,568	212,798	(31,215)	181,583
Amount received on issuance of 18,904 units (2019: 2,572,742 units)						
Capital value	221,807	-	221,807	208,122	-	208,122
Element of income during the period;						
- Relating to net income for the period after taxation	(219,885)	-	(219,885)	9,242	-	9,242
	1,922	-	1,922	217,364	-	217,364
Amount paid on redemption of 164,699 units (2019: 2,033,879 units)						
Capital value	(175,349)	-	(175,349)	(164,531)	-	(164,531)
Element of income during the period;						
- Relating to income / (loss) earned	161,091	(2,872)	158,219	7,243	(10,926)	(3,683)
	(14,258)	(2,872)	(17,130)	(157,288)	(10,926)	(168,214)
Total comprehensive income for the period	-	8,729	8,729	-	42,220	42,220
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	8,729	8,729	-	42,220	42,220
Net assets at end of the period	62,562	(32,473)	30,089	272,874	79	272,953
Undistributed loss brought forward:						
- Realised	-	(40,207)	(40,207)	-	(1,922)	(1,922)
- Unrealised	-	1,877	1,877	-	(29,293)	(29,293)
	-	(38,330)	(38,330)	-	(31,215)	(31,215)
Accounting income available for distribution:						
- Relating to capital gains	-	5,857	5,857	-	30,239	30,239
- Excluding capital gains	-	-	-	-	1,055	1,055
	-	5,857	5,857	-	31,294	31,294
Distribution during the period	-	-	-	-	-	-
Undistributed loss carried forward	-	(32,473)	(32,473)	-	79	79
Undistributed loss carried forward						
- Realised	-	(36,841)	(36,841)	-	(42,682)	(42,682)
- Unrealised	-	4,368	4,368	-	42,761	42,761
	-	(32,473)	(32,473)	-	79	79
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			86.2142			80.8950
Net assets value per unit at end of the period			108.0959			98.0594

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Dedicated Equity Fund, was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 02, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 29, 2018.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to the public. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4** The investment objective of the fund is to provide other 'Fund-of-Funds' schemes an avenue for investing in Equities.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2020.
- 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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2** The disclosures made in these interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These interim financial statements do 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, 2020.
- 2.1.3** The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2019.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These interim financial statements have 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 interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These interim financial statements are 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 interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these interim financial statements 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 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Bank account - saving account	4.1	<u>839</u>	<u>1,064</u>
4.1	These carry mark-up at the rates ranging from 5.50% to 7.25% (June 30, 2020: 6.5% to 11.25%) per annum and include a balance of Rs.0.82 (June 30, 2020: Rs.1.04) million held with United Bank Limited (a related party).		
5. INVESTMENTS			
At fair value through profit or loss			
- Equity securities - listed	5.1	<u>27,221</u>	33,993
		<u>27,221</u>	<u>33,993</u>

5.1 Equity securities classified as 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 December 31, 2020			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company		
		As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	Appreciation / (diminution)					
							----- (Rupees in '000) -----			% -----				
Cement														
Kohat Cement Company Limited		9,840	2,000	-	(6,400)	5,440	797	1,192	395	3.96	4.38	0.003		
Lucky Cement Limited		3,158	-	-	(2,300)	858	396	597	201	1.98	2.19	0.000		
Maple Leaf Cement Factory Limited		-	12,000	-	(12,000)	-	-	-	-	-	-	-		
Thatta Cement Company Limited		-	25,000	-	(25,000)	-	-	-	-	-	-	-		
							1,193	1,789	596	5.94	6.57	0.003		
Oil and gas exploration companies														
Oil & Gas Development Company Limited	5.1.1	19,568	-	-	(9,000)	10,568	1,152	1,096	(56)	3.64	4.03	0.000		
Mari Petroleum Company Limited		2,097	-	-	(840)	1,257	1,555	1,684	129	5.60	6.19	0.001		
Pakistan Oilfields Limited		112	4,700	-	(2,640)	2,172	844	859	15	2.85	3.16	0.001		
Pakistan Petroleum Limited	5.1.1	15,675	2,000	-	(6,100)	11,575	1,028	1,046	18	3.48	3.84	0.000		
							4,579	4,685	106	15.57	17.22	0.002		
Oil and gas marketing companies														
Pakistan State Oil Company Limited		3,683	-	-	(3,400)	283	45	61	16	0.20	0.22	0.000		
							45	61	16	0.20	0.22	0.000		
Food and personal care products														
Al Shaheer Corporation Limited		1,576	38,000	-	(39,500)	76	1	1	-	-	-	0.000		
Al Shaheer Corporation Limited (right)		-	-	38	-	38	-	-	-	-	-	0.000		
							1	1	-	-	-	0.000		
Fertilizer														
Engro Fertilizers Limited		20,000	4,000	-	(24,000)	-	-	-	-	-	-	-		
Engro Corporation Limited		7,023	2,500	-	(5,600)	3,923	1,168	1,206	38	4.01	4.43	0.001		
Fauji Fertilizer Company Limited		8,091	8,000	-	(10,900)	5,191	565	563	(2)	1.87	2.07	0.000		
Fatima Fertilizer Company Limited		7,500	-	-	(7,500)	-	-	-	-	-	-	-		
							1,733	1,769	36	5.88	6.50	0.001		
Chemicals														
Engro Polymer & Chemicals Limited		11,613	10,000	-	(13,000)	8,613	241	409	168	1.36	1.50	0.001		
Sitara Chemical Industries Limited		1,234	-	-	(1,000)	234	65	73	8	0.24	0.27	0.001		
Ittehad Chemicals Limited		25,742	-	-	(25,000)	742	20	24	4	0.08	0.09	0.001		
Sitara Peroxide Limited		17,000	-	-	(17,000)	-	-	-	-	-	-	-		
ICI Pakistan Limited		50	-	-	-	50	35	38	3	0.13	0.14	0.000		
Dynea Pakistan Limited *		-	3,000	-	(3,000)	-	-	-	-	-	-	-		
							361	544	183	1.81	2.00	0.003		
Technology and communication														
Systems Limited		6,750	-	-	(4,900)	1,850	340	776	436	2.58	2.85	0.001		
							340	776	436	2.58	2.85	0.001		
Automobile parts and accessories														
Thal Limited *		2,114	-	-	(500)	1,614	524	763	239	2.54	2.80	0.002		
Agriauto Industries Limited *		-	3,000	-	(2,300)	700	142	164	22	0.55	0.60	0.002		
							666	927	261	3.09	3.40	0.004		
Leather and tanneries														
Service Industries Limited		90	1,022	-	-	1,112	884	928	44	3.08	3.41	0.005		
Bata Pakistan Limited		-	240	-	(240)	-	-	-	-	-	-	-		
							884	928	44	3.08	3.41	0.005		
Engineering														
Aisha Steel Mills Limited		-	46,500	-	(28,500)	18,000	306	419	113	1.39	1.54	0.002		
International Industries Limited		20	-	-	-	20	2	4	2	0.01	0.01	0.000		
							308	423	115	1.40	1.55	0.002		
Insurance														
Adamjee Insurance Company Limited	5.1.1	25,485	-	-	(3,000)	22,485	744	884	140	2.94	3.25	0.006		
IGI Holdings Limited		2,000	-	-	(2,000)	-	-	-	-	-	-	-		
							744	884	140	2.94	3.25	0.006		

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 December 31, 2020			Market value as a % of net assets	Market value as a % of total investments	Par Value as percentage of total paid up capital of the investee company
		As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	(Diminution) / appreciation			
							(Rupees in '000)			%		
Commercial banks												
Allied Bank Limited	5.1.1	23,174	-	-	(5,500)	17,674	1,353	1,509	156	5.02	5.54	0.002
Bank Alfalah Limited		31,961	11,000	-	(19,500)	23,461	797	829	32	2.76	3.05	0.001
Habib Bank Limited		18,301	5,000	-	(9,500)	13,801	1,478	1,826	348	6.07	6.71	0.001
Bank AL Habib Limited		26,000	-	-	(7,500)	18,500	968	1,288	320	4.28	4.73	0.002
United Bank Limited		20,909	9,800	-	(14,300)	16,409	1,767	2,065	298	6.86	7.59	0.001
MCB Bank Limited		4,500	-	-	(4,500)	-	-	-	-	-	-	-
National Bank of Pakistan		1,174	-	-	-	1,174	32	50	18	0.17	0.18	0.000
Faysal Bank Limited	86	-	-	-	86	1	1	-	-	-	0.000	
							6,396	7,568	1,172	25.16	27.80	0.007
Investment banking												
Arif Habib Limited		1,000	9,500	-	(10,000)	500	19	35	16	0.12	0.13	0.001
							19	35	16	0.12	0.13	0.001
Textile composite												
Kohinoor Textile Mills Limited	5.1.1	27,145	500	-	(8,500)	19,145	684	1,306	622	4.34	4.80	0.006
Nishat Chunian Limited		-	10,000	-	(2,500)	7,500	275	316	41	1.05	1.16	0.003
Gul Ahmed Textile Mills Limited		11,854	12,000	-	(9,500)	14,354	470	527	57	1.75	1.94	0.003
Nishat Mills Limited		9,690	-	-	(2,500)	7,190	561	732	171	2.43	2.69	0.002
							1,990	2,881	891	9.57	10.59	0.015
Transport												
Pakistan National Shipping Corporation		2,000	-	-	(2,000)	-	-	-	-	-	-	-
Pakistan International Bulk Terminal		-	33,000	-	(12,000)	21,000	262	270	8	0.90	0.99	0.001
							262	270	8	0.90	0.99	0.001
Power generation and distribution												
The Hub Power Company Limited		22,830	12,500	-	(21,200)	14,130	1,046	1,121	75	3.73	4.12	0.001
Lalpir Power Limited		357	-	-	(357)	-	-	-	-	-	-	-
Pakgen Power Limited		13,918	-	-	-	13,918	167	274	107	0.91	1.01	0.004
Saif Power Limited		184	-	-	-	184	3	3	-	0.01	0.01	0.000
K-Electric Limited **		453	-	-	-	453	1	2	1	0.01	0.01	0.000
							1,217	1,400	183	4.66	5.15	0.005
Paper and board												
Century Paper & Board Mills Limited		13,351	170	-	(13,500)	21	1	3	2	0.01	0.01	0.000
Cherat Packaging Limited		3,000	-	-	(3,000)	-	-	-	-	-	-	-
							1	3	2	0.01	0.01	0.000
Pharmaceuticals												
The Searle Company Limited		1,900	3,500	377	(4,000)	1,777	384	443	59	1.47	1.63	0.001
IBL HealthCare Limited		3,000	-	-	(3,000)	-	-	-	-	-	-	-
Highnoon Laboratories Limited		-	1,100	-	(300)	800	484	480	(4)	1.60	1.76	0.002
							868	923	55	3.07	3.39	0.003
Automobile assembler												
Indus Motor Company Limited		-	450	-	(200)	250	300	299	(1)	0.99	1.10	0.000
							300	299	(1)	0.99	1.10	0.000
Glass and ceramics												
Shabbir Tiles & Ceramics Limited *		-	20,000	-	-	20,000	352	425	73	1.41	1.56	0.006
							352	425	73	1.41	1.56	0.006
Vanaspati and allied industries												
Unity Foods Limited		-	34,000	16,542	(50,000)	542	7	17	10	0.06	0.06	0.000
							7	17	10	0.06	0.06	0.000
Miscellaneous												
Synthetic Products Enterprises Limited		7,400	12,500	-	(6,000)	13,900	587	605	18	2.01	2.22	0.015
Synthetic Products Enterprises Limited (right)		-	-	895	-	895	-	8	8	0.03	0.03	0.000
Tri-Pack Films Limited		-	6,000	-	(6,000)	-	-	-	-	-	-	-
Shifa International Hospitals Limited		-	1,500	-	(1,500)	-	-	-	-	-	-	-
							587	613	26	2.04	2.25	0.015
Cable & electrical goods												
Waves Singer Pakistan Limited		-	19,000	-	(19,000)	-	-	-	-	-	-	-
							-	-	-	-	-	-
Total as at December 31, 2020 (Un-audited)							22,853	27,221	4,368			
Total as at June 30, 2020 (Audited)							32,116	33,993	1,877			

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

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

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

	December 31, 2020	
	(Number of shares)	(Rupees in '000)
Adamjee Insurance Company Limited	10,000	393
Bank Alfalah Limited	10,000	353
Kohinoor Textile Mills Limited	17,000	1,160
	37,000	1,906

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 in future years.

		(Un-audited) December 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) ----	
7. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs	7.1	182	244
Amortization during the period		(31)	(62)
		151	182

- 7.1** This represents all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund which will be amortized by the Fund over a period of five years commencing from May 29, 2018 in accordance with the Trust Deed and the NBFC Regulations.

8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

Remuneration payable	8.1	67	60
Sales tax on remuneration payable	8.2	9	8
Allocated expenses payable	8.3	1	7
Selling and marketing expenses payable	8.4	6	36
		83	111

- 8.1** The Management Company charged remuneration at the rate of 2 percent (June 30, 2020: 2 percent) per annum of the average daily net assets of the Fund. The remuneration is paid to the Management Company on monthly basis in arrears.

- 8.2** Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2020: 13%)

- 8.3** The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

- 8.4** The Management Company has charged actual expenses to the extent as it thinks expedient as per SECP circular 11 dated July 05, 2019.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is paid to the Trustee monthly in arrears.

As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the trustee fee for the period ended December 31, 2020 is as follows:

Net assets

Up to Rs.1,000 million

On an amount exceeding
Rs.1,000 million**Tariff per annum**

0.20% p.a. of net assets of the Fund

Rs.2.00 million plus 0.10% p.a. of net assets of the Fund,
on amount exceeding Rs.1,000 million

9.1 Sales tax on the trustee remuneration has been charged at the rate of 13% (2020: 13%).

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP fee has been charged at the rate of annual fee at 0.02% (2019: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

		(Un-audited) December 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
11. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		321	408
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	188	13
Brokerage payable		42	465
Listing fee payable		28	-
Other Payables		9,833	-
Legal and professional fees payable		244	165
		10,656	1,051

11.1 There is no change in the status of the SWWF as reported in note 15.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.675 (June 2020: Re.0.03) per unit.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 and June 30, 2020.

13. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

14. EARNINGS PER UNIT

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

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 3.47% as on December 31, 2020 and this includes 0.62% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60 (5) for a collective investment scheme categorised as an equity scheme.

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

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

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

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

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

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
For the Half Yearly Ended December 31, 2020 (Un-audited)						
Transactions during the period						
Mark-up on bank account	-	250	-	-	-	-
Bank charges	-	4	-	-	-	-
Units issued	-	-	-	-	-	28
Units redeemed	-	-	-	-	-	-
Purchase of investment	-	1,108	-	-	-	-
Sale of investment	-	1,657	-	-	-	-
Remuneration *	455	-	46	-	-	-
Allocated expenses by the Management Company	15	-	-	-	-	-
Selling and marketing expense	48	-	-	-	-	-
For the Half Yearly Ended December 31, 2019 (Un-audited)						
Transactions during the period						
Mark-up on bank account	-	532	-	-	-	-
Bank charges	-	9	-	-	-	-
Units issued	-	-	-	181,316	-	-
Units redeemed	-	-	-	123,544	-	-
Purchase of investment	-	3,115	-	-	-	-
Sale of investment	-	7,661	-	-	-	-
Remuneration *	2,210	-	249	-	-	-
Allocated expenses by the Management Company	98	-	-	-	-	-
Selling and marketing expense	391	-	-	-	-	-
As at December 31, 2020 (Un-audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	264
Units held (Rupees in '000)	-	-	-	-	-	28,511
Bank balances	-	824	-	-	-	-
Remuneration payable	76	-	8	-	-	-
Selling and marketing expenses payable	6	-	-	-	-	-
Mark-up receivable	-	32	-	-	-	-
Allocated expenses payable	1	-	-	-	-	-
Investments	-	2,065	-	-	-	-
As at June 30, 2020 (Audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	422
Units held (Rupees in '000)	-	-	-	-	-	36,373
Bank balances	-	1,048	-	-	-	-
Remuneration payable	68	-	7	-	-	-
Other payable	-	-	-	-	-	-
Selling and marketing expenses payable	36	-	-	-	-	-
Mark-up receivable	-	989	-	-	-	-
Allocated expenses payable	7	-	-	-	-	-
Investments	-	2,161	-	-	-	-

* Remuneration for the period is inclusive of sales tax.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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).

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

	Fair value			
	Level 1	Level 2	Level 3	Total
December 31, 2020 (Un-audited)	(Rupees in '000)			
Financial assets measured at fair value through profit or loss				
- Equity securities - listed	27,221	-	-	27,221
	Fair value			
	Level 1	Level 2	Level 3	Total
June 30, 2020 (Audited)	(Rupees in '000)			
Financial assets measured at fair value through profit or loss				
- Equity securities - listed	33,993	-	-	33,993

During the period ended December 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other 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 their fair values.

18. IMPACT OF COVID 19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

19. GENERAL

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

19.2 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.

20. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on February 25, 2021 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

UBLP-ETF

UBL Pakistan Enterprise Exchange Traded Fund

INVESTMENT OBJECTIVE

UBL Pakistan Enterprise Exchange Traded Fund (UBLP-ETF) aims to track the performance of the benchmark index in order to provide long-term capital appreciation and dividend yield to its investors.

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	Ernst & Young Ford Rhodes Sidat Hyder & Co.
Bankers	Soneri Bank Limited
Management Co.Rating	AM1 (VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Pakistan Enterprise Exchange Traded Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Pakistan Enterprise Exchange Traded Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Pakistan Enterprise Exchange Traded Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

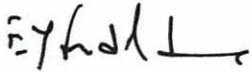
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
ASSETS			
Bank balances	6	2,119	549
Investments	7	45,091	35,701
Dividend and mark-up receivable		5	294
Advance tax	8	93	46
Preliminary expenses and floatation costs	9	129	144
Receivable from Management Company		243	483
Advances and other receivable		47	-
Total assets		47,727	37,217
LIABILITIES			
Payable to the Management Company	10	188	180
Payable to the Trustee	11	9	8
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	12	5	2
Accrued and other liabilities	13	484	701
Total liabilities		686	891
NET ASSETS		47,041	36,326
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		47,041	36,326
CONTINGENCIES AND COMMITMENTS			
	15		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		3,440,000	3,150,000
		(Rupees)	
NET ASSETS VALUE PER UNIT		13.6748	11.5321

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020 (Rupees in '000)
Note	
INCOME	
Mark-up on bank account	26
Dividend income	1,349
Total income	1,375
EXPENSES	
Remuneration of the Management Company	154
Sales tax on management fee	20
Remuneration of the Trustee	24
Sales tax on remuneration of the Trustee	3
Annual fee to SECP	5
Amortization of preliminary expenses and floatation costs	15
Brokerage expenses	5
Auditors' remuneration	176
Legal and professional charges	97
Custody and settlement charges	41
Bank charges and other expenses	17
Expense Reimbursement by the Management Company	(243)
Total expenses	314
Net income for the period from operating activities	1,061
Element of loss and capital losses included in prices of units issued less those in units redeemed	(356)
Provision for Sindh Workers' Welfare Fund (SWWF)	(14)
Net income for the period before taxation	691
Taxation	-
Net income for the period after taxation	691
<i>Allocation of net income for the period:</i>	
Net income for the period after taxation	691
Income already paid on units redeemed	-
	691
<i>Accounting income available for distribution</i>	
- Relating to capital gains	-
- Excluding capital gains	691
	691
Earnings per unit	17

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020
Note	(Rupees in '000)
Net income for the period after taxation	691
Other comprehensive income	
<i>Items not to be reclassified to income statement in subsequent periods:</i>	
Gain on sale of investments classified at 'fair value through other comprehensive income' (FVOCI)	3,190
Net unrealised appreciation on re-measurement of investments classified at fair value through other comprehensive income' (FVOCI)	7.2 2,877
Cumulative change in fair value through other comprehensive income (FVOCI)	6,067
Total comprehensive income for the period	<u>6,758</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	691
Adjustments for:	
Mark-up on bank account	(26)
Dividend income	(1,349)
Amortization of preliminary expenses and floatation costs	15
Element of loss and capital losses included in prices of units issued less those in units redeemed	356
Provision for Sindh Workers' Welfare Fund (SWWF)	14
	(990)
(Increase) / decrease in assets	
Investments	(3,323)
Advance and other receivable	(47)
Receivable from Management Company	240
	(3,130)
(Decrease) / increase in liabilities	
Payable to the Management Company	8
Payable to the Trustee	1
Annual fee payable to SECP	3
Accrued and other liabilities	(231)
	(219)
Advance tax paid	(47)
Mark-up and dividend received	1,664
Net cash used in operating activities	(2,031)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net receipt from issuance of units	28,834
Net payment against redemption of units	(25,233)
Net cash generated from financing activities	3,601
Net increase in cash and cash equivalents	1,570
Cash and cash equivalents at beginning of the period	549
Cash and cash equivalents at end of the period	2,119

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Director

SD

Chief Financial Officer

UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020			
	Capital value	Undistributed income	Realised and unrealised appreciation on investments classified at fair value through other comprehensive income	Total
	(Rupees in '000)			
Net assets at beginning of the period	32,581	(8)	3,753	36,326
Amount received on issuance of 2,200,000 units				
Capital value	25,371		-	25,371
Element of income during the period;				
- Relating to net income for the period after taxation	3,463	-	-	3,463
	28,834	-	-	28,834
Amount paid on redemption of 1,910,000 units				
Capital value	(22,026)	-	-	(22,026)
Element of income during the period;				
- Relating to net income for the period after taxation	(3,207)	-	-	(3,207)
	(25,233)	-	-	(25,233)
Element of loss and capital losses included in prices of units issued less those in units redeemed	356		-	356
Total comprehensive income for the period	-	691	6,067	6,758
Distribution during the period	-	-	-	-
Net income for the period less distribution	-	691	6,067	6,758
Net assets at end of the period	36,538	683	9,820	47,041
Undistributed income brought forward:				
- Realised		(8)		
- Unrealised		(8)		
Accounting income available for distribution:				
- Relating to capital gains		-		
- Excluding capital gains		691		
Distribution during the period		-		
Undistributed income carried forward		683		
Undistributed income carried forward				
- Realised		683		
- Unrealised		-		
		683		
				-- (Rupees) --
Net assets value per unit at beginning of the period				11.5321
Net assets value per unit at end of the period				13.6748

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

**UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Pakistan Enterprise Exchange Traded Fund, was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 28, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 13, 2020 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from March 20, 2020.
- 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 Exchange Traded Mutual Fund and is listed on Pakistan Stock Exchange (PSX). The Fund has commenced its operations on March 20, 2020.
- 1.4 The objective of the Fund is to track the performance of the Benchmark index. The index shall be periodically re-balanced & reconstituted as specified in this document in order to provide long-term capital appreciation and dividends yield to the investors.
- 1.5 VIS Credit Rating Company has reaffirmed management quality rating of AM1 on December 31, 2020.
- 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 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do 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, 2020.
- 2.3 The comparative figures in the condensed interim statement of asset and liabilities have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 2.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.
- 2.5 As per the Offering Document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, the first financial statements were prepared from March 20, 2020 to June 30, 2020. Therefore no comparative figures are available for condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement of cashflow.

3. BASIS OF MEASUREMENT

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

These financial statements are presented in Pakistani Rupee which is the Fund's functional and presentation currency.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies were adopted in the preparation of these interim financial statements.

5.1 Earnings per unit

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

5.2 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

5.3 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

		(Un-audited) December 31, 2020 (Rupees in '000)	(Audited) June 30, 2020
6 BANK BALANCES	Note		
Bank account - saving account	6.1	<u>2,119</u>	<u>549</u>
6.1 These carry mark- up at the rates of 5.50% per annum.			
7. INVESTMENTS			
Investments by Category			
At fair value through other comprehensive income			
- Equity securities - listed	7.1	<u>45,091</u>	<u>35,701</u>

7.1 Equity securities classified as 'Fair value through other comprehensive income'

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

Name of Investee Company	Note					Balance as at December 31, 2020			Market value as a % of net assets	Weightage in benchmark index (UBLP ETF)	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
		As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Market value	(Diminution) / appreciation				
----- (Rupees in '000) -----												
Cement												
Lucky Cement Limited		8,505	5,915	5,476	8,944	4,396	6,226	1,830	13%	14%	14%	0.003%
D.G Khan Cement Company Limited		-	22,905	7,425	15,480	1,732	1,773	41	4%	4%	4%	0.004%
						6,128	7,999	1,871	17%	18%	18%	0.007%
Fertilizer												
Engro Fertilizers Limited	7.1.1	39,690	27,670	24,704	42,656	2,468	2,697	229	6%	6%	6%	0.003%
Engro Corporation Limited		19,215	15,456	12,311	22,360	6,215	6,873	658	15%	15%	15%	0.004%
Fauji Fertilizer Company Limited	7.1.1	45,990	32,070	28,524	49,536	4,778	5,375	597	11%	12%	12%	0.004%
						13,461	14,945	1,484	32%	33%	33%	0.011%
Commercial banks												
Bank Alfalah Limited		46,935	29,055	75,990	-	-	-	-	0%	0%	0%	0.000%
Habib Bank Limited	7.1.1	48,510	33,805	30,371	51,944	6,017	6,871	854	15%	10%	15%	0.004%
United Bank Limited		32,130	22,415	19,801	34,744	3,829	4,373	544	9%	15%	10%	0.003%
MCB Bank Limited		27,405	19,090	17,255	29,240	4,637	5,418	781	12%	12%	12%	0.000%
						14,483	16,662	2,179	36%	37%	37%	0.007%
Power generation and distribution												
The Hub Power Company Limited	7.1.1	64,260	44,805	39,921	69,144	4,995	5,485	490	12%	12%	12%	0.005%
						4,995	5,485	490	12%	12%	12%	0.005%
Total as at December 31, 2020 (un-audited)						39,067	45,091	6,024				
Total as at June 30, 2020 (audited)						32,554	35,701	3,147				

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

	(Un-audited) December 31, 2020 (Number of shares) Rupees in '000	
Engro Fertilizers Limited	10,000	632
Fauji Fertilizer Company Limited	15,000	1,628
Habib Bank Limited	15,000	1,984
The Hub Power Company Limited	15,000	1,190
	55,000	5,434

		(Un-audited) December 31, 2020 (Rupees in '000)	(Audited) June 30, 2020
7.2 Net unrealised appreciation on re-measurement of investments classified at 'fair value through other comprehensive income	Note		
Market value of investments		45,091	35,701
Less: Carrying cost		(39,067)	(32,554)
		<u>6,024</u>	<u>3,147</u>
Add: Net unrealised diminution on re-measurement of investments at beginning of the period		3,147	-
		<u><u>2,877</u></u>	<u><u>3,147</u></u>

8 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 or erroneously 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 in future years.

9 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	9.1	144	153
Amortization during the period		(15)	(9)
		<u>129</u>	<u>144</u>

9.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of the operations of the Fund i.e. March 20, 2020 leading upto the initial date of issue of units. This cost is restricted to 1.5 percent of the net assets at the close of initial public offering (IPO), and are being amortised over a period of five years in accordance with the Trust Deed of the Fund.

10 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	10.1	27	20
Sales tax on remuneration payable	10.2	3	2
Others		158	158
		<u>188</u>	<u>180</u>

10.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the amended NBFC Regulations dated November 25, 2015, of an amount not exceeding 2 percent of the average daily net assets of the Fund. The Management Company charged remuneration at the rate of 0.65 percent per annum of the average daily net assets of the Fund.

10.2 Sales tax on the management remuneration has been charged at the rate of 13% (June 30, 2020: 13%).

11 PAYABLE TO THE TRUSTEE

Remuneration payable	11.1	8	7
Sales tax on remuneration payable	11.2	1	1
		<u>9</u>	<u>8</u>

11.1 The Trustee is entitled to a monthly remuneration in arrears for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at December 31, 2020 is as follows:

Net assets	Tariff per annum
Up to Rs.1,000 million	0.2% p.a. of net assets
Over Rs. 1,000 million	Rs. 2.0 million plus 0.1% p.a. of net assets, on amount exceeding Rs. 1,000 million.
Rs.1,000 million	

The Trustee has agreed to receive remuneration at the rate of 50% of the applicable tariff for the period of one year. Accordingly, the Management Company has charged and paid the Trustee's remuneration on the same basis.

11.2 Sales tax on the trustee remuneration has been charged at the rate of 13% (June 30, 2020: 13%).

12 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

SECP fee has been charged at the rate of annual fee at 0.02% (2019: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

	Note	(Un-audited) December 31, 2020 (Rupees in '000)	(Audited) June 30, 2020
13 ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		145	316
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	18	4
Brokerage payable		31	20
Legal and professional charges		208	115
Listing fee payable		55	28
Dividend payable		-	170
Withholding tax payable		-	31
Zakat payable		5	5
Other payable		22	12
		484	701

13.1 There is no change in the status of the SWWF as reported in note 14.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Rs.0.0052 (June 30, 2020: Rs.0.0013) per unit.

14 TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.38% (after adjusting reimbursement from the Management Company) as on December 31, 2020 and this includes 0.12% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio, after excluding the Government Levy, Sindh Worker's Welfare Fund and SECP fee is within the maximum limit of 1.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an exchange traded scheme.

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).

16 TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

17 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.

18 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 and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
As at December 31, 2020 (Un-audited)						
Transactions during the period						
Value of units issued	-	-	-	-	-	28,834
Value of units redeemed	8,196	-	-	-	-	17,037
Securities transferred to the fund	-	35	-	-	-	151
Securities transferred by the fund	-	34	-	-	-	145
Dividend income received	-	-	-	-	-	647
Remuneration *	174	-	27	-	-	-
As at December 31, 2020 (Un-audited)						
Balances held						
Units held (units in '000)	30	-	-	-	-	3,400
Units held (Rupees in '000)	410	-	-	-	-	46,494
Remuneration payable*	30	-	9	-	-	-
Receivable from Management Company - net	85	-	-	-	-	-
Investments	-	4,373	-	-	-	18,474
As at June 30, 2020 (Audited)						
Balances held						
Units held (units in '000)	640	-	-	-	-	-
Units held (Rupees in '000)	7,381	-	-	-	-	-
Remuneration payable*	22	-	-	8	-	-
Receivable from Management Company - net	325	-	-	-	-	-
Investments	-	31,775	-	-	-	-

* Remuneration for the period is inclusive of sales tax.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

21. GENERAL

Figures have been rounded off to the nearest thousand rupee.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Management Company on February 25, 2021.

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

SD
Chief Executive Officer

SD
Director

SD
Chief Financial Officer

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	AM1 (VIS)

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL FINANCIAL PLANNING FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Financial Planning Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of UBL Financial Planning Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **UBL Financial Planning Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

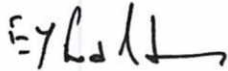
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 25 February 2021

Karachi

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
	Note	(Rupees in '000)							
ASSETS									
Bank balances	4	1,015	3,109	43	4,167	919	46	32	997
Investments	5	-	-	135,071	135,071	51,450	199,425	154,142	405,017
Prepayments, mark-up and other receivables		16	461	1,398	1,875	138	261	1,386	1,785
Advance tax	6	1	-	-	1	1	-	-	1
TOTAL ASSETS		1,032	3,570	136,512	141,114	52,508	199,732	155,560	407,800
LIABILITIES									
Payable to UBL Fund Managers Limited - Management Company	7	450	434	16	900	449	493	31	973
Payable to Central Depository Company of Pakistan - Trustee	8	3	4	9	16	6	14	10	30
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	9	1	17	15	33	19	47	35	101
Accrued expenses and other payables	10	578	3,115	503	4,196	376	4,819	386	5,581
TOTAL LIABILITIES		1,032	3,570	543	5,145	850	5,373	462	6,685
NET ASSETS		-	-	135,969	135,969	51,658	194,359	155,098	401,115
UNIT HOLDERS' FUND									
(AS PER STATEMENT ATTACHED)		-	-	135,969	135,969	51,658	194,359	155,098	401,115
CONTINGENCIES AND COMMITMENTS									
11									
NUMBER OF UNITS IN ISSUE		-	-	1,305,185		497,900	1,912,893	1,531,338	
NET ASSETS VALUE PER UNIT		-	-	104.1758		103.7512	101.6049	101.2829	

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

	For the period ended December 31, 2020 (Un-audited)			Total	For the period ended December 31, 2019			Total	For the quarter ended December 31, 2020			Total	For the quarter ended December 31, 2019			Total
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	
INCOME																
Mark-up on bank accounts	11	220	24	255	129	53	77	259	-	86	21	107	4	1	28	33
Unrealised gain / (loss) on re-measurement of investments classified as 'at fair value through profit or loss	-	-	3,985	3,985	8,113	15,090	16,351	39,554	-	(2,625)	1,799	(826)	6,435	14,343	14,431	35,209
Income from term deposit receipt (TDR)	-	-	-	-	-	4,194	-	4,194	-	-	-	-	-	2,097	-	2,097
Net gain on redemption of investments classified as classified as 'at fair value through profit or loss	388	4,758	466	5,612	728	1,212	3,123	5,063	-	4,729	459	5,188	1,827	2,759	4,736	9,322
Other income	-	-	103	103	1,504	1,801	683	3,988	-	-	103	103	7	-	513	520
Total income	399	4,978	4,578	9,955	10,474	22,350	20,234	53,058	-	2,190	2,382	4,572	8,273	19,200	19,708	47,181
EXPENSES																
Remuneration of the Management Company	-	-	-	-	-	623	-	623	-	-	-	-	-	311	-	311
Sales tax on management fee	-	-	-	-	-	81	-	81	-	-	-	-	-	40	-	40
Allocation of expenses relating to the Fund	7	62	76	145	57	122	95	274	-	13	37	50	25	59	48	132
Remuneration of the Trustee	5	60	53	118	40	85	66	191	-	25	26	51	17	41	33	91
Sales tax on remuneration of the Trustee	1	8	7	16	5	11	9	25	-	4	3	7	2	5	5	12
Annual fee to SECP	1	17	15	33	11	24	19	54	-	7	7	14	5	11	10	26
Amortization of preliminary expenses and floatation costs	-	-	-	-	130	112	-	242	-	-	-	-	65	56	-	121
Auditors' remuneration	86	62	86	234	63	63	63	189	67	19	43	129	32	32	32	96
Legal and professional charges	31	31	31	93	26	26	26	78	15	15	15	45	13	14	13	40
Bank charges and other expenses	6	15	15	36	10	52	17	79	5	14	13	32	4	5	7	16
Total expenses	137	255	283	675	342	1,199	295	1,836	87	97	144	328	163	574	148	885
Net income / (loss) for the period from operating activities	262	4,723	4,295	9,280	10,132	21,151	19,939	51,222	(87)	2,093	2,238	4,244	8,110	18,626	19,560	46,296
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	(7)	(92)	(84)	(183)	(199)	(415)	(391)	(1,005)	-	(40)	(44)	(84)	(159)	(365)	(907)
Net income / (loss) for the period before taxation	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217	(87)	2,053	2,194	4,160	7,951	18,261	19,177	45,389
Taxation	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217	(87)	2,053	2,194	4,160	7,951	18,261	19,177	45,389
Allocation of net income for the period:																
Net income for the period after taxation	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217	(87)	2,053	2,194	4,160	7,951	18,261	19,177	45,389
Income already paid on units redeemed	(255)	(4,631)	(435)	(5,321)	(93)	(25)	(1,993)	(2,111)	87	(4,609)	(436)	(4,958)	(14)	-	(1,993)	(2,007)
	-	-	3,776	3,776	9,840	20,711	17,555	48,106	-	(2,556)	1,758	(798)	7,937	18,261	17,184	43,382
Accounting income / (loss) available for distribution																
- Relating to capital gains	-	-	3,776	3,776	8,764	16,283	17,459	42,506	-	(2,632)	1,584	(1,048)	8,248	16,283	17,152	41,683
- Excluding capital gains	-	-	-	-	1,076	4,428	96	5,600	-	76	174	250	(311)	1,978	32	1,699
	-	-	3,776	3,776	9,840	20,711	17,555	48,106	-	(2,556)	1,758	(798)	7,937	18,261	17,184	43,382

Earning per unit

13

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

For the period ended December 31, 2020 (Un-audited)				Total	For the period ended December 31, 2019			Total	For the quarter ended December 31, 2020			Total	For the quarter ended December 31, 2019			Total
UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	UBL Active Principal Preservation Plan I		UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	UBL Active Principal Preservation Plan I		UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	UBL Active Principal Preservation Plan I		UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		
(Rupees in '000)																
Net income / (loss) for the period after taxation	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217	(87)	2,053	2,194	4,160	7,951	18,261	19,177	45,389
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217	(87)	2,053	2,194	4,160	7,951	18,261	19,177	45,389

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	For the period ended December 31, 2020 (Un-audited)			Total	For the period ended December 31, 2019			Total
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	
(Rupees in '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	255	4,631	4,211	9,097	9,933	20,736	19,548	50,217
Adjustments for:								
Mark-up on bank accounts	(11)	(220)	(24)	(255)	(129)	(53)	(77)	(259)
Unrealised gain on re-measurement of investments classified as 'at fair value through profit or loss	-	-	(3,985)	(3,985)	(8,113)	(15,090)	(16,351)	(39,554)
Income from term deposit receipt (TDR)	-	-	-	-	-	(4,194)	-	(4,194)
Net gain on sale of investments classified as classified as 'at fair value through profit or loss	(388)	(4,758)	(466)	(5,612)	(728)	(1,212)	(3,123)	(5,063)
Amortization of preliminary expenses and floatation costs	-	-	-	-	130	112	-	242
Provision for Sindh Workers' Welfare Fund (SWWF)	7	92	84	183	199	415	391	1,005
	(392)	(4,886)	(4,391)	(9,669)	(8,641)	(20,022)	(19,160)	(47,823)
Decrease / (increase) in assets								
Investments	51,838	204,183	23,522	279,543	72,944	85,591	30,492	189,027
Prepayments, mark-up and other receivables	(16)	(16)	(16)	(48)	(15)	4,179	(1,392)	2,772
	51,822	204,167	23,506	279,495	72,929	89,770	29,100	191,799
Increase / (decrease) in liabilities								
Payable to UBL Fund Managers Limited - Management Company	1	(59)	(15)	(73)	3	18	16	37
Payable to Central Depository Company of Pakistan - Trustee	(3)	(10)	(1)	(14)	(9)	(13)	(6)	(28)
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	(18)	(30)	(20)	(68)	(118)	(216)	(85)	(419)
Accrued expenses and other payables	196	(1,796)	34	(1,566)	16	(729)	(1,267)	(1,980)
	176	(1,895)	(2)	(1,721)	(108)	(940)	(1,342)	(2,390)
Mark-up and dividend received	148	36	27	211	53	23	84	160
Net cash generated from operating activities	52,009	202,053	23,351	277,413	74,166	89,567	28,230	191,963
CASH FLOWS FROM FINANCING ACTIVITIES								
Net payment against redemption of units	(51,913)	(198,990)	(23,340)	(274,243)	(75,204)	(90,033)	(29,693)	(194,930)
Net cash used in from financing activities	(51,913)	(198,990)	(23,340)	(274,243)	(75,204)	(90,033)	(29,693)	(194,930)
Net increase / (decrease) in cash and cash equivalent	96	3,063	11	3,170	(1,038)	(466)	(1,463)	(2,967)
Cash and cash equivalents at beginning of the period	919	46	32	997	1,195	521	1,751	3,467
Cash and cash equivalents at end of the period	1,015	3,109	43	4,167	157	55	288	500

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	For the period ended December 31, 2020 (Un-audited)									Total	For The Period Ended December 31, 2019									Total	
	UBL Active Principal Preservation Plan I			UBL Active Principal Preservation Plan II			UBL Active Principal Preservation Plan III				UBL Active Principal Preservation Plan I			UBL Active Principal Preservation Plan II			UBL Active Principal Preservation Plan III				
	Capital value	Undistributed income	Total	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total		Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total		
	(Rupees in '000)										(Rupees in '000)										
Net assets at beginning of the period	46,371	5,287	51,658	189,746	4,613	194,359	152,963	2,135	155,098	401,115	163,614	5,138	168,752	304,219	4,497	308,716	189,616	831	190,447	667,915	
Issuance of units:																					
UBL Active Principal Preservation Plan I (Nil Units) (2019: Nil Units)																					
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UBL Active Principal Preservation Plan II (Nil Units) (2019: Nil Units)																					
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UBL Active Principal Preservation Plan III (Nil Units) (2019: Nil Units)																					
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Redemption of units																					
UBL Active Principal Preservation Plan I (497,900 Units) (2019: 730,446 Units)																					
- Capital value	(51,658)	-	(51,658)	-	-	-	-	-	-	(51,658)	(75,309)	-	(75,309)	-	-	-	-	-	-	(75,309)	
- Element relating to the income for the period after taxation	-	(255)	(255)	-	-	-	-	-	-	(255)	198	(93)	105	-	-	-	-	-	-	105	
UBL Active Principal Preservation Plan II (1,912,893 Units) (2019: 888,325 Units)																					
- Capital value	-	-	-	(194,359)	-	(194,359)	-	-	-	(194,359)	-	-	-	(90,140)	-	(90,140)	-	-	-	(90,140)	
- Element relating to the income for the period after taxation	-	-	-	-	(4,631)	(4,631)	-	-	-	(4,631)	-	-	-	132	(25)	107	-	-	-	107	
UBL Active Principal Preservation Plan III (226,152 Units) (2019: 277,443 Units)																					
- Capital value	-	-	-	-	-	-	(22,905)	-	(22,905)	(22,905)	-	-	-	-	-	-	(27,833)	-	(27,833)	(27,833)	
- Element relating to the income for the period after taxation	-	-	-	-	-	-	(435)	-	(435)	(435)	-	-	-	-	-	-	133	(1,993)	(1,860)	(1,860)	
	(51,658)	(255)	(51,913)	(194,359)	(4,631)	(198,990)	(22,905)	(435)	(23,340)	(274,243)	(75,111)	(93)	(75,204)	(90,008)	(25)	(90,033)	(27,700)	(1,993)	(29,693)	(194,930)	
Total comprehensive income for the period	-	255	255	-	4,631	4,631	-	4,211	4,211	9,097	-	9,933	9,933	-	20,736	20,736	-	19,548	19,548	50,217	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the period less distribution	-	255	255	-	4,631	4,631	-	4,211	4,211	9,097	-	9,933	9,933	-	20,736	20,736	-	19,548	19,548	50,217	
Net assets at end of the maturity / period	(5,287)	5,287	-	(4,613)	4,613	-	130,058	5,911	135,969	135,969	88,503	14,978	103,481	214,211	25,208	239,419	161,916	18,386	180,302	523,202	
Undistributed income brought forward:																					
- Realised	-	3,968	3,968	-	3,959	3,959	-	(2,884)	(2,884)	5,043	-	9,274	9,274	-	10,714	10,714	-	6,511	6,511	26,499	
- Unrealised	-	1,319	1,319	-	654	654	-	5,019	5,019	6,992	-	(4,136)	(4,136)	-	(6,217)	(6,217)	-	(5,680)	(5,680)	(16,033)	
	-	5,287	5,287	-	4,613	4,613	-	2,135	2,135	12,035	-	5,138	5,138	-	4,497	4,497	-	831	831	10,466	
Accounting income available for distribution:																					
- Relating to capital gains	-	-	-	-	-	-	-	3,776	3,776	3,776	-	8,764	8,764	-	16,283	16,283	-	17,459	17,459	42,506	
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	1,076	1,076	-	4,428	4,428	-	96	96	5,600	
	-	-	-	-	-	-	-	3,776	3,776	3,776	-	9,840	9,840	-	20,711	20,711	-	17,555	17,555	48,106	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Undistributed income carried forward	-	5,287	5,287	-	4,613	4,613	-	5,911	5,911	15,811	-	14,978	14,978	-	25,208	25,208	-	18,386	18,386	58,572	
Undistributed income carried forward																					
- Realised	-	5,287	5,287	-	4,613	4,613	-	1,926	1,926	11,826	-	6,865	6,865	-	10,118	10,118	-	2,035	2,035	19,018	
- Unrealised	-	-	-	-	-	-	-	3,985	3,985	3,985	-	8,113	8,113	-	15,090	15,090	-	16,351	16,351	39,554	
	-	5,287	5,287	-	4,613	4,613	-	5,911	5,911	15,811	-	14,978	14,978	-	25,208	25,208	-	18,386	18,386	58,572	
	-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --		
Net assets value per unit at end of the period	0.0000			0.0000			104.1758			114.1761			111.1485			111.2335					

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL FINANCIAL PLANNING FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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.
- 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 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. The maturity of Active Principal Preservation Plan I and II was 30 Months from the close of the initial offer period of February 16, 2018 and June 01, 2018 (i.e. maturing on August 24, 2020 and November 30, 2020) respectively. The maturity of Active Principal Preservation Plan III is perpetual. Accordingly, Plan-I and Plan-II matured on August 24, 2020 and November 30, 2020 and its net assets value as at said date was Rs.41.115 million and Rs.194.528 million and Rs.104.4951 and Rs.103.9423 per unit respectively.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company on December 31, 2020.
- 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. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these interim financial statements have, however, been limited based on the requirements of IAS 34. These interim financial statements do 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, 2020.

2.1.3 The comparative figures in the condensed interim statement of asset and liabilities presented in these interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative figures in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have been extracted from the unaudited interim financial statements for the period ended December 31, 2019.

2.1.4 In compliance with Schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These interim financial statements have 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 interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These interim financial statements are presented in Pakistani Rupee 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 interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these interim financial statements 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 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 3 Business Combinations: Previously held interests in a joint operation

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

	December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
Note	----- (Rupees in '000) -----				----- (Rupees in '000) -----			

4. BANK BALANCES

Savings account	4.1	<u>1,015</u>	<u>3,109</u>	<u>43</u>	<u>4,167</u>	<u>919</u>	<u>46</u>	<u>32</u>	<u>997</u>
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4.1 These carry mark-up at the rates ranging from 5.50% to 6.50% (June 30, 2020: 4.75% to 6.50%) per annum and maintained with United Bank Limited (a related party).

5. INVESTMENTS

Investments by Category

5.1 At fair value through profit or loss

Units of mutual funds	5.1.1	-	-	<u>135,071</u>	<u>135,071</u>	51,450	199,425	154,142	405,017
		<u>-</u>	<u>-</u>	<u>135,071</u>	<u>135,071</u>	<u>51,450</u>	<u>199,425</u>	<u>154,142</u>	<u>405,017</u>

5.1.1 Units of mutual funds classified as 'at fair value through profit or loss

	Number of units				Balance as at December 31, 2020				
Name of Investee Fund (funds under common management)	As at July 01, 2020	Purchased during the period	Redeemed during the period	As at December 31, 2020	Carrying value	Market value	Unrealised gain / (loss)	Market value as a % of net assets of each	Market value as a % of total investments
					----- (Rupees in '000) -----			----- (%) -----	
Held by UBL Active Principal Preservation Plan I									
UBL Money Market Fund	510,855	-	510,855	-	-	-	-	0.00%	0.00%
					-	-	-	0.00%	0.00%
Held by UBL Active Principal Preservation Plan II									
UBL Money Market Fund	1,980,112	-	1,980,112	-	-	-	-	0.00%	0.00%
					-	-	-	0.00%	0.00%
Held by UBL Active Principal Preservation Plan III									
UBL Money Market Fund	1,530,494	-	228,931	1,301,563	131,086	135,071	3,985	99.34%	100.00%
					131,086	135,071	3,985	99.34%	100.00%
Total as at December 31, 2020 (Un-audited)					131,086	135,071	3,985		
Total as at June 30, 2020 (Audited)					398,025	405,017	6,992		

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 in future years.

		December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
Note		(Rupees in '000)							
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY									
Remuneration payable	7.1	-	-	-	-	-	24	-	24
Sales tax on remuneration payable	7.2	-	-	-	-	-	3	-	3
Allocated expenses payable	7.3	1	4	11	16	-	36	26	62
Other payables		449	430	5	884	449	430	5	884
		450	434	16	900	449	493	31	973

7.1 The Management Company has charged 1% per annum of the term deposit receipt. No management fee is being charged in UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III as no investment is made in term deposits by all plans.

7.2 Sales tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

7.3 The Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.07% of net assets.

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

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2020: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
Note									
10. ACCRUED EXPENSES AND OTHER PAYABLES									
----- (Rupees in '000) -----									
Auditors' remuneration		123	123	64	310	154	154	95	403
Withholding tax payable		-	800	-	800	-	848	-	848
Capital gain tax payable		16	14	152	182	5	5	144	154
Provision for Sindh Workers' Welfare Fund (SWWF)		171	418	192	781	165	326	108	599
Others		268	1,760	95	2,123	52	3,486	39	3,577
		578	3,115	503	4,196	376	4,819	386	5,581

10.1 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 15.1 to the annual financial statements for the year ended June 30, 2020. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.Nil (June 30, 2020: Re.0.331) in UBL Active Principal Preservation Plan I, Re.Nil (June 30, 2020: Rs.0.17) in UBL Active Principal Preservation Plan II and Re.0.147 (June 30, 2020: Rs.0.071) in UBL Active Principal Preservation Plan III.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 and June 30, 2020.

12. TAXATION

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 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The management intends to distribute through cash at least 90% of the Fund's net accounting income by the year end to the unit holders. Accordingly, no provision for taxation has been made in these interim financial statements.

13. EARNINGS PER UNIT

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

14. TOTAL EXPENSE RATIO

Total Expense Ratio of UBL Active Principal Preservation Plan III is 0.24% as on December 31, 2020 (2019: 0.37%) and these include 0.07% representing Government Levy, Sindh Worker's Welfare Fund and SECP fee respectively (2019: 0.22%). The ratio of plan is within the maximum limit of 0.5% in case of UBL Active Principal Preservation Plan III (as the management fee is not charged) as prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as a Fund of Fund Scheme.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen 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 and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
For the period ended December 31, 2020 (Un-audited)						
UBL Active Principal Preservation Plan I						
Transactions during the period						
Mark-up on bank accounts	-	11	-	-	-	-
Bank and other charges	-	-	-	-	-	-
Remuneration*	-	-	6	-	-	-
Allocated expenses	7	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Redemption of investments	-	-	-	51,839	-	-
As at December 31, 2020 (Un-audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	-
Units held (Rupees in '000)	-	-	-	-	-	-
Bank balances	-	1,015	-	-	-	-
Remuneration payable*	-	-	3	-	-	-
Allocated expenses payable	1	-	-	-	-	-
Other payable	449	-	-	-	-	-
Units of mutual funds held	-	-	-	-	-	-
Mark-up receivable	-	-	-	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
<hr/>						
For the period ended December 31, 2020 (Un-audited)						
<hr/>						
UBL Active Principal Preservation Plan II						
<hr/>						
Transactions during the period						
<hr/>						
Income from term deposit receipt (TDR)	-	-	-	-	-	-
Mark-up on bank accounts	-	280	-	-	-	-
Bank and other charges	-	10	-	-	-	-
Remuneration*	-	-	68	-	-	-
Allocated expenses	62	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Redemption of investments	-	-	-	204,184	-	-
<hr/>						
As at December 31, 2020 (Un-audited)						
<hr/>						
Balances held						
<hr/>						
Units held (units in '000)	-	-	-	-	-	-
Units held (Rupees in '000)	-	-	-	-	-	-
Bank balances	-	3,109	-	-	-	-
Remuneration payable*	-	-	4	-	-	-
Allocated expenses payable	4	-	-	-	-	-
Other payable	430	-	-	-	-	-
Units of mutual funds held	-	-	-	-	-	-
Mark-up receivable on bank balances	-	280	-	-	-	-
Mark-up receivable on TDR	-	-	-	-	-	-

	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 December 31, 2020 (Un-audited)					
UBL Active Principal Preservation Plan III						
Transactions during the period						
Mark-up on bank accounts	-	24	-	-	-	-
Bank and other charges	-	11	-	-	-	-
Remuneration*	-	-	60	-	-	-
Allocated expenses	76	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Redemption of investments	-	-	-	23,522	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	----- (Rupees in '000) -----					
	As at December 31, 2020 (Un-audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	528
Units held (Rupees in '000)	-	-	-	-	-	54,965
Bank balances	-	43	-	-	-	-
Remuneration payable	-	-	9	-	-	-
Allocated expenses payable	11	-	-	-	-	-
Other payable	5	-	-	-	-	-
Units of mutual funds held	-	-	-	135,071	-	-
Mark-up receivable	-	5	-	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	<hr/> <div>(Rupees in '000)</div> <hr/>					
	<hr/> <div>For the period ended December 31, 2019 (Un-audited)</div> <hr/>					
UBL Active Principal Preservation Plan I						
<u>Transactions during the period</u>						
Mark-up on bank accounts	-	129	-	-	-	-
Bank and other charges	-	4	-	-	-	-
Remuneration*	-	-	45	-	-	-
Allocated expenses	57	-	-	-	-	-
Purchase of investments	-	-	-	56,998	-	-
Redemption of investments	-	-	-	129,941	-	-
Dividend received	-	-	-	-	-	-

	As at June 30, 2020 (Audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	387
Units held (Rupees in '000)	-	-	-	-	-	40,105
Bank balances	-	919	-	-	-	-
Remuneration payable	-	-	6	-	-	-
Other payable	449	-	-	-	-	-
Units of mutual funds held	-	-	-	51,450	-	-
Sales load Payable	1	-	-	-	-	-
Mark-up receivable	-	137	-	-	-	-

UBL Active Principal Preservation Plan II	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
Transactions during the period	For the period ended December 31, 2019 (Un-audited)					
Income from term deposit receipt (TDR)	-	4,194	-	-	-	-
Mark-up on bank accounts	-	53	-	-	-	-
Bank and other charges	-	48	-	-	-	-
Remuneration*	704	-	96	-	-	-
Allocated expenses	122	-	-	-	-	-
Purchase of investment	-	-	-	104,834	-	-
Redemption of investments	-	-	-	194,618	-	-
	As at June 30, 2020 (Audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	901
Units held (Rupees in '000)	-	-	-	-	-	91,498
Bank balances	-	46	-	-	-	-
Remuneration payable	27	-	14	-	-	-
Allocated expenses payable	36	-	-	-	-	-
Other payable	430	-	-	-	-	-
Units of mutual funds held	-	-	-	199,425	-	-
Mark-up receivable	-	95	-	-	-	-

	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 December 31, 2019 (Un-audited)						
UBL Active Principal Preservation Plan III						
Transactions during the period						
Mark-up on bank accounts	-	77	-	-	-	-
Bank and other charges	-	13	-	-	-	-
Remuneration*	-	-	75	-	-	-
Allocated expenses	95	-	-	-	-	-
Purchase of investments	-	-	-	96,058	-	-
Redemption of investments	-	-	-	126,550	-	-
As at June 30, 2020 (Audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	391
Units held (Rupees in '000)	-	-	-	-	-	39,602
Bank balances	-	32	-	-	-	-
Remuneration payable	-	-	10	-	-	-
Allocated expenses payable	26	-	-	-	-	-
Other payable	-	-	-	-	-	-
Units of mutual funds held	-	-	-	154,142	-	-
Mark-up receivable	-	8	-	-	-	-

* Remuneration for the period is inclusive of sales tax.

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).

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 financial year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Fair Value			
	Level 1	Level 2	Level 3	Total
As at December 31, 2020 (Un-audited)	----- (Rupees in '000) -----			
Financial assets measured at fair value				
UBL Active Principle preservation Plan I				
At fair value through profit or loss	-	-	-	-
UBL Active Principle preservation Plan II				
At fair value through profit or loss	-	-	-	-
UBL Active Principle preservation Plan III				
At fair value through profit or loss	-	135,071	-	135,071
	-	135,071	-	135,071

	Fair Value			
	Level 1	Level 2	Level 3	Total
As at June 30, 2020 (Audited)	----- (Rupees in '000) -----			
Financial assets measured at fair value				
UBL Active Principle preservation Plan I				
At fair value through profit or loss	-	51,450	-	51,450
UBL Active Principle preservation Plan II				
At fair value through profit or loss	-	199,425	-	199,425
UBL Active Principle preservation Plan III				
At fair value through profit or loss	-	154,142	-	154,142
	-	405,017	-	405,017

17. IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

18. GENERAL

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

18.2 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.

19. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorized for issue by the Board of Directors of the Management Company on February 25, 2021.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

USSF

UBL Special Savings Fund

INVESTMENT OBJECTIVE

UBL Special Savings Fund shall be an open-end Capital Protected Fund that aims to not only provide its unitholders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

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	Allied Bank Limited JS Bank Limited Soneri Bank Limited Habib Metropoliton Bank Limited
Management Co.Rating	AM1 (VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL SPECIAL SAVINGS FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Special Savings Fund (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: February 25, 2021



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Auditors' Review Report to the unit holders of UBL Special Savings Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Special Savings Fund** ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended 31 December 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 25 February 2021

Karachi

A handwritten signature in blue ink, appearing to read 'Zeeshan Rashid', written over a horizontal line.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

UBL Special Savings Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at 31 December 2020

		31 December 2020						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	Note	(Rupees in '000)						
Assets								
Bank balances	6	1,270	1,552	1,350	4,101	776,408	15,099	799,780
Investments	7	310,604	660,762	73,738	185,053	1,330,402	125,653	2,686,212
Profit receivable		10,868	23,261	2,738	6,330	11,427	4,056	58,680
Deposits, prepayments and other receivables		13	84	71	82	10	8	268
Preliminary expenses and floatation cost	8	322	-	-	-	-	-	322
Advance tax	9	214	108	112	4	-	-	438
Total assets		323,291	685,767	78,009	195,570	2,118,247	144,816	3,545,700
Liabilities								
Payable to the Management Company	10	1,956	1,748	516	752	410	242	5,624
Payable to Central Depository Company of Pakistan Limited - Trustee	11	19	41	5	12	128	9	214
Payable to Securities and Exchange Commission of Pakistan	12	32	71	9	20	271	15	418
Dividend payable		10,232	25,810	3,041	7,495	-	5,632	52,210
Accrued expenses and other payables	13	4,437	11,208	1,574	2,579	16,044	1,959	37,801
Total liabilities		16,676	38,878	5,145	10,858	16,853	7,857	96,267
Net assets		306,615	646,889	72,864	184,712	2,101,394	136,959	3,449,433
Unit holders' fund (as per statement attached)		306,615	646,889	72,864	184,712	2,101,394	136,959	3,449,433
Contingencies and commitments								
	14	(Number of units)						
Number of units in issue		2,921,514	6,204,095	674,322	1,785,427	20,661,539	1,355,364	
		(Rupees)						
Net assets value per unit		104.9507	104.2680	108.0550	103.4554	101.7056	101.0500	

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Assets and Liabilities (Audited)
As at 30 June 2020

		30 June 2020						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		(Rupees in '000)						

Assets								
Bank balances	6	7,125	14,078	2,905	3,676	47,493	11,749	87,026
Investments	7	321,618	719,304	117,833	193,417	5,150,623	172,920	6,675,715
Profit receivable		11,159	24,993	4,214	6,531	27,344	4,094	78,335
Deposits, prepayments and other receivables		5	77	5	74	-	-	161
Preliminary expenses and floatation cost	8	512	-	-	-	-	-	512
Advance tax	9	214	108	112	4	-	-	438
Total assets		340,633	758,560	125,069	203,702	5,225,460	188,763	6,842,187
Liabilities								
Payable to the Management Company	10	3,368	2,431	563	339	1,388	487	8,576
Payable to Central Depository Company of Pakistan Limited - Trustee	11	19	44	7	12	294	11	387
Payable to Securities and Exchange Commission of Pakistan	12	77	162	40	42	912	32	1,265
Dividend payable		-	-	-	-	-	-	-
Accrued expenses and other payables	13	6,216	12,779	1,979	3,029	58,233	17,116	99,352
Total liabilities		9,680	15,416	2,589	3,422	60,827	17,646	109,580
Net assets		330,953	743,144	122,480	200,280	5,164,633	171,117	6,732,607
Unit holders' fund (as per statement attached)		330,953	743,144	122,480	200,280	5,164,633	171,117	6,732,607
Contingencies and commitments		14 ----- (Number of units) -----						
Number of units in issue		3,091,239	6,943,525	1,099,609	1,885,931	51,110,917	1,656,741	
		----- (Rupees) -----						
Net assets value per unit		107.0617	107.0269	111.3854	106.1967	101.0475	103.2856	

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the half year ended 31 December 2020

		Half year ended 31 December 2020							
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total	
Note		(Rupees in '000)							
Income									
	Profit on bank deposits and profit / return on investments calculated using the effective yield method	15	16,830	39,527	4,980	12,145	111,493	7,321	192,296
	Realised gain on sale of investments		13	734	516	32	34,135	971	36,401
	Other income		37	160	95	11	-	63	366
	Total Income		16,880	40,421	5,591	12,188	145,628	8,355	229,063
Expenses									
	Remuneration of the Management Company		1,613	3,534	463	988	1,357	742	8,697
	Sindh sales tax on the Management Company's remuneration		210	459	60	128	176	96	1,129
	Allocation of expenses relating to the Fund		-	-	-	-	1,357	-	1,357
	Selling and marketing expenses		794	1,072	291	911	-	-	3,068
	Remuneration of Central Depository Company of Pakistan Limited - Trustee		109	240	31	67	920	50	1,417
	Annual fee of Securities and Exchange Commission of Pakistan		32	71	9	20	271	15	418
	Auditors' remuneration		35	35	35	35	53	43	236
	Formation cost		190	-	-	-	-	-	190
	Bank charges		3	2	2	1	8	3	19
	Listing fees		2	2	2	2	2	2	12
	Legal and professional charges		15	15	15	15	15	15	90
	Brokerage expenses		-	-	-	-	45	-	45
	Other expenses		-	-	-	-	-	-	-
	Total operating expenses		3,003	5,430	908	2,167	4,204	966	16,678
	Net income for the period from operating activities		13,877	34,991	4,683	10,021	141,424	7,389	212,385
	Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	(272)	(687)	(92)	(197)	(2,773)	(145)	(4,166)
	Net income for the period before taxation		13,605	34,304	4,591	9,824	138,651	7,244	208,219
	Taxation	16	-	-	-	-	-	-	-
	Net income for the period after taxation		13,605	34,304	4,591	9,824	138,651	7,244	208,219
Allocation of net income for the period after taxation									
	Net income for the period after taxation		13,605	34,304	4,591	9,824	138,651	7,244	208,219
	Income already paid on units redeemed		(206)	(1,500)	(828)	(221)	(237)	(398)	(3,390)
			13,399	32,804	3,763	9,603	138,414	6,846	204,829
Accounting income available for distribution									
	- Relating to capital gains		12	715	408	31	34,055	807	36,028
	- Excluding capital gains		13,387	32,089	3,355	9,572	104,359	6,039	168,801
			13,399	32,804	3,763	9,603	138,414	6,846	204,829
Earnings per unit									

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The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the half year ended 31 December 2019

		Half year ended 31 December 2019				For the period from 13 Sept 2019 to 31 December 2019	For the period from 09 August 2019 to 31 December 2019	
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		(Rupees in '000)						
Income								
Profit on bank deposits and profit / return on investments calculated using the effective yield method	15	25,811	52,713	17,272	13,914	242,671	7,782	360,163
Realised (loss) / gain on sale of investments		(3,823)	(226)	3,197	(57)	(602)	(501)	(2,012)
Other income		290	479	406	13	-	47	1,235
Total Income		22,278	52,966	20,875	13,870	242,069	7,328	359,386
Expenses								
Remuneration of the Management Company		2,083	4,304	1,357	1,054	1,800	602	11,200
Sindh sales tax on the Management Company's remuneration		271	560	177	137	234	78	1,457
Allocation of expenses relating to the Fund		-	-	-	-	1,807	-	1,807
Selling and marketing expenses		833	-	-	-	-	-	833
Remuneration of Central Depository Company of Pakistan Limited - Trustee		141	292	92	71	1,220	40	1,856
Annual fee of Securities and Exchange Commission of Pakistan		42	86	27	21	360	12	548
Auditors' remuneration		50	43	35	38	18	21	205
Formation cost		190	-	-	-	-	-	190
Bank charges		27	16	3	9	10	5	70
Listing fees		3	3	3	3	2	2	16
Legal and professional charges		15	15	15	15	8	9	77
Brokerage expenses		28	18	26	10	24	9	115
Other expenses		4	2	3	1	3	1	14
Total operating expenses		3,687	5,339	1,738	1,359	5,486	779	18,388
Net income for the period from operating activities		18,591	47,627	19,137	12,511	236,583	6,549	340,998
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	(365)	(934)	(375)	(245)	(4,640)	(129)	(6,688)
Net income for the period before taxation		18,226	46,693	18,762	12,266	231,943	6,420	334,310
Taxation	16	-	-	-	-	-	-	-
Net income for the period after taxation		18,226	46,693	18,762	12,266	231,943	6,420	334,310
Allocation of net income for the period after taxation								
Net income for the period after taxation		18,226	46,693	18,762	12,266	231,943	6,420	334,310
Income already paid on units redeemed		(1,291)	(4,113)	(8,469)	(215)	(5,671)	(431)	(20,190)
		16,935	42,580	10,293	12,051	226,272	5,989	314,120
Accounting income available for distribution								
- Relating to capital gains		-	-	2,005	-	-	-	2,005
- Excluding capital gains		16,935	42,580	8,288	12,051	226,272	5,989	312,115
		16,935	42,580	10,293	12,051	226,272	5,989	314,120
Earnings per unit	18							

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the quarter ended 31 December 2020

		Quarter ended 31 December 2020						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		(Rupees in '000)						
Income								
Profit on bank deposits and Profit / return on investments calculated using the effective yield method	15	8,240	19,383	2,117	6,030	59,728	3,506	99,004
Realised (loss) / gain on sale of investments		1	416	147	10	(12,605)	-	(12,031)
Other income		7	47	44	3	-	-	101
Total Income		8,248	19,846	2,308	6,043	47,123	3,506	87,074
Expenses								
Remuneration of the Management Company		799	1,735	195	485	529	359	4,102
Sindh sales tax on the Management Company's remuneration		104	225	25	63	68	46	531
Allocation of expenses relating to the Fund		-	-	-	-	529	-	529
Selling and marketing expenses		400	573	137	485	-	-	1,595
Remuneration of Central Depository Company of Pakistan Limited - Trustee		54	118	13	33	359	24	601
Annual fee of Securities and Exchange Commission of Pakistan		16	35	4	10	105	7	177
Auditors' remuneration		17	17	17	17	35	25	128
Formation cost		95	-	-	-	-	-	95
Bank charges		2	1	-	-	5	3	11
Listing fees		1	1	1	1	1	1	6
Legal and professional charges		7	7	7	7	7	7	42
Brokerage expenses		-	-	-	-	45	-	45
Other expenses		-	-	-	-	-	-	-
Total operating expenses		1,495	2,712	399	1,101	1,683	472	7,862
Net income for the quarter from operating activities		6,753	17,134	1,909	4,942	45,440	3,034	79,212
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	(132)	(336)	(37)	(97)	(891)	(60)	(1,553)
Net income for the quarter before taxation		6,621	16,798	1,872	4,845	44,549	2,974	77,659
Taxation	16	-	-	-	-	-	-	-
Net income for the quarter after taxation		6,621	16,798	1,872	4,845	44,549	2,974	77,659
Allocation of net income for the quarter after taxation								
Net income for the quarter after taxation		6,621	16,798	1,872	4,845	44,549	2,974	77,659
Income already paid on units redeemed		(78)	(953)	(597)	(110)	(211)	-	(1,949)
		6,543	15,845	1,275	4,735	44,338	2,974	75,710
Accounting income available for distribution								
- Relating to capital gains		-	405	68	9	5,916	-	6,398
- Excluding capital gains		6,543	15,440	1,207	4,726	38,422	2,974	69,312
		6,543	15,845	1,275	4,735	44,338	2,974	75,710
Earnings per unit								

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The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the quarter ended 31 December 2019

		Quarter ended 31 December 2019						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		(Rupees in '000)						
Income								
	Profit on bank deposits and profit / return on investments calculated using the effective yield method							
15		11,793	23,680	7,966	6,783	214,344	6,385	270,951
	Realised gain / (loss) on sale of investments	261	(225)	3,197	(25)	(474)	(501)	2,233
	Other income	60	147	397	7	-	47	658
	Total Income	12,114	23,602	11,560	6,765	213,870	5,931	273,842
Expenses								
	Remuneration of the Management Company	1,014	2,078	679	545	1,602	505	6,423
	Sindh sales tax on the Management Company's remuneration	132	271	89	71	208	65	836
	Allocation of expenses relating to the Fund	-	-	-	-	1,601	-	1,601
	Selling and marketing expenses	406	-	-	-	-	-	406
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	69	141	46	36	1,085	33	1,410
	Annual fee of Securities and Exchange Commission of Pakistan	21	41	14	11	320	10	417
	Auditors' remuneration	29	22	14	17	15	16	113
	Formation cost	95	-	-	-	-	-	95
	Bank charges	18	8	2	4	10	5	47
	Listing fees	1	1	1	1	2	2	8
	Legal and professional charges	6	6	6	6	7	6	37
	Brokerage expenses	2	11	26	-	5	9	53
	Other expenses	-	1	3	-	1	1	6
	Total operating expenses	1,793	2,580	880	691	4,856	652	11,452
	Net income for the quarter from operating activities	10,321	21,022	10,680	6,074	209,014	5,279	262,390
	Provision for Sindh Workers' Welfare Fund (SWWF)	(362)	(412)	(209)	(119)	(4,099)	(104)	(5,305)
	Net income for the quarter before taxation	9,959	20,610	10,471	5,955	204,915	5,175	257,085
	Taxation	-	-	-	-	-	-	-
	Net income for the quarter after taxation	9,959	20,610	10,471	5,955	204,915	5,175	257,085
Allocation of net income for the quarter after taxation								
	Net income for the quarter after taxation	9,959	20,610	10,471	5,955	204,915	5,175	257,085
	Income already paid on units redeemed	(716)	(1,944)	(8,376)	(143)	(5,671)	(431)	(17,281)
		9,243	18,666	2,095	5,812	199,244	4,744	239,804
Accounting income available for distribution								
	- Relating to capital gains	-	-	2,005	-	-	-	2,005
	- Excluding capital gains	9,243	18,666	90	5,812	199,244	4,744	237,799
		9,243	18,666	2,095	5,812	199,244	4,744	239,804
Earnings per unit								

18

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year ended 31 December 2020

	Half year ended 31 December 2020						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	(Rupees in '000)						
Net income for the period after taxation	13,605	34,304	4,591	9,824	138,651	7,244	208,219
Other comprehensive income for the period							
Items to be reclassified to income statement in subsequent periods:							
Unrealised loss on re-measurement of investments - classified at fair value through other comprehensive income	(6,903)	(18,179)	(2,943)	(5,442)	(47,998)	(3,285)	(84,750)
Total comprehensive income for the period	6,702	16,125	1,648	4,382	90,653	3,959	123,469

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the half year ended 31 December 2019

	Half year ended 31 December 2019				For the period from 13 Sept 2019 to 31 December 2019	For the period from 09 August 2019 to 31 December 2019	
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	(Rupees in '000)						
Net income for the period after taxation	18,226	46,693	18,762	12,266	231,943	6,420	334,310
Other comprehensive income for the period							
Items to be reclassified to income statement in subsequent periods:							
Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income	16,945	27,778	6,808	3,340	(5,384)	(996)	48,491
	16,945	27,778	6,808	3,340	(5,384)	(996)	48,491
Total comprehensive income for the period	<u>35,171</u>	<u>74,471</u>	<u>25,570</u>	<u>15,606</u>	<u>226,559</u>	<u>5,424</u>	<u>382,801</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended 31 December 2020

	Quarter ended 31 December 2020						Total
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	
	(Rupees in '000)						
Net income for the quarter after taxation	6,621	16,798	1,872	4,845	44,549	2,974	77,659
Other comprehensive income for the quarter							
Items to be reclassified to income statement in subsequent quarters:							
Unrealised loss on re-measurement of investments - classified at fair value through other comprehensive income	(2,082)	(6,474)	(652)	(2,515)	(8,699)	(716)	(21,138)
Total comprehensive income for the quarter	4,539	10,324	1,220	2,330	35,850	2,258	56,521

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended 31 December 2019

	Quarter ended 31 December 2019						Total
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	
	(Rupees in '000)						
Net income for the quarter after taxation	9,959	20,610	10,471	5,955	204,915	5,175	257,085
Other comprehensive income for the quarter							
Items to be reclassified to income statement in subsequent quarters:							
Unrealised gain / (loss) on re-measurement of investments - classified at fair value through other comprehensive income	5,474	12,201	1,455	1,350	(4,865)	(996)	14,619
	5,474	12,201	1,455	1,350	(4,865)	(996)	14,619
Total comprehensive income for the quarter	<u>15,433</u>	<u>32,811</u>	<u>11,926</u>	<u>7,305</u>	<u>200,050</u>	<u>4,179</u>	<u>271,704</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund

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

For the half year ended 31 December 2020

	Half year ended 31 December, 2020											
	USSP-I				USSP-II				USSP-III			
	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)			
Net assets at beginning of the period	313,268	664	17,021	330,953	700,054	1,516	41,574	743,144	111,736	5,371	5,373	122,480
Issuance of 0, 51,338 , 0, 0, 925,100 and 0 units												
- Capital value	-	-	-	-	5,495	-	-	5,495	-	-	-	-
- Element of income during the period												
- relating to other comprehensive income	-	-	-	-	-	-	(1)	(1)	-	-	-	-
- relating to net income for the period after taxation	-	-	-	-	7	-	-	7	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	5,502	-	(1)	5,501	-	-	-	-
Redemption of 169,725, 790,768, 425,287, 100,503, 31,374,479 and 301,376 units units												
- Capital value	(18,171)	-	-	(18,171)	(84,633)	-	-	(84,633)	(47,372)	-	-	(47,372)
- Element of income during the period												
- relating to other comprehensive income	-	-	119	119	-	-	831	831	-	-	644	644
- relating to net income for the period after taxation	-	(206)	-	(206)	(4)	(1,500)	-	(1,504)	-	(828)	-	(828)
Total payments on redemption of units	(18,171)	(206)	119	(18,258)	(84,637)	(1,500)	831	(85,306)	(47,372)	(828)	644	(47,556)
Total comprehensive income for the period	-	13,605	(6,903)	6,702	-	34,304	(18,179)	16,125	-	4,591	(2,943)	1,648
Distribution during the period												
- UBL Special Savings Plan I @ Rs. 2.1136 per unit paid on 25 December 2020	-	(6,175)	-	(6,175)	-	-	-	-	-	-	-	-
- UBL Special Savings Plan I @ Rs. 2.2616 per unit paid on 29 December 2020	-	(6,607)	-	(6,607)	-	-	-	-	-	-	-	-
- UBL Special Savings Plan II @ Rs. 2.337 per unit paid on 25 December 2020	-	-	-	-	-	(14,502)	-	(14,502)	-	-	-	-
- UBL Special Savings Plan II @ Rs. 2.913 per unit paid on 29 December 2020	-	-	-	-	-	(18,073)	-	(18,073)	-	-	-	-
- UBL Special Savings Plan III @ Rs. 1.9714 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	(1,329)	-	(1,329)
- UBL Special Savings Plan III @ Rs. 3.5286 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	(2,379)	-	(2,379)
- UBL Special Savings Plan IV @ Rs. 2.2931 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	-	-	-
- UBL Special Savings Plan IV @ Rs. 2.8492 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	-	-	-
- UBL Special Savings Plan V @ Rs. 1.7018 per unit paid on 22 July 2020	-	-	-	-	-	-	-	-	-	-	-	-
- UBL Special Savings Plan V @ Rs. 0.8152 per unit paid on 01 October 2020	-	-	-	-	-	-	-	-	-	-	-	-
- UBL Special Savings Plan VI @ Rs. 2.6466 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	-	-	-
- UBL Special Savings Plan VI @ Rs. 2.4031 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	823	(6,903)	(6,080)	-	1,729	(18,179)	(16,450)	-	883	(2,943)	(2,060)
Net assets at end of the period	295,097	1,281	10,237	306,615	620,919	1,745	24,225	646,889	64,364	5,426	3,074	72,864

UBL Special Savings Fund

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

For the half year ended 31 December 2020

	Half year ended 31 December, 2020															
	USSP-IV				USSP-V				USSP-VI				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	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)			
Net assets at beginning of the period	188,548	704	11,028	200,280	5,111,287	1,807	51,539	5,164,633	165,411	356	5,350	171,117	6,590,304	10,418	131,885	6,732,607
Issuance of 0, 51,338 , 0, 0, 925,100 and 0 units																
- Capital value	-	-	-	-	92,510	-	-	92,510	-	-	-	-	98,005	-	-	98,005
- Element of income during the period																
- relating to other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
- relating to net income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	7
Total proceeds on issuance of units	-	-	-	-	92,510	-	-	92,510	-	-	-	-	98,012	-	(1)	98,011
Redemption of 169,725, 790,768, 425,287, 100,503, 31,374,479 and 301,376 units units																
- Capital value	(10,675)	-	-	(10,675)	(3,170,311)	-	-	(3,170,311)	(31,127)	-	-	(31,127)	(3,362,289)	-	-	(3,362,289)
- Element of income during the period																
- relating to other comprehensive income	-	-	127	127	-	-	123	123	-	-	252	252	-	-	2,096	2,096
- relating to net income for the period after taxation	-	(221)	-	(221)	32,839	(237)	-	32,602	-	(398)	-	(398)	32,835	(3,390)	-	29,445
Total payments on redemption of units	(10,675)	(221)	127	(10,769)	(3,137,472)	(237)	123	(3,137,586)	(31,127)	(398)	252	(31,273)	(3,329,454)	(3,390)	2,096	(3,330,748)
Income already paid on units redeemed																
Total comprehensive income for the period	-	9,824	(5,442)	4,382	-	138,651	(47,998)	90,653	-	7,244	(3,285)	3,959	-	208,219	(84,750)	123,469
Distribution during the period																
- UBL Special Savings Plan I @ Rs. 2.1136 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,175)	-	(6,175)
- UBL Special Savings Plan I @ Rs. 2.2616 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,607)	-	(6,607)
- UBL Special Savings Plan II @ Rs. 2.337 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,502)	-	(14,502)
- UBL Special Savings Plan II @ Rs. 2.913 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,073)	-	(18,073)
- UBL Special Savings Plan III @ Rs. 1.9714 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,329)	-	(1,329)
- UBL Special Savings Plan III @ Rs. 3.5286 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,379)	-	(2,379)
- UBL Special Savings Plan IV @ Rs. 2.2931 per unit paid on 25 December 2020	-	(4,094)	-	(4,094)	-	-	-	-	-	-	-	-	-	(4,094)	-	(4,094)
- UBL Special Savings Plan IV @ Rs. 2.8492 per unit paid on 29 December 2020	-	(5,087)	-	(5,087)	-	-	-	-	-	-	-	-	-	(5,087)	-	(5,087)
- UBL Special Savings Plan V @ Rs. 1.7018 per unit paid on 22 July 2020	-	-	-	-	-	(86,945)	-	(86,945)	-	-	-	-	-	(86,945)	-	(86,945)
- UBL Special Savings Plan V @ Rs. 0.8152 per unit paid on 01 October 2020	-	-	-	-	-	(21,871)	-	(21,871)	-	-	-	-	-	(21,871)	-	(21,871)
- UBL Special Savings Plan VI @ Rs. 2.6466 per unit paid on 25 December 2020	-	-	-	-	-	-	-	-	-	(3,587)	-	(3,587)	-	(3,587)	-	(3,587)
- UBL Special Savings Plan VI @ Rs. 2.4031 per unit paid on 29 December 2020	-	-	-	-	-	-	-	-	-	(3,257)	-	(3,257)	-	(3,257)	-	(3,257)
Net income for the period less distribution	-	643	(5,442)	(4,799)	-	29,835	(47,998)	(18,163)	-	400	(3,285)	(2,885)	-	34,313	(84,750)	(50,437)
Net assets at end of the period	177,873	1,126	5,713	184,712	2,066,325	31,405	3,664	2,101,394	134,284	358	2,317	136,959	3,358,862	41,341	49,230	3,449,433

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2020

Undistributed income brought forward:

- Realised income
- Unrealised income

Accounting income available for distribution:

- Relating to capital gains
- Excluding capital gains

Distribution during the period

- UBL Special Savings Plan I @ Rs. 2.1136 per unit paid on 25 December 2020
- UBL Special Savings Plan I @ Rs. 2.2616 per unit paid on 29 December 2020
- UBL Special Savings Plan II @ Rs. 2.337 per unit paid on 25 December 2020
- UBL Special Savings Plan II @ Rs. 2.913 per unit paid on 29 December 2020
- UBL Special Savings Plan III @ Rs. 1.9714 per unit paid on 25 December 2020
- UBL Special Savings Plan III @ Rs. 3.5286 per unit paid on 29 December 2020
- UBL Special Savings Plan IV @ Rs. 2.2931 per unit paid on 25 December 2020
- UBL Special Savings Plan IV @ Rs. 2.8492 per unit paid on 29 December 2020
- UBL Special Savings Plan V @ Rs. 1.7018 per unit paid on 22 July 2020
- UBL Special Savings Plan V @ Rs. 0.8152 per unit paid on 01 October 2020
- UBL Special Savings Plan VI @ Rs. 2.6466 per unit paid on 25 December 2020
- UBL Special Savings Plan VI @ Rs. 2.4031 per unit paid on 29 December 2020

Undistributed income carried forward

Undistributed income carried forward comprise of:

- Realised income
- Unrealised income

Net assets value per unit at end of the period

				Half year ended 31 December, 2020							
USSP-I				USSP-II				USSP-III			
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)			
	664				1,516				5,371		
	664				1,516				5,371		
	12				715				408		
	13,387				32,089				3,355		
	13,399				32,804				3,763		
	(6,175)				-				-		
	(6,607)				-				-		
	-				(14,502)				-		
	-				(18,073)				-		
	-				-				(1,329)		
	-				-				(2,379)		
	-				-				-		
	-				-				-		
	-				-				-		
	-				-				-		
	-				-				-		
	1,281				1,745				5,426		
	1,281				1,745				5,426		
	-				-				-		
	1,281				1,745				5,426		
			(Rupees)				(Rupees)				(Rupees)
			104.9507				104.2680				108.0550

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2020

	Half year ended December, 2020											
	USSP-IV				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)				(Rupees in '000)				(Rupees in '000)			
Undistributed income brought forward:												
- Realised income		704				1,807				356		10,418
- Unrealised income		-				-				-		-
		<u>704</u>				<u>1,807</u>				<u>356</u>		<u>10,418</u>
Accounting income available for distribution:												
- Relating to capital gains		31				34,055				807		36,028
- Excluding capital gains		<u>9,572</u>				<u>104,359</u>				<u>6,039</u>		<u>168,801</u>
		9,603				138,414				6,846		204,829
Distribution during the period												
- UBL Special Savings Plan I @ Rs. 2.1136 per unit paid on 25 December 2020		-				-				-		(6,175)
- UBL Special Savings Plan I @ Rs. 2.2616 per unit paid on 29 December 2020		-				-				-		(6,607)
- UBL Special Savings Plan II @ Rs. 2.337 per unit paid on 25 December 2020		-				-				-		(14,502)
- UBL Special Savings Plan II @ Rs. 2.913 per unit paid on 29 December 2020		-				-				-		(18,073)
- UBL Special Savings Plan III @ Rs. 1.9714 per unit paid on 25 December 2020		-				-				-		(1,329)
- UBL Special Savings Plan III @ Rs. 3.5286 per unit paid on 29 December 2020		-				-				-		(2,379)
- UBL Special Savings Plan IV @ Rs. 2.2931 per unit paid on 25 December 2020		(4,094)				-				-		(4,094)
- UBL Special Savings Plan IV @ Rs. 2.8492 per unit paid on 29 December 2020		(5,087)				-				-		(5,087)
- UBL Special Savings Plan V @ Rs. 1.7018 per unit paid on 22 July 2020		-				(86,945)				-		(86,945)
- UBL Special Savings Plan V @ Rs. 0.8152 per unit paid on 01 October 2020		-				(21,871)				-		(21,871)
- UBL Special Savings Plan VI @ Rs. 2.6466 per unit paid on 25 December 2020		-				-				(3,587)		(3,587)
- UBL Special Savings Plan VI @ Rs. 2.4031 per unit paid on 29 December 2020		-				-				(3,257)		(3,257)
Undistributed income carried forward		<u>1,126</u>				<u>31,405</u>				<u>358</u>		<u>41,341</u>
Undistributed income carried forward comprise of:												
- Realised income		1,126				31,405				358		41,341
- Unrealised income		-				-				-		-
		<u>1,126</u>				<u>31,405</u>				<u>358</u>		<u>41,341</u>
			(Rupees)				(Rupees)				(Rupees)	
Net assets value per unit at end of the period			<u>103.4554</u>				<u>101.7056</u>				<u>101.0500</u>	

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2019

	Half year ended 31 December, 2019											
	USSP-I				USSP-II				USSP-III			
	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)			
Net assets 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
Issuance of 3000, 0, 16,067, 367,582, 67,255,991 and 2,135,978 units												
- Capital value	293	-	-	293	-	-	-	-	1,588	-	-	1,588
- Element of income during the period relating to other comprehensive income	-	-	9	9	-	-	-	-	-	-	35	35
relating to net income for the period after taxation	5	-	-	5	-	-	-	-	46	-	-	46
Total proceeds on issuance of units	298	-	9	307	-	-	-	-	1,634	-	35	1,669
Redemption of 984,454, 1,575,318, 1,268,063, 171,190, 1,909,421 and 225,273 units												
- Capital value	(96,089)	-	-	(96,089)	(153,454)	-	-	(153,454)	(125,362)	-	-	(125,362)
- Element of income during the period relating to other comprehensive income	-	-	(1,250)	(1,250)	-	-	(2,254)	(2,254)	-	-	(3,010)	(3,010)
relating to net income for the period after taxation	179	(1,291)	-	(1,112)	(1)	(4,113)	-	(4,114)	-	(8,469)	-	(8,469)
Total payments on redemption of units	(95,910)	(1,291)	(1,250)	(98,451)	(153,455)	(4,113)	(2,254)	(159,822)	(125,362)	(8,469)	(3,010)	(136,841)
Total comprehensive income for the period	-	18,226	16,945	35,171	-	46,693	27,778	74,471	-	18,762	6,808	25,570
Distribution during the period												
- UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019	(8)	(16,945)	(5)	(16,958)	-	-	-	-	-	-	-	-
- UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	(42,254)	-	(42,254)	-	-	-	-
- UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	(33)	(7,765)	(45)	(7,843)
- UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period less distribution	(8)	1,281	16,940	18,213	-	4,439	27,778	32,217	(33)	10,997	6,763	17,727
Net assets at end of the period	<u>375,629</u>	<u>126</u>	<u>4,034</u>	<u>379,789</u>	<u>771,994</u>	<u>1,350</u>	<u>870</u>	<u>774,214</u>	<u>144,094</u>	<u>2,468</u>	<u>818</u>	<u>147,380</u>

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2019

	Half year ended 31 December, 2019											
	USSP-I				USSP-II				USSP-III			
	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)			
Undistributed income brought forward:												
- Realised income		136				1,024				(60)		
- Unrealised income		-				-				-		
		<u>136</u>				<u>1,024</u>				<u>(60)</u>		
Accounting income available for distribution:												
- Relating to capital gains		-				-				2,005		
- Excluding capital gains		<u>16,935</u>				<u>42,580</u>				<u>8,288</u>		
		16,935				42,580				10,293		
Distribution during the period												
- UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019		(16,945)				-				-		
- UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019		-				(42,254)				-		
- UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019		-				-				(7,765)		
- UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019		-				-				-		
		<u>126</u>				<u>1,350</u>				<u>2,468</u>		
Undistributed income carried forward		<u>126</u>				<u>1,350</u>				<u>2,468</u>		
Undistributed income carried forward comprise of:												
- Realised income		126				1,350				2,468		
- Unrealised income		-				-				-		
		<u>126</u>				<u>1,350</u>				<u>2,468</u>		
				(Rupees)				(Rupees)				(Rupees)
Net assets value per unit at end of the period				<u>101.8609</u>				<u>100.7762</u>				<u>103.2961</u>

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2019

	Half year ended 31 December, 2019				For the period from 13 September 2019 to				For the period from 09 August 2019 to							
	USSP-IV				31 December 2019				31 December 2019				USSP-VI			
					USSP-V											
	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)			
Net assets at beginning of the period	183,380	(78)	(515)	182,787	-	-	-	-	-	-	-	-	1,847,933	1,022	(39,804)	1,809,151
Issuance of 3000, 0, 16,067, 367,582, 67,255,991 and 2,135,978 units																
- Capital value	36,636	-	-	36,636	6,725,599	-	-	6,725,599	213,597	-	-	213,597	6,977,713	-	-	6,977,713
- Element of income during the period relating to other comprehensive income relating to net income for the period after taxation	-	-	(76)	(76)	-	-	11,486	11,486	-	-	(27)	(27)	-	-	11,427	11,427
	259	-	-	259	40,202	-	-	40,202	2,406	-	-	2,406	42,918	-	-	42,918
Total proceeds on issuance of units	36,895	-	(76)	36,819	6,765,801	-	11,486	6,777,287	216,003	-	(27)	215,976	7,020,631	-	11,427	7,032,058
Redemption of 984,454, 1,575,318, 1,268,063, 171,190, 1,909,421 and 225,273 units																
- Capital value	(17,062)	-	-	(17,062)	(190,941)	-	-	(190,941)	(22,528)	-	-	(22,528)	(605,436)	-	-	(605,436)
- Element of income during the period relating to other comprehensive income relating to net income for the period after taxation	-	-	(40)	(40)	-	-	(352)	(352)	-	-	124	124	-	-	(6,782)	(6,782)
	-	(215)	-	(215)	(719)	(5,671)	-	(6,390)	(237)	(431)	-	(668)	(778)	(20,190)	-	(20,968)
Total payments on redemption of units	(17,062)	(215)	(40)	(17,317)	(191,660)	(5,671)	(352)	(197,683)	(22,765)	(431)	124	(23,072)	(606,214)	(20,190)	(6,782)	(633,186)
Income already paid on units redeemed																
Total comprehensive income for the period	-	12,266	3,340	15,606	-	231,943	(5,384)	226,559	-	6,420	(996)	5,424	-	334,310	48,491	382,801
Distribution during the period																
- UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(16,945)	(5)	(16,958)
- UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,254)	-	(42,254)
- UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(7,765)	(45)	(7,843)
- UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019	78	(10,976)	(259)	(11,157)	-	-	-	-	-	-	-	-	78	(10,976)	(259)	(11,157)
Net income for the period less distribution	78	1,290	3,081	4,449	-	231,943	(5,384)	226,559	-	6,420	(996)	5,424	37	256,370	48,182	304,589
Net assets at end of the period	203,291	997	2,450	206,738	6,574,141	226,272	5,750	6,806,163	193,238	5,989	(899)	198,328	8,262,387	237,202	13,023	8,512,612

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2019

Half year ended 31 December, 2019				For the period from 13 September 2019 to 31 December 2019				For the period from 09 August 2019 to 31 December 2019				Total			
USSP-IV				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	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)			
Undistributed income brought forward:															
- Realised income	(78)			-				-					1,022		
- Unrealised income	-			-				-					-		
	(78)			-				-					1,022		
Accounting income available for distribution:															
- Relating to capital gains	-			-				-					2,005		
- Excluding capital gains	12,051			226,272				5,989					312,115		
	12,051			226,272				5,989					314,120		
Distribution during the period															
- UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019	-			-				-					(16,945)		
- UBL Special Savings Plan II @ Rs. 5.5 per unit paid on 28 December 2019	-			-				-					(42,254)		
- UBL Special Savings Plan III @ Rs. 5.5 per unit paid on 28 December 2019	-			-				-					(7,765)		
- UBL Special Savings Plan IV @ Rs. 5.5 per unit paid on 28 December 2019	(10,976)			-				-					(10,976)		
Undistributed income carried forward	997			226,272				5,989					237,202		
Undistributed income carried forward comprise of:															
- Realised income	997			226,272				5,989					237,202		
- Unrealised income	-			-				-					-		
	997			226,272				5,989					237,202		
			(Rupees)				(Rupees)				(Rupees)				
Net assets value per unit at end of the period			101.8246				104.1549				103.7984				

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL Special Savings Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 31 December 2020

	Half year ended 31 December 2020						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the period before taxation	13,605	34,304	4,591	9,824	138,651	7,244	208,219
Adjustments:							
Profit on bank deposits and profit / return on investments calculated using the effective yeild method	(16,830)	(39,527)	(4,980)	(12,145)	(111,493)	(7,321)	(192,296)
Provision for Sindh Workers' Welfare Fund	272	687	92	197	2,773	145	4,166
Formation cost	190	-	-	-	-	-	190
Realised gain on sale of investments	(13)	(734)	(516)	(32)	(34,135)	(971)	(36,401)
	(16,381)	(39,574)	(5,404)	(11,980)	(142,855)	(8,147)	(224,341)
Net cash generated from operations before working capital changes	(2,776)	(5,270)	(813)	(2,156)	(4,204)	(903)	(16,122)
Working capital changes							
<i>(Increase) / decrease in assets</i>							
Investments	9,004	54,475	43,080	8,071	3,843,759	46,767	4,005,156
Deposits, prepayments and other receivables	(8)	(7)	(66)	(8)	(10)	(8)	(107)
Preliminary expenses and floatation cost	-	-	-	-	-	-	-
Advance tax	-	-	-	-	-	-	-
	8,996	54,468	43,014	8,063	3,843,749	46,759	4,005,049
<i>Increase / (decrease) in liabilities</i>							
Payable to the Management Company	(1,412)	(683)	(47)	413	(978)	(245)	(2,952)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(3)	(2)	(0)	(166)	(2)	(172)
Payable to Securities and Exchange Commission of Pakistan	(45)	(91)	(31)	(22)	(641)	(17)	(847)
Dividend payable	10,232	25,810	3,041	7,495	-	5,632	52,210
Accrued expenses and other payables	(2,051)	(2,257)	(496)	(646)	(44,962)	(15,302)	(65,714)
	6,724	22,776	2,465	7,240	(46,747)	(9,934)	(17,476)
Profits received during the period	12,241	27,880	5,044	7,228	90,009	5,545	147,947
Net cash generated from operating activities	25,185	99,854	49,710	20,375	3,882,807	41,467	4,119,398
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from issuance of units	-	5,501	-	-	92,510	-	98,011
Payments on redemption of units	(18,258)	(85,306)	(47,556)	(10,769)	(3,137,586)	(31,273)	(3,330,748)
Total distribution to unit holders	(12,782)	(32,575)	(3,709)	(9,181)	(108,816)	(6,844)	(173,907)
Net cash (used) in financing activities	(31,040)	(112,380)	(51,265)	(19,950)	(3,153,892)	(38,117)	(3,406,644)
Net (decrease) / increase in cash and cash equivalents	(5,855)	(12,526)	(1,555)	425	728,915	3,350	712,754
Cash and cash equivalents at beginning of the period	7,125	14,078	2,905	3,676	47,493	11,749	87,026
Cash and cash equivalents at end of the period	1,270	1,552	1,350	4,101	776,408	15,099	799,780

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 31 December 2019

	Half year ended 31 December 2019				For the period from 13 Sept 2019 to 31 December 2019	For the period from 09 August 2019 to 31 December 2019	
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the period before taxation	18,226	46,693	18,762	12,266	231,943	6,420	334,310
Adjustments:							
Profit on bank deposits and profit / return on investments calculated using the effective yield method	(25,811)	(52,713)	(17,272)	(13,914)	(242,671)	(7,782)	(360,163)
Provision for Sindh Workers' Welfare Fund	365	934	375	245	4,640	129	6,688
Formation cost	190	-	-	-	-	-	190
Realised loss / (gain) on sale of investments	3,823	226	(3,197)	57	602	501	2,012
	(21,433)	(51,553)	(20,094)	(13,612)	(237,429)	(7,152)	(351,273)
Net cash generated from operations before working capital changes	(3,207)	(4,860)	(1,332)	(1,346)	(5,486)	(732)	(16,963)
Working capital changes							
<i>(Increase) / decrease in assets</i>							
Investments	60,508	98,588	121,731	(55,867)	(6,033,033)	(184,448)	(5,992,521)
Deposits, prepayments and other receivables	(51)	22,123	173	9,882	(27)	(7)	32,093
Preliminary expenses and floatation cost	-	-	-	-	-	-	-
Advance tax	-	(69)	(76)	(1)	-	-	(146)
	60,457	120,642	121,828	(45,986)	(6,033,060)	(184,455)	(5,960,574)
<i>Increase / (decrease) in liabilities</i>							
Payable to the Management Company	608	937	(1,548)	37	3,803	661	4,498
Payable to Central Depository Company of Pakistan Limited - Trustee	(17)	(28)	(7)	(1)	394	11	352
Payable to Securities and Exchange Commission of Pakistan	(187)	(127)	4	11	360	12	73
Dividend payable	13,579	33,174	6,328	9,024	-	-	62,105
Accrued expenses and other payables	3,813	(21,166)	1,763	1,799	1,613	138	(12,040)
	17,796	12,790	6,540	10,870	6,170	822	54,988
Profits received during the period	18,826	39,504	16,756	8,015	230,713	3,343	317,157
Net cash generated from / (used in) operating activities	93,872	168,076	143,792	(28,447)	(5,801,663)	(181,022)	(5,605,392)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from issuance of units	294	-	1,591	36,638	6,777,287	215,976	7,031,786
Payments on redemption of units	(98,451)	(159,822)	(136,841)	(17,317)	(197,683)	(23,072)	(633,186)
Total distribution to unit holders	(16,945)	(42,254)	(7,765)	(10,976)	-	-	(77,940)
Net cash (used in) / generated from financing activities	(115,102)	(202,076)	(143,015)	8,345	6,579,604	192,904	6,320,660
Net (decrease) / increase in cash and cash equivalents	(21,230)	(34,000)	777	(20,102)	777,941	11,882	715,268
Cash and cash equivalents at beginning of the period	23,311	39,497	543	37,274	-	-	100,625
Cash and cash equivalents at end of the period	<u>2,081</u>	<u>5,497</u>	<u>1,320</u>	<u>17,172</u>	<u>777,941</u>	<u>11,882</u>	<u>815,893</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL Special Savings Fund

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

For the half year ended 31 December 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund (the Fund) was established under the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan ("SECP"). It was constituted under a Trust Deed, dated 19 October 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The Fund commenced its operations from 09 November 2018.

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

The Fund has been categorized by the Management Company as Capital protected fund. The Fund consists of six plans namely, UBL Special Savings Fund - Plan I ("USSP I"), UBL Special Savings Fund - Plan II ("USSP II"), UBL Special Savings Fund - Plan III ("USSP III"), UBL Special Savings Fund - Plan IV ("USSP IV"), UBL Special Savings Fund - Plan V ("USSP V") and UBL Special Savings Fund - Plan VI ("USSP VI") The investment objectives of each plan is as follows:

The "UBL Special Savings Plan-I (USSP-I)" shall be an open-end Capital Protected Fund that aims to not only provide its unit-holders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor. The Plan is due to mature on 27 December 2021.

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 Plan is due to mature on 04 April 2022.

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 Plan is due to mature on 18 June 2022.

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 Plan is due to mature on 05 August 2021.

The "UBL Special Savings Plan-V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from Commencement of Life of Plan. The Plan is due to mature on 19 November 2022.

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 Plan is due to mature on 23 October 2021.

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

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 31 December 2020 (31 December 2019: AM1) while the Fund is currently not rated.

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.

1.1 Impact of COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives. The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current condensed interim financial information of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual audited financial statements of the Fund as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2020.

2.2 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended 30 June 2020.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual audited financial statements as at and for the year ended 30 June 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements as at and for the year ended 30 June 2020.

6. BANK BALANCES

Note	31 December 2020 (Un-Audited)						
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
	(Rupees in '000)						
Savings accounts	1,270	1,552	1,350	4,101	776,400	15,099	799,772
Current accounts	-	-	-	-	8	-	8
	<u>1,270</u>	<u>1,552</u>	<u>1,350</u>	<u>4,101</u>	<u>776,408</u>	<u>15,099</u>	<u>799,780</u>
30 June 2020 (Audited)							
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
	(Rupees in '000)						
Saving accounts	7,125	14,078	2,905	3,676	47,484	11,749	87,017
Current accounts	-	-	-	-	9	-	9
	<u>7,125</u>	<u>14,078</u>	<u>2,905</u>	<u>3,676</u>	<u>47,493</u>	<u>11,749</u>	<u>87,026</u>

6.1 These carry profit rates ranging from 5.50% to 7.83% (30 June 2020: 6.50% to 8.50%) per annum.

7. INVESTMENTS

Note	31 December 2020 (Un-Audited)						
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
	(Rupees in '000)						
At fair value through other comprehensive income							
Government securities							
- Pakistan investment bonds	310,604	660,762	73,738	185,053	1,330,402	125,653	2,686,212
- Market treasury bills	-	-	-	-	-	-	-
	<u>310,604</u>	<u>660,762</u>	<u>73,738</u>	<u>185,053</u>	<u>1,330,402</u>	<u>125,653</u>	<u>2,686,212</u>
30 June 2020 (Audited)							
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
	(Rupees in '000)						
At fair value through other comprehensive income							
Government securities							
- Pakistan investment bonds	321,618	719,304	117,833	190,350	860,781	132,791	2,342,677
- Market treasury bills	-	-	-	3,067	4,289,842	40,129	4,333,038
	<u>321,618</u>	<u>719,304</u>	<u>117,833</u>	<u>193,417</u>	<u>5,150,623</u>	<u>172,920</u>	<u>6,675,715</u>

7.1 Investment in Government Securities - at fair value through other comprehensive income

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of	
		As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 December 2020			Total investments of plan	Net assets of the Plan
----- (Rupees in '000) -----								----- % -----	
Held by USSP I									
Pakistan investment bonds									
12 July 2018	3 years	220,000	-	10,000	210,000	206,730	210,060	67.63	68.51
12 July 2018	5 years	100,000	1,000	-	101,000	88,450	100,544	32.37	32.79
		320,000	1,000	10,000	311,000	295,180	310,604	100.00	101.30

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of	
		As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 December 2020			Total investments of plan	Net assets of the Plan
----- (Rupees in '000) -----								----- % -----	
Held by USSP II									
Pakistan investment bonds									
12 July 2018	3 years	523,000	-	54,500	468,500	457,225	468,634	70.92	72.44
12 July 2018	5 years	193,000	-	-	193,000	173,955	192,128	29.08	29.70
		<u>716,000</u>	<u>-</u>	<u>54,500</u>	<u>661,500</u>	<u>631,181</u>	<u>660,762</u>	<u>100.00</u>	<u>102.14</u>
Held by USSP III									
Pakistan investment bonds									
12 July 2018	3 years	57,000	-	42,000	15,000	14,745	15,004	20.35	20.59
12 July 2018	5 years	60,000	-	1,000	59,000	51,940	58,734	79.65	80.61
		<u>117,000</u>	<u>-</u>	<u>43,000</u>	<u>74,000</u>	<u>66,685</u>	<u>73,738</u>	<u>100.00</u>	<u>101.20</u>
Held by USSP IV									
Pakistan investment bonds									
12 July 2018	3 years	190,000	-	5,000	185,000	179,136	185,053	100.00	100.18
		<u>190,000</u>	<u>-</u>	<u>5,000</u>	<u>185,000</u>	<u>179,136</u>	<u>185,053</u>	<u>100.00</u>	<u>100.18</u>
Market treasury bills									
13 February 2020	1 year	3,200	-	3,200	-	-	-	-	-
		<u>3,200</u>	<u>-</u>	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held by USSP V									
Pakistan investment bonds									
12 July 2018	3 years	600,000	-	600,000	-	-	-	-	-
19 September 2019	3 years	175,000	-	-	175,000	171,650	178,049	13.38	8.47
19 September 2019	5 years	75,000	-	-	75,000	76,830	76,493	5.75	3.64
18 June 2020	3 years	-	1,075,000	-	1,075,000	1,078,442	1,075,860	80.87	51.20
		<u>850,000</u>	<u>1,075,000</u>	<u>600,000</u>	<u>1,325,000</u>	<u>1,326,922</u>	<u>1,330,402</u>	<u>100.00</u>	<u>63.31</u>
Market treasury bills									
10 October 2019	1 year	998,000	-	998,000	-	-	-	-	-
27 February 2020	1 year	250,000	-	250,000	-	-	-	-	-
26 March 2020	1 year	375,000	-	375,000	-	-	-	-	-
9 April 2020	6 months	92,000	-	92,000	-	-	-	-	-
23 April 2020	6 months	2,200,000	-	2,200,000	-	-	-	-	-
23 April 2020	1 year	375,000	-	375,000	-	-	-	-	-
18 June 2020	1 year	125,000	-	125,000	-	-	-	-	-
16 July 2020	1 year	-	75,000	75,000	-	-	-	-	-
16 July 2020	6 months	-	75,000	75,000	-	-	-	-	-
		<u>4,415,000</u>	<u>150,000</u>	<u>4,565,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held by USSP VI									
Pakistan investment bonds									
12 July 2018	3 years	81,000	8,000	-	89,000	87,105	89,026	70.85	65.00
19 September 2019	3 years	50,000	-	14,000	36,000	36,253	36,627	29.15	26.74
		<u>131,000</u>	<u>8,000</u>	<u>14,000</u>	<u>125,000</u>	<u>123,358</u>	<u>125,653</u>	<u>100.00</u>	<u>91.74</u>

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of	
		As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 December 2020			Total investments of plan	Net assets of the Plan
----- (Rupees in '000) -----							----- % -----		
Market treasury bills									
10 October 2019	1 year	22,000	-	22,000	-	-	-	-	-
26 March 2020	1 year	19,500	-	19,500	-	-	-	-	-
		41,500	-	41,500	-	-	-	-	-

8. PRELIMINARY EXPENSES AND FLOATATION COST

	31 December 2020 (Un-Audited)						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
	(Rupees in '000)						
Deferred formation cost at start of the period	512	-	-	-	-	-	512
Amortisation during the period	(190)	-	-	-	-	-	(190)
Unamortised formation cost at end of the period	<u>322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322</u>
	30 June 2020 (Audited)						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
	(Rupees in '000)						
Deferred formation cost at start of the year	890	-	-	-	-	-	890
Amortisation during the year	(378)	-	-	-	-	-	(378)
Unamortised formation cost at end of the year	<u>512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512</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 Public Offer (IPO), shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Deferred formation cost shall be borne by the Fund and amortised within the maturity of plan which is 36 months.

9. ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 151 of ITO 2001, which has been recorded as receivable from the Tax Department in this condensed interim financial information. Refund of these amounts have been / will be claimed while filing the Income Tax Return of the respective tax year(s) in which these were deducted. The management is confident that the same shall be duly refunded.

10. PAYABLE TO THE MANAGEMENT COMPANY

		31 December 2020 (Un-Audited)						
	Note	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)								
Management remuneration payable	10.1 & 10.2	304	656	73	185	201	137	1,556
Payable against formation cost		1,137	-	-	-	-	-	1,137
Sales load and other payables		115	519	307	81	31	105	1,158
Payable against selling and marketing expense	10.3 & 10.4	400	573	136	486	-	-	1,595
Payable against allocation of expenses relating to the fund	10.3 & 10.4	-	-	-	-	178	-	178
Others		-	-	-	-	-	-	-
		<u>1,956</u>	<u>1,748</u>	<u>516</u>	<u>752</u>	<u>410</u>	<u>242</u>	<u>5,624</u>

		30 June 2020 (Audited)						
	Note	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)								
Management remuneration payable	10.1 & 10.2	323	718	119	194	483	184	2,021
Payable against formation cost		1,137	-	-	-	-	-	1,137
Sales load and other payables		1,552	1,692	433	125	20	282	4,104
Payable against selling and marketing expense	10.3 & 10.4	355	-	-	-	-	-	355
Payable against allocation of expenses relating to the fund	10.3 & 10.4	-	-	-	-	874	-	874
Others		1	21	11	20	11	21	85
		<u>3,368</u>	<u>2,431</u>	<u>563</u>	<u>339</u>	<u>1,388</u>	<u>487</u>	<u>8,576</u>

- 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.
- 10.2** During the period ended 31 December 2020, the Management Company has charged remuneration at the rate of 1% and 0.1% (30 June 2020: 1% and 0.1%) per annum of average daily net assets of USSP I, USSP II, USSP III, USSP IV, USSP VI and USSP V respectively. This includes Sindh Sales Tax charged on management remuneration at the rate of 13% (30 June 2020: 13%) per annum.
- 10.3** SECP vide S.R.O. 639 (I)/2019 has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% and 0.4% per annum of average daily net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services and selling and marketing expenses respectively, provided total expense ratio remains within the allowed limit.
- 10.4** The Management Company is charging 0.1% per annum of the average daily net assets of USSP V on account of fee and expenses related to registrar services, accounting, operation and valuation services from 13 September 2019 and 0.4% per annum of the average daily net assets of USSP I on account of selling and marketing expense from 01 July 2019. During the period the management has revised the selling and marketing expense per annum of the average daily net assets with effect from 15 July 2020 which are as follows:

	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI
	%					
Selling and marketing expense till 14 July 2020	0.40	0.00	0.00	0.00	0.00	0.00
Selling and marketing expense from 15 July and onwards	0.50	0.33	0.70	1.00	0.00	0.00

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

		31 December 2020 (Un-Audited)						
	Note	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)								
Trustee remuneration	11.1	17	36	4	11	113	8	189
Sindh Sales Tax on Trustee remuneration	11.2	2	5	1	1	15	1	25
		<u>19</u>	<u>41</u>	<u>5</u>	<u>12</u>	<u>128</u>	<u>9</u>	<u>214</u>

Note	30 June 2020 (Audited)						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
	(Rupees in '000)						
Trustee remuneration	17	39	6	11	260	10	343
Sindh Sales Tax on Trustee remuneration	2	5	1	1	34	1	44
	<u>19</u>	<u>44</u>	<u>7</u>	<u>12</u>	<u>294</u>	<u>11</u>	<u>387</u>

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 is 0.06% (30 June 2020: 0.06%) per annum of average daily net assets.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) per annum on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the SRO 685(1)/2019 the Fund is required to pay annual fee to Securities and Exchange Commission of Pakistan an amount equal to 0.02% (30 June 2020: 0.02%) of average daily net assets.

13. ACCRUED EXPENSES AND OTHER PAYABLES

Note	31 December 2020 (Un-Audited)						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
	(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund (SWWF)	1,682	3,093	746	726	15,094	589	21,929
Auditors' remuneration payable	37	37	37	38	35	35	220
Withholding tax payable	2,550	6,763	675	1,686	161	1,212	13,047
Zakat deducted at source	48	580	14	73	-	39	754
Other payables	120	735	102	56	754	84	1,852
	<u>4,437</u>	<u>11,208</u>	<u>1,574</u>	<u>2,579</u>	<u>16,044</u>	<u>1,959</u>	<u>37,802</u>

Note	30 June 2020 (Audited)						Total
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
	(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund (SWWF)	1,409	2,410	655	529	12,321	443	17,767
Auditors' remuneration payable	49	49	49	50	29	40	266
Withholding tax payable	4,572	9,109	1,102	2,334	44,439	3192	64,748
Zakat deducted at source	50	580	14	73	0	39	756
Other payables	136	631	159	43	1,444	1,340	15,815
	<u>6,216</u>	<u>12,779</u>	<u>1,979</u>	<u>3,029</u>	<u>58,233</u>	<u>17,116</u>	<u>99,352</u>

13.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 13.1 to the annual audited financial statements for the year ended 30 June 2020.

The Fund has recognised provision for SWWF amounting to Rs. 0.272, Rs. 0.687, Rs. 0.092, Rs. 0.197, Rs. 2.773 and Rs. 0.197 million for USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI respectively. Had the provision not been provided for, net assets value per unit of the USSP I, USSP II, USSP III, USSP IV, USSP V and USSP VI would have been higher by Rs. 0.5757, Rs. 0.4985, Rs. 1.1063, Rs. 0.4066, Rs. 0.7305 and Rs. 0.4346 per unit respectively (30 June 2020 : USSP I Rs 0.4559 ,USSP II Rs 0.3472 ,USSP III Rs 0.5954, USSP IV Rs 0.2805, USSF V Rs 0.2411 and USSF VI Rs 0.2675).

14. CONTINGENCIES AND COMMITMENTS

Other than already disclosed in this condensed interim financial information, there are no contingencies and commitments outstanding as at 31 December 2020.

**15. PROFIT ON BANK DEPOSITS AND PROFIT / RETURN ON INVESTMENTS
CALCULATED USING THE EFFECTIVE INTEREST METHOD**

Half year ended 31 December 2020 (Un-Audited)						
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)						
Profits on:						
- Bank balances	172	186	119	215	1,957	3,265
- Pakistan investment bonds	16,658	39,341	4,861	11,926	73,932	153,199
- Market treasury bills	-	-	-	4	35,604	35,832
	<u>16,830</u>	<u>39,527</u>	<u>4,980</u>	<u>12,145</u>	<u>111,493</u>	<u>192,296</u>
Half year ended 31 December 2019 (Un-Audited)				For the period from 13 Sept 2019 to 31 December 2019	For the period from 09 August 2019 to 31 December 2019	Total
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	
(Rupees in '000)						
Profits on:						
- Bank balances	473	1,604	410	2,053	13,110	20,558
- Pakistan investment bonds	25,338	51,109	16,862	11,861	1,859	108,971
- Market treasury bills	-	-	-	-	227,702	230,634
	<u>25,811</u>	<u>52,713</u>	<u>17,272</u>	<u>13,914</u>	<u>242,671</u>	<u>360,163</u>
Quarter ended 31 December 2020 (Un-Audited)						
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)						
Profits on:						
- Bank balances	49	47	41	76	1,390	1,885
- Pakistan investment bonds	8,191	19,336	2,076	5,954	56,278	95,061
- Market treasury bills	-	-	-	-	2,060	2,060
	<u>8,240</u>	<u>19,383</u>	<u>2,117</u>	<u>6,030</u>	<u>59,728</u>	<u>99,006</u>
Quarter ended 31 December 2019 (Un-Audited)						
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)						
Profits on:						
- Bank balances	139	239	95	869	12,759	15,612
- Pakistan investment bonds	11,654	23,441	7,871	5,914	1,859	52,681
- Market treasury bills	-	-	-	-	199,726	202,658
	<u>11,793</u>	<u>23,680</u>	<u>7,966</u>	<u>6,783</u>	<u>214,344</u>	<u>270,951</u>

16. 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 intends to distribute more than ninety percent of the Fund's accounting income for the year ending 30 June 2021 as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly, no provision has been made in this condensed interim financial information.

17. TOTAL EXPENSE RATIO (TER)

The Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. As per S.R.O 639 (I)/2019, the limit towards expense ratio has been revised from 2% to 2.5% for Income, aggressive income, Capital protected, Index and Commodity Schemes (cash settled). The Total Expense Ratio limit is within the maximum limit as prescribed under the the NBFC Regulation 60(5) for a collective investment scheme. The Annualised Total Expense Ratio for the period ended 31 December 2020 are as follows:

		31 December 2020 (Un-Audited)					
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI
		----- % -----					
Total expense ratio		2.03	1.73	2.16	2.39	0.51	1.5
Government levy, SWWF and SECP fee		0.33	0.35	0.36	0.36	0.25	0.35
		31 December 2019 (Un-Audited)					
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI
		----- % -----					
Total expense ratio		1.95	1.46	1.56	1.52	0.45	1.35
Government levy, SWWF and SECP fee		0.34	0.38	0.43	0.39	0.24	0.33

18. 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.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed terms.

Details of transactions with related parties / connected persons and balances with them at the period end, 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
----- Transaction during the period ended 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
USSP I						
Purchase of securities	-	-	-	994	-	-
Sale of securities	-	-	-	-	-	-
Remuneration	1,613	-	97	-	-	-
Sindh sales tax on remuneration	210	-	12	-	-	-
Selling and marketing expense	794	-	-	-	-	-
----- Balances held as at 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Remuneration payable*	304	-	19	-	-	-
Sales load and other payables	115	26	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	400	-	-	-	-	-
* This balance is inclusive of Sindh Sales Tax.						
----- Transaction during the period ended 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
USSP II						
Sale of securities	-	-	-	18,993	-	-
Remuneration	3,534	-	212	-	-	-
Sindh sales tax on remuneration	459	-	28	-	-	-
Selling and marketing expense	1,072	-	-	-	-	-
----- Balances held as at 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Remuneration payable*	656	-	41	-	-	-
Payable against selling and marketing	573	-	-	-	-	-
Sales load and other payables	519	564	-	-	-	-
* This balance is inclusive of Sindh Sales Tax.						
----- Transaction during the period ended 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
USSP III						
Sale of securities	-	-	-	994	-	-
Dividend paid	-	-	-	-	-	-
Remuneration	463	-	28	-	-	-
Sindh sales tax on remuneration	60	-	3	-	-	-
Selling and marketing expense	291	-	-	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
-----Balances held as at 31 December 2020 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	-
Units held (Rupees in '000)	-	-	-	-	-	-
Remuneration payable*	73	-	5	-	-	-
Payable against selling and marketing	136	-	-	-	-	-
Sales load and other payables	307	43	-	-	-	-
Dividend payable	-	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP IV

-----Transaction during the period ended 31 December 2020 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Purchase of securities	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	1,963
Remuneration	988	-	59	-	-	-
Sindh sales tax on remuneration	128	-	8	-	-	-
Selling and marketing expense	911	-	-	-	-	-

-----Balances held as at 31 December 2020 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	856
Units held (Rupees in '000)	-	-	-	-	-	88,572
Remuneration payable*	185	-	12	-	-	-
Payable against selling and marketing	486	-	-	-	-	-
Sales load and other payables	81	11	-	-	-	-
Dividend payable	-	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP V

-----Transaction during the period ended 31 December 2020 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Units issued	-	-	-	-	-	91,140
Units redeemed	-	-	-	-	-	3,100,000
Sale of securities	-	-	-	1,073,936	-	-
Dividend paid	-	-	-	-	-	107,224
Remuneration	1,357	-	814	-	-	-
Sindh sales tax on remuneration	176	-	106	-	-	-
Reimbursement of expenses	1,357	-	-	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
-----Balances held as at 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units held (units in '000)	-	-	-	-	-	20,372
Units held (Rupees in '000)	-	-	-	-	-	2,071,917
Remuneration payable*	201	-	128	-	-	-
Sales load and other payables	31	15	-	-	-	-
Reimbursement of expenses	178	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP VI

-----Transaction during the period ended 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units issued	-	-	-	-	-	-
Purchase of securities	-	-	-	7,996	-	-
Sale of securities	-	-	-	36,142	-	-
Dividend paid	-	-	-	-	16	1,133
Remuneration	742	-	45	-	-	-
Sindh sales tax on remuneration	96	-	6	-	-	-
Profit on savings accounts	-	-	-	-	-	-

-----Balances held as at 31 December 2020 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units held (units in '000)	-	-	-	-	6	428
Units held (Rupees in '000)	-	-	-	-	606	43,262
Remuneration payable*	137	-	9	-	-	-
Sales load and other payables	105	58	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
-----Transaction during the period ended 31 December 2019 (Un-Audited) -----						
----- (Rupees in '000) -----						
Sale of securities	-	44,330	-	3,721	-	-
Remuneration	2,083	-	125	-	-	-
Sindh sales tax on remuneration	271	-	16	-	-	-
Selling and marketing expense	833	-	-	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- Balances held as at 30 June 2020 (Audited) -----						
	----- (Rupees in '000) -----					
Remuneration payable*	323	-	19	-	-	-
Sales load and other payables	1,553	27	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	355	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP II

----- Transaction during the period ended 31 December 2019 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Sale of securities	-	-	-	4,641	-	-
Remuneration	4,304	-	258	-	-	-
Sindh sales tax on remuneration	560	-	34	-	-	-

----- Balances held as at 30 June 2020 (Audited) -----						
	----- (Rupees in '000) -----					
Remuneration payable*	718	-	44	-	-	-
Sales load and other payables	1,713	564	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP III

----- Transaction during the period ended 31 December 2019 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Dividend paid	-	-	-	-	-	891
Remuneration	1,357	-	81	-	-	-
Sindh sales tax on remuneration	177	-	11	-	-	-

----- Balances held as at 30 June 2020 (Audited) -----						
	----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	293
Units held (Rupees in '000)	-	-	-	-	-	32,636
Remuneration payable*	119	-	7	-	-	-
Sales load and other payables	444	43	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP IV

----- Transaction during the period ended 31 December 2019 (Un-Audited) -----						
	----- (Rupees in '000) -----					
Purchase of securities	-	-	-	8,362	-	-
Dividend paid	-	-	-	-	-	4,709
Remuneration	1,054	-	63	-	-	-
Sindh sales tax on remuneration	137	-	8	-	-	-

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- Balances held as at 30 June 2020 (Audited) -----						
(Rupees in '000)						
Units held (units in '000)	-	-	-	-	-	856
Units held (Rupees in '000)	-	-	-	-	-	90,904
Remuneration payable*	194	-	12	-	-	-
Sales load and other payables	145	11	-	-	-	-
Deposit with CDC	-	-	69	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP V

----- Transaction during the period from 13 September 2019 to 31 December 2019 (Un-Audited) -----						
(Rupees in '000)						
Units issued	-	-	-	-	-	64,190
Units redeemed	-	-	-	-	-	1,642
Remuneration	1,800	-	1,080	-	-	-
Sindh sales tax on remuneration	234	-	140	-	-	-
Reimbursement of expenses	1,807	-	-	-	-	-

----- Balances held as at 30 June 2020 (Audited) -----						
(Rupees in '000)						
Units held (units in '000)	-	-	-	-	-	50,460
Units held (Rupees in '000)	-	-	-	-	-	5,098,857
Remuneration payable*	483	-	294	-	-	-
Sales load and other payables	31	15	-	-	-	-
Reimbursement of expenses	874	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

USSP VI

----- Transaction during the period from 9 August 2019 to 31 December 2019 (Un-Audited) -----						
(Rupees in '000)						
Units issued	-	-	-	-	6	-
Remuneration	602	-	35	-	-	-
Sindh sales tax on remuneration	78	-	5	-	-	-
Profit on savings accounts	-	-	-	-	-	-

----- Balances held as at 30 June 2020 (Audited) -----						
(Rupees in '000)						
Units held (units in '000)	-	-	-	-	6	159
Units held (Rupees in '000)	-	-	-	-	620	16,422
Remuneration payable*	184	-	11	-	-	-
Sales load and other payables	303	58	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

20. 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's accounting policy on fair value measurement of investment is disclosed in note 3.2 to the annual audited financial statement for the year ended 30 June 2020.

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

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

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

		31 December 2020 (Un-Audited)								
		USSP I								
On-balance sheet financial instruments		Carrying amount				Fair value				
		At fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	310,604	-	310,604	-	310,604	-	310,604
Financial assets not measured at fair value	20.2									
Bank balances		-	-	-	1,270	1,270				
Profits receivables		-	-	-	10,868	10,868				
Deposits and other receivables		-	-	-	5	5				
		-	-	-	12,143	12,143				
Financial liabilities not measured at fair value	20.2									
Payable to the Management Company		-	-	-	1,956	1,956				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	19	19				
Dividend payable		-	-	-	10,232	10,232				
Accrued expenses and other payables		-	-	-	2,755	2,755				
		-	-	-	14,962	14,962				

On-balance sheet financial instruments		USSP II					Fair value				
		Carrying amount			Amortised cost	Total	Level 1	Level 2	Level 3	Total	
		At fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income							
Note		(Rupees in '000)									
Financial assets measured at fair value		7	-	-	660,762	-	660,762	-	660,762	-	660,762
Investments											
Financial assets not measured at fair value		20.2									
Bank balances			-	-	-	1,552	1,552				
Profits receivables			-	-	-	23,261	23,261				
Deposits and other receivables			-	-	-	77	77				
			-	-	-	24,890	24,890				
Financial liabilities not measured at fair value		20.2									
Payable to the Management Company			-	-	-	1,748	1,748				
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	41	41				
Dividend payable			-	-	-	25,810	25,810				
Accrued expenses and other payables			-	-	-	8,115	8,115				
			-	-	-	35,714	35,714				

On-balance sheet financial instruments		USSP IV					Fair value			
		Carrying amount					Level 1	Level 2	Level 3	Total
		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				
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	185,053	-	185,053	-	185,053	-	185,053
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	4,101	4,101				
Profits receivables		-	-	-	6,330	6,330				
Deposits and other receivables		-	-	-	69	69				
		-	-	-	10,500	10,500				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	752	752				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	12				
Dividend payable		-	-	-	7,495	7,495				
Accrued expenses and other payables		-	-	-	1,853	1,853				
		-	-	-	10,112	10,112				
On-balance sheet financial instruments		USSP V					Fair value			
		Carrying amount					Level 1	Level 2	Level 3	Total
		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				
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	1,330,402	-	1,330,402	-	1,330,402	-	1,330,402
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	776,408	776,408				
Profits receivables		-	-	-	11,427	11,427				
Deposits and other receivables		-	-	-	-	-				
		-	-	-	787,835	787,835				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	410	410				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	128	128				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	950	950				
		-	-	-	1,488	1,488				

On-balance sheet financial instruments		USSP VI					Fair value			
		Carrying amount				Level 1	Level 2	Level 3	Total	
		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
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	125,653	-	125,653	-	125,653	-	125,653
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	15,099	15,099				
Profits receivables		-	-	-	4,056	4,056				
Deposits and other receivables		-	-	-	-	-				
		-	-	-	19,155	19,155				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	242	242				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	9	9				
Dividend payable		-	-	-	5,632	5,632				
Accrued expenses and other payables		-	-	-	1,370	1,370				
		-	-	-	7,253	7,253				
30 June 2020 (Audited)										
		USSP I								
On-balance sheet financial instruments		Carrying amount				Fair value				
		At fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	321,618	-	321,618	-	321,618	-	321,618
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	7,125	7,125				
Profits receivables		-	-	-	11,159	11,159				
Deposits and other receivables		-	-	-	5	5				
		-	-	-	18,289	18,289				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	3,368	3,368				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	19	19				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	4,807	4,807				
		-	-	-	8,194	8,194				

On-balance sheet financial instruments		USSP II					Fair value			
		Carrying amount			Amortised cost	Total	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income								
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	719,304	-	719,304	-	719,304	-	719,304
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	14,078	14,078				
Profits receivables		-	-	-	24,993	24,993				
Deposits and other receivables		-	-	-	77	77				
		-	-	-	39,148	39,148				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	2,431	2,431				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	44	44				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	10,369	10,369				
		-	-	-	12,844	12,844				
On-balance sheet financial instruments		USSP III					Fair value			
		Carrying amount			Amortised cost	Total	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income								
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	117,833	-	117,833	-	117,833	-	117,833
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	2,905	2,905				
Profits receivables		-	-	-	4,214	4,214				
Deposits and other receivables		-	-	-	5	5				
		-	-	-	7,124	7,124				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	563	563				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	7	7				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	1,324	1,324				
		-	-	-	1,894	1,894				

On-balance sheet financial instruments		USSP IV					Fair value			
		Carrying amount			Level 1	Level 2	Level 3	Total		
		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
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	193,417	-	193,417	-	193,417	-	193,417
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	3,676	3,676				
Profits receivables		-	-	-	6,531	6,531				
Deposits and other receivables		-	-	-	74	74				
		-	-	-	10,281	10,281				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	339	339				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	12				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	2,500	2,500				
		-	-	-	2,851	2,851				
On-balance sheet financial instruments		USSP V					Fair value			
		Carrying amount			Level 1	Level 2	Level 3	Total		
		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
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	5,150,623	-	5,150,623	-	5,150,623	-	5,150,623
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	47,493	47,493				
Profits receivables		-	-	-	27,344	27,344				
Deposits and other receivables		-	-	-	-	-				
		-	-	-	74,837	74,837				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	1,388	1,388				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	294	294				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	45,912	45,912				
		-	-	-	47,594	47,594				

On-balance sheet financial instruments		USSP VI					Fair value			
		Carrying amount				Level 1	Level 2	Level 3	Total	
		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
	Note	(Rupees in '000)								
Financial assets measured at fair value	7	-	-	172,920	-	172,920	-	172,920	-	172,920
Investments										
Financial assets not measured at fair value	20.2									
Bank balances		-	-	-	11,749	11,749				
Profits receivables		-	-	-	4,094	4,094				
Deposits and other receivables		-	-	-	-	-				
		-	-	-	15,843	15,843				
Financial liabilities not measured at fair value	20.2									
Payable to the Management Company		-	-	-	487	487				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11	11				
Dividend payable		-	-	-	-	-				
Accrued expenses and other payables		-	-	-	16,673	16,673				
		-	-	-	17,171	17,171				

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

Investments in Pakistan Investment Bonds, issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the PKRVs announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

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

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

21. DATE OF AUTHORIZATION FOR ISSUE

21.2 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on February 25, 2021

22. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

USSF II

UBL Special Savings Fund II

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 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	Yousuf Adil & Co., Chartered Accountants
Bankers	Soneri Bank Limited
Management Co.Rating	AM1 (VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

UBL SPECIAL SAVINGS FUND-II

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of UBL Special Savings Fund-II (the Fund) are of the opinion that UBL Fund Managers Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 18, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE UNITHOLDERS' OF UBL SPECIAL SAVINGS FUND II****Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL SPECIAL SAVINGS FUND II** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (herein-after referred to as the 'condensed interim financial information') for the half year then ended. The Management Company (**UBL Fund Managers Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim income statement, condensed interim statement of comprehensive income and related notes for the quarter ended December 31, 2020 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2020.

The engagement partner on the engagement resulting in this independent auditor's review report is Nadeem Yousuf Adil.


Chartered Accountants

Place: Karachi

Date: February 25, 2021

UBL SPECIAL SAVINGS FUND II
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020

		USSP VIII	
		(Un-audited)	(Audited)
		December 31,	June 30,
		2020	2020
Note	----- (Rupees in '000) -----		
ASSETS			
Bank balances	4	7,367	43,426
Investments - net	5	136,688	108,143
Mark-up receivable		2,347	2,918
Advance income tax	6	1,562	1,562
Preliminary expenses and floatation costs		448	853
Other receivable		9	8
Total assets		148,421	156,910
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	2,188	1,145
Payable to Central Depository Company of Pakistan Limited - Trustee	8	9	9
Payable to Securities and Exchange Commission of Pakistan	9	15	10
Accrued expenses and other payables	10	1,289	1,460
Total liabilities		3,501	2,624
Net Assets		144,920	154,286
Unit Holders' Fund (as per statement attached)		144,920	154,286
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of Units) -----	
Number of Units in Issue	12	1,422,888	1,517,331
		(Rupees)	
Net Asset Value Per Unit		101.8495	101.6827
Face Value Per Unit		100.0000	100.0000

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL SPECIAL SAVINGS FUND II
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		USSP VIII	
		Half year ended	Quarter ended
		December 31,	December 31,
		2020	2020
		---- (Rupees in '000) ----	
		Note	
INCOME			
Financial income		5,927	2,919
Loss on sale of investments - net		(544)	(544)
Total income		5,383	2,375
EXPENSES			
Remuneration of UBL Fund Managers Limited - Management Company	7.1	557	274
Sindh sales tax on Management Company's remuneration		72	35
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	50	24
Annual fee of Securities and Exchange Commission of Pakistan	9	15	7
Auditors' remuneration		237	119
Brokerage and settlement expenses		6	6
Allocated expenses	7.2	74	36
Legal and professional charges		95	48
Amortisation of preliminary expenses and floatation costs		406	204
Bank charges		3	1
Listing fees		14	(4)
Total expenses		1,529	750
Net operating income for the period		3,854	2,169
Provision for Sindh Workers' Welfare Fund	10.1	(76)	(32)
Net income for the period before taxation		3,778	2,137
Taxation	13	-	-
Net income for the period after taxation		3,778	2,137
Allocation of net income for the period			
- Net income for the period after taxation		3,778	2,137
- Income already paid on units redeemed		(76)	(45)
Net income for the period available for distribution		3,702	2,092
Net income for the period available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		3,702	2,092
		3,702	2,092
Earnings per unit	14		

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL SPECIAL SAVINGS FUND II
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	USSP VIII	
	Half year ended	Quarter ended
	December 31,	December 31,
	2020	2020
	---- (Rupees in '000) ----	
Net income for the period after taxation	3,778	2,137
Other comprehensive income for the period		
Items that will not be reclassified subsequently to income statement	-	-
Unrealised (loss) / gain on re-measurement of investments classified at fair value through other comprehensive income (FVOCI)	(2,075)	641
Total comprehensive income for the period	1,703	2,778

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL SPECIAL SAVINGS FUND II
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

USSP VIII				
Half year ended December 31, 2020				
Capital value	Undistributed (loss) / income	Unrealised diminution on re-measurement of investment classified as FVOCI	Total	
----- (Rupees in '000) -----				
Net assets at the beginning of the period	152,032	(247)	2,501	154,286
Total amount received on issuance of units	-	-	-	-
Amount paid on redemption of 94,443 units				
- Capital value	(9,603)	-	-	(9,603)
- Element of loss / (income)				
- relating to other comprehensive income for the period	103	-	-	103
- relating to net Income for the period after taxation	-	(76)	-	(76)
Total amount paid on redemption of units	(9,500)	(76)	-	(9,576)
Total comprehensive income for the period	-	3,778	(2,075)	1,703
Interim distribution during the period				
Rs. 1.0495 per unit paid on December 23, 2020	-	(1,493)	-	(1,493)
Net income for the period less distribution	-	2,285	(2,075)	210
Net assets at the end of the period	142,532	1,962	426	144,920
(Accumulated loss) / undistributed income brought forward comprising of:				
- Realised		(2,748)		
- Unrealised		2,501		
		(247)		
Net income for the period available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		3,702		
		3,702		
Interim distribution during the period		(1,493)		
Undistributed income carried forward		1,962		
Undistributed income carried forward comprising of:				
- Realised		1,962		
- Unrealised		-		
		1,962		
				(Rupees)
Net asset value per unit at the beginning of the period				101.6827
Net asset value per unit at the end of the period				101.8495

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL SPECIAL SAVINGS FUND II
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

		USSP VIII
		Half year ended
		December 31,
		2020
Note		(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
	Net income for the period before taxation	3,778
Adjustments for:		
	Financial income	(5,927)
	Loss on sale of investments - net	544
	Amortisation of preliminary expenses and floatation costs	406
	Provision for Sindh Workers' Welfare Fund	76
		(4,901)
	Cash used in operations before working capital changes	(1,123)
(Increase) / decrease in assets		
	Investments - net	23,404
	Other receivable	(1)
		23,403
Increase / (decrease) in liabilities		
	Payable to UBL Fund Managers Limited - Management Company	1,043
	Payable to Securities and Exchange Commission of Pakistan	5
	Accrued expenses and other payables	(625)
		423
	Cash generated from operations	22,703
	Mark-up received on bank balances	787
	Mark-up received on investments	5,711
	Net cash generated from operating activities	29,201
CASH FLOWS FROM FINANCING ACTIVITIES		
	Payments against redemption of units	(9,576)
	Dividend paid	(1,116)
	Net cash used in financing activities	(10,692)
	Net increase in cash and cash equivalents during the period	18,509
	Cash and cash equivalents at the beginning of the period	43,426
	Cash and cash equivalents at the end of the period	61,935
CASH AND CASH EQUIVALENTS		
	Bank balances	4 7,367
	Treasury bills - 3 months	5.2 54,568
		61,935

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL SPECIAL SAVINGS FUND II
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund II was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 17, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) for registration on June 19, 2019 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Fund commenced its operations from February 10, 2020.

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

The Fund is an open ended mutual fund. The Fund currently comprises of one plan namely, UBL Special Savings Plan VIII (USSP VIII) (the "Plan") which is listed on the Pakistan Stock Exchange Limited. The Plan is categorised as 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. Capital preservation is for the units held within Plan till thirty (30) months and beyond from commencement of Life of Plan.

Class A units are the capital preserved units which are issued in Pre-IPO, IPO and subscription period of the Plan. As per the first supplement to the offering document of the Fund dated December 4, 2019, the subscription period of the plan was for 60 days until April 3, 2020. The subscription period was extended to June 2, 2020 vide third supplement to the offering document dated March 30, 2020. Back end load is applicable after the subscription period until the completion of 30 months of life of the Plan.

VIS Credit Rating Company has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2020.

Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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) and requirements of the Trust Deed.

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

2.1.2 The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities on Mutual Funds.

2.1.3 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 period from February 10, 2020 to June 30, 2020.

- 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 December 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements as at and for the period from February 10, 2020 to June 30, 2020.
- 3.3 There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the period from February 10, 2020 to June 30, 2020.

		USSP VIII	
		(Un-audited)	(Audited)
		December 31,	June 30,
		2020	2020
Note		-----Rupees in '000-----	
4.	BANK BALANCES		
	In local currency:		
	- Saving accounts	4.1 <u>7,367</u>	<u>43,426</u>

- 4.1 Mark-up rates on these saving accounts range from 7% to 7.25% per annum (June 30, 2020: 7% to 9% per annum)

		USSP VIII	
		(Un-audited)	(Audited)
		December 31,	June 30,
		2020	2020
Note		-----Rupees in '000-----	
5.	INVESTMENTS		
	At fair value through other comprehensive income (FVOCI)		
	Government securities		
	- Pakistan Investment Bonds	5.1 <u>82,120</u>	<u>104,259</u>
	- Treasury bills	5.2 <u>54,568</u>	<u>3,884</u>
		<u>136,688</u>	<u>108,143</u>

5.1 Pakistan Investment Bonds

Pakistan Investment Bonds			USSP VIII								
Issue Date	Note	Tenor	At the beginning of the period	Face Value		As at December 31, 2020	Carrying Value as at December 31, 2020	Market value as at December 31, 2020	Unrealized Appreciation	Market value as a percentage of	
				Purchased during the period	Sold / Matured during the period					Total Investments	Net Assets
----- (Rupees in '000) -----											
September 19, 2019	5.1.1	3 Year	50,000	14,000	-	64,000	64,698	65,115	417	47.64%	44.93%
July 12, 2018	5.1.2	3 Year	-	17,000	-	17,000	16,997	17,005	8	12.44%	11.73%
September 19, 2019		5 Year	50,000	-	50,000	-	-	-	-	-	-
As at December 31, 2020 (Un-audited)			100,000	31,000	50,000	81,000	81,695	82,120	425	60.08%	56.66%
As at June 30, 2020 (Audited)			-	100,000	-	100,000	101,810	104,259	2,449	96.41%	67.57%

5.1.1 This Pakistan Investment Bonds carry coupon interest at the rate of 9.00% per annum.

5.1.2 This Pakistan Investment Bonds carry coupon interest at the rate of 7.25% per annum.

5.2 Treasury bills

		USSP VIII								
Issue date	Tenor	Face Value			As at December 31, 2020	Carrying Value as at December 31, 2020	Market value as at December 31, 2020	Unrealized Appreciation	Market value as a percentage of	
		At the beginning of the period	Purchased during the period	Sold / Matured during the period					Total Investments	Net Assets
		----- (Rupees in '000) -----								
December 5, 2019	1 Year	4,000	-	4,000	-	-	-	-	-	-
November 19, 2020	3 Months	-	55,000	-	55,000	54,567	54,568	1	39.92%	37.65%
As at December 31, 2020 (Un-audited)		4,000	55,000	4,000	55,000	54,567	54,568	1	39.92%	37.65%
As at June 30, 2020 (Audited)		-	104,000	100,000	4,000	3,832	3,884	52	3.59%	2.52%

6. ADVANCE INCOME TAX

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

7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

	Note	USSP VIII	
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees in '000-----	
Management fee (including Sindh Sales Tax thereagainst)	7.1	112	109
Allocated expenses payable	7.2	12	26
Payable against formation cost		1,010	1,010
Back end load payable		162	-
Dividend payable		892	-
		<u>2,188</u>	<u>1,145</u>

- 7.1 SECP vide S.R.O. 639 (I) / 2019 dated June 20, 2019, has amended Regulation 61 of NBFC Regulations whereby an Asset 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 current period, Management Company has charged management fee expenses of Rs. 0.557 million at the rate of 0.75% per annum of the average daily net assets of the Fund.

- 7.2 Allocated Expenses represents fee for registrar services, accounting, operations and valuation services. In accordance with Regulation 60 of the NBFC Regulations and SRO 639 dated June 20, 2019, the Management Company is entitled to charge expenses for registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Therefore, the Management Company can charge allocated expenses to the CIS based on its discretion provided the Total Expense Ratio (refer note 15) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

The Management Company has charged allocated expenses of Rs. 0.074 million related to registrar services, accounting, operations and valuation services during the period December 31, 2020 by charging allocated expense at the rate of 0.1% per annum of average daily net assets of 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, whereby the revised tariff is 0.065% of average daily net assets of the Fund.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of NBFC Regulations, a collective investment scheme classified as open end scheme is required to pay an amount equal to 0.02% of the average daily net assets of the Fund as annual fee to the SECP.

		USSP VIII	
		(Un-audited)	(Audited)
		December 31,	June 30,
		2020	2020
		-----Rupees in '000-----	
Note			
10. ACCRUED EXPENSES AND OTHER PAYABLES			
Auditors' remuneration payable		220	270
Brokerage expense payable		6	-
Legal and professional fee payable		155	97
Listing fee		41	28
Provision for Sindh Workers' Welfare Fund	10.1	192	117
Withholding tax payable		224	874
Dividend payable		377	-
Other payable		74	74
		1,289	1,460

10.1 Provision for Workers' Welfare Fund (WWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2020. The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP recommended its members to make provision for SWWF on prudence basis. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.1349 (June 30, 2020: Re. 0.0771).

There is no change in the status of the legal proceeding on this matter, details of which have been disclosed in note 13.1 to the annual audited financial statements for the period from February 10, 2020 to June 30, 2020.

11. CONTINGENCIES AND COMMITMENTS

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

		USSP VIII	
		(Un-audited)	(Audited)
		For the half	For the period
		year ended	from February
		December 31,	10, 2020 to
		2020	June 30, 2020
		-----Number of Units-----	
12. NUMBER OF UNITS IN ISSUE			
Total units in issue at the beginning of the period		1,517,331	-
Units issued during the period		-	1,686,380
Units redeemed during the period		(94,443)	(169,049)
Total units in issue at the end of the period		1,422,888	1,517,331

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 the form of cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute by way of cash dividend at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised 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 (TER)

On June 20, 2019, SECP wide SRO 639(I)/2019 has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. As per said amendments capping of expense ratio of the Fund is 2.5% of average net assets for the year.

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund for the period ended December 31, 2020 is 2.16% (June 30, 2020: 0.90%) which includes 0.23% (June 30, 2020: 0.14%) representing Government levies, Sindh Workers' Welfare Fund and SECP fee.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 16.1** Connected persons / related parties comprise 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), Directors and Officers of Management Company, persons having 10% or more beneficial ownership of the units of the Fund and other collective investment schemes managed by the Management Company.
- 16.2** Transactions with the connected persons are carried out at agreed / contracted rates.
- 16.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 16.5** Details of transactions with related parties / connected persons during the period and balances held with them at the half year ended December 31, 2020 are as follows:

Transactions during the period

Transactions during the period		USSP VIII			
		----- Half year ended December 31, 2020 (Un-audited) -----			
Management Company	Associated Companies	Trustee	Funds under Common Management	Directors and Key Executives	Other Connected entities / Related Parties
----- (Rupees in '000) -----					
Purchase of securities	-	-	25,431	-	-
Remuneration	557	-	50	-	-
Allocation of expenses relating to the Fund	74	-	-	-	-
Distributions	1,050	-	-	-	-
Balances held		----- As at December 31, 2020 (Un-audited) -----			
----- (Units in '000) -----					
Units held	1,000	-	-	-	-
----- (Rupees in '000) -----					
Units held	101,850	-	-	-	-
Remuneration payable	112	-	9	-	-
Allocated expenses payable	12	-	-	-	-
Payable against formation cost	1,010	-	-	-	-
Back end load payable	162	-	-	-	-
Dividend payable	892	-	-	-	-
Balances held		----- As at June 30, 2020 (Audited) -----			
----- (Units in '000) -----					
Units held	1,000	-	-	-	-
----- (Rupees in '000) -----					
Value of units held	101,683	-	-	-	-
Remuneration payable	109	-	9	-	-
Payable against allocated expenses	26	-	-	-	-
Formation Cost	1,010	-	-	-	-

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 other comprehensive income' 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.

As at December 31, 2020 (Un-audited)				
USSP VIII				
Fair value				
ASSETS	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through other comprehensive income				
Government securities				
- Pakistan Investment Bonds	-	82,120	-	82,120
- Treasury bills	-	54,568	-	54,568
	-	136,688	-	136,688
As at June 30, 2020 (Audited)				
USSP VIII				
Fair value				
ASSETS	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Government securities				
- Pakistan Investment Bonds	-	104,259	-	104,259
- Treasury bills	-	3,884	-	3,884
	-	108,143	-	108,143

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

18. IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

19. GENERAL

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

19.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed by auditors.

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2021 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